

REMARKS BY SENATOR HUBERT H. HUMPHREY
NATIONAL CONFERENCE OF STATEWIDE ELECTED OFFICIAL
WASHINGTON, D.C.

JUNE 18, 1975

It is a great pleasure for me to be with the members of the National Conference of Democratic State-wide Elected Officials at your first annual conference.

I salute your chairman, William Guste (pronounced GUST), the distinguished Attorney General of Louisiana, for his leadership in bringing together for the first time such an outstanding group of public officials.

As Democrats, you serve the people of your respective states in a wide variety of ways, filling a range of vital positions -- lieutenant governors, attorney generals, state treasurers, comptrollers, auditors, and commissioners of agriculture, for example.

For years we have welcomed the National Governors' Conference to Washington. Now we are pleased that the rest of the state administrators are paying us a visit.

I always have said that if people want to understand American politics, they had better get out of Washington -- out to the states where the real battles are won or lost. And it makes equally good sense to listen to the men and women, like yourselves, who are in the thick of those battles, every day of the year.

I intend to listen carefully to what you say. And the Democratic Party, in my view, would be well advised to do the same.

Because you run for state-wide office and because you serve a state-wide constituency, you bring to this conference a rare combination of governing experience and political insight.

Your reports on what most concerns the American people today -- what the people rightfully expect from their government -- should be critically important in building a winning Democratic coalition in 1976.

I'm talking about a campaign that features the common sense and political wisdom of Democrats at the state and local level -- as it is reflected in the national party platform -- and as it is enunciated by the Democratic presidential nominee.

I've never quite recovered from the extraordinary experience of serving as the elected mayor of Minneapolis. And I'm equally proud of my years as Vice President of the United States serving as the liaison between the Johnson-Humphrey Administration and the states and localities.

I understand and appreciate the vital role you perform in making our democratic system of government work. That's why your active involvement and support is essential if the Democrats hope to recapture the White House in 1976.

While it is true that you at the state level are closer to the day-to-day problems of American government, it also is true that your ability to solve these problems is profoundly affected by federal policy.

I know this: You are getting precious little help from the federal government, regardless of the traditional Republican

rhetoric about helping state and local governments.

We hear a lot of talk about revenue sharing, bloc grants and the like. But the reality has been impounded funds and program cut-backs that leave most state administrations strapped for the resources they need to deliver basic services to their citizens.

But this really isn't surprising. I've been around Washington more than a few years. I've heard more than one Republican President talk about sending power and authority back to the states.

And I've seen one Republican President after another cripple the programs and deny the financial support that states all too often need if they are to meet the needs of people.

What happened under the Nixon Administration and what is happening today under President Ford is exactly what happened when President Eisenhower and his Secretary of the Treasury George Humphrey were in charge: The country stands still, the needs of people are ignored, and the President tries to blame Congress for everything from inflation and unemployment to the Dutch Elm disease.

I often wonder what President Ford has in mind when he compares himself to Harry S. Truman. Both were Presidents, but their philosophies of government could not be more different.

President Truman spent his life battling against the "do nothing" philosophy that is at the heart of the Ford Administration.

President Truman believed in getting things done -- Gerald Ford specializes in stopping things from happening. Truman used the power of his office to meet human needs -- Ford does exactly the opposite.

Given his gift for the pungent phrase, it is hard to imagine what Harry Truman would say about being compared to a conservative, do-nothing, Republican President.

But Harry Truman would find the words and every American, especially Gerald Ford, would know exactly what he meant.

I strongly suspect that Harry Truman also would have something to say about the current Republican economic program that seemingly is comprised of equal parts of callousness and incompetence.

As a member and now chairman of the Joint Economic Committee, I have spent hundreds of hours attempting to understand what the Republican Administration has in mind when it talks about economic recovery.

I am as confused today by the Republican economic program as I was six years ago when Richard Nixon sat down in the Oval Office.

In case you have forgotten, the Republicans in 1969 inherited an economy where unemployment stood at 3.3 percent. Today, six years later, it stands at 9.2 percent, and is moving upward.

But you ask: What about inflation under the Democrats? Well, in 1968 -- the last year of the Johnson-Humphrey Administration

-- inflation rose by 4.7 percent. That compares to the 12.2 percent increase produced by Republican economic policies in 1974.

It comes to this: six years of Republican economics have managed nearly to triple both unemployment and inflation. That is a monument to economic incompetence seldom before equalled in American history.

But how can we blame President Ford for this economic mess? Didn't he inherit most of it from his predecessor, Richard Nixon?

I think we were all impressed -- and relieved -- by Mr. Ford's initial willingness to examine the nation's serious economic problems with candor and frankness.

He convened and attended the sessions of the economic summit last fall. He dismantled and threw away the "good news machine" in the Nixon White House that inevitably cranked out rosey predictions in the face of economic disaster.

For a brief period, we were able to talk honestly and frankly with the President about the grave economic problems that faced us.

Then, for reasons that I yet have been unable to understand, President Ford came before the Congress with some of the most misguided and downright foolish economic proposals ever to come from a Republican President -- and from that moment until this President Ford has adopted the same policies and expressed the same attitudes that got us into our economic mess in the first place.

With the recession deepening every day and with unemployment bound to grow critically worse, Mr. Ford came forward with the proposal that we should increase everyone's taxes by five percent. That's like telling a person deathly ill with pneumonia that what he really needs is a long walk in the rain -- barefoot.

Instead of proposing a sensible economic program to stop the recession, President Ford asked us to wear WIN buttons and clean our plates.

And I'll tell you this: If Congress had gone along with President Ford, unemployment today would be over 11 percent, instead of the 9.2 percent reported two weeks ago.

But Congress did not go along. We had enough good sense simply to ignore the President's new economic program.

But is that the whole story? By no means. Because President Ford and his advisers so seriously misread the economic situation last fall, six critical months were lost in launching a counter-offensive that could bring the recession to an end and initiate an economic recovery.

Even as late as December 11, 1974, the President could say to a group of business leaders: "If there are many among you who want me to take a 180-degree turn from inflation fighting to recessionary pump priming, they will be disappointed."

So I say that President Ford has no one but himself to blame for the highest unemployment in 35 years.

The record of the Ford Administration's economic incompetence speaks for itself.

In late October of 1974, Alan Greenspan, Chairman of the Council of Economic Advisers, told us that unemployment might actually reach 6.5 percent by mid-1975.

Ten days later -- in mid-November -- unemployment reached 6.5 percent.

In December, Mr. Greenspan came forward again to announce that unemployment might hit something over 7 percent in mid-1975.

Two weeks later unemployment reached 7.2 percent.

In January of 1975, Mr. Greenspan checked his computers and announced that unemployment would rise to between 7.5 percent and 8 percent by late 1975.

In February unemployment jumped to 8.2 percent.

And today, with unemployment standing at a 35-year high of 9.2 percent, President Ford comes forward to tell us how pleased he is with the economic progress that has been achieved during his administration.

A President who pledged a new candor and openness in the conduct of his office has now fallen into the trap of justifying his terribly misguided and foolish economic policies by assuring us that things will be better tomorrow -- that the worst is surely behind us -- that we should only trust his judgment and the wisdom of his advisers.

We have learned over the past six years that trust must be based on deeds -- not promises. And on the basis of deeds, the Republican administration of Gerald Ford is in very serious trouble.

Our present recession is more than twice as deep as any post-war recession.

The recent declines in our Gross National Product have idled about \$200 billion of our annual productive capacity, a truly staggering waste of human and material resources.

American industry today is operating at only two-thirds of its capacity.

This drop in economic output has brought about a corresponding drop in wages and profits and, as a consequence, a sharp drop in government tax revenues -- federal, state, and local -- and a sharp increase in emergency economic expenditures.

Representative William S. Moorhead, chairman of the Subcommittee for Urban Affairs of the Joint Economic Committee, has just completed a special survey of the recession's impact on state and local governments.

He discovered that in the midst of a near-depression, state and local governments are being forced to enact \$3.6 billion in tax increases, carry out \$3.3 billion in service cutbacks, and delay about \$1 billion in capital construction.

This adds up to \$8 billion being taken out of the economy at the same time that the federal government is injecting \$22.8 billion into the economy through tax reductions.

At the federal level, more than \$60 billion of the \$68 billion deficit forecast for next year is due entirely to the recession -- a combination of reduced tax receipts and higher federal payments for unemployment compensation, food stamps, and the like.

These are some of the cold statistics that describe our present economic crisis. But how do you measure the more human, personal costs that millions of Americans have been forced to

accept because of this deliberately-induced Republican recession?

What is the human cost of unemployment? What is the price tag you put on the message that your productive services are no longer needed?

What is the human and social cost of the bankruptcy of thousands of small businesses and farms? What is the long-term cost to our society -- to our communities -- to our neighborhoods?

What is the cost of children who were unable to complete their education? Or graduates who were unable to find productive work?

And what is the human and social cost of the millions of young people, especially those living in urban centers, and women and minority groups and older people who bear the heaviest burden of unemployment in these difficult times?

What can the President's cheery words about the economic progress of his administration mean to them?

These are costs that no society can afford to tolerate for a moment -- because these costs involve the sacrifice of the one commodity which no society can afford to lose -- the productivity and talent of its citizens.

You properly ask: What can we do about it?

I may not have all the answers, but I believe the Joint Economic Committee was on target this spring when it recommended a comprehensive package of emergency economic measures designed to end the recession and reduce unemployment at a far more rapid pace than the one recommended by President Ford.

In brief, we recommended:

- A tax reduction totalling \$32 to \$35 billion.
- Continued full operation of cost-of-living adjustments in federal income support programs, such as social security and food stamps.
- An increase in the maximum weekly unemployment benefit to two-thirds of the average wage in each state, with individuals receiving at least 50 percent of their previous weekly wage, up to the maximum.
- Anti-recession grants to state and local governments. These grants should be on the order of \$1 billion for each percentage point by which unemployment exceeds four percent.
- An expansion of public service jobs, the size of the program to vary with the rate of unemployment -- from 500,000 jobs when unemployment averages 6 percent to a maximum of 1 million jobs at unemployment rates of 8 percent or more.
- Enactment of a mortgage subsidy program for low, moderate and middle income families to reduce interest payments to a level not to exceed six percent.

These are the highlights of a program designed to restore the health and vitality of our nation's economy. In order to guard against a new round of inflation, the Joint Economic Committee

designed these programs to shut down automatically as unemployment drops below 6 percent.

We also stressed the importance of assessing the impact of economic policies on regions, states, and localities. We urged that executive and legislative proposals should be accompanied by an analysis of their effect on employment, output, and prices within regions and areas within regions, and that we must be prepared to provide adjustment assistance to areas that suffer particularly adverse economic consequences.

I must say frankly that Congress has not followed all of these recommendations, even though Congress has been far more responsible -- and responsive -- than the President in fighting the present recession.

But I pledge to you that I will do everything in my power to see that the full recovery program designed by the Joint Economic Committee is acted on in this session of Congress.

I am not one of a so-called new breed of politicians who seem to take pride in selling America short.

I know what this country can accomplish when its full productive resources are put to work.

For almost eight years this country has been running on four, or perhaps it is only two cylinders. People today are on the verge of forgetting what it is like to live in a United States that is fully employed and hard at work.

Well, I haven't forgotten. And you haven't forgotten. Nor have most Democratic members of Congress.

So our job in the next weeks and months is to remind the American people of the absolute importance of bringing about a full economic recovery as rapidly as we can.

It is time we put American back to work.

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NATIONAL CONFERENCE OF DEMOCRATIC STATE-WIDE ELECTED OFFICIALS

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IT IS A GREAT PLEASURE FOR ME TO BE WITH THE MEMBERS OF
THE NATIONAL CONFERENCE OF DEMOCRATIC STATE-WIDE ELECTED OFFICIALS
AT YOUR FIRST ANNUAL CONFERENCE.

I SALUTE YOUR CHAIRMAN, WILLIAM GUSTE (PRONOUNCED GUST),
THE DISTINGUISHED ATTORNEY GENERAL OF LOUISIANA, FOR HIS
LEADERSHIP IN BRINGING TOGETHER FOR THE FIRST TIME SUCH AN
OUTSTANDING GROUP OF PUBLIC OFFICIALS.

AS DEMOCRATS, YOU SERVE THE PEOPLE OF YOUR RESPECTIVE
STATES IN A WIDE VARIETY OF WAYS, FILLING A RANGE OF VITAL
POSITIONS -- LIEUTENANT GOVERNORS, ATTORNEYS GENERAL~~S~~, STATE
TREASURERS, COMPTROLLERS, AUDITORS, AND COMMISSIONERS OF
AGRICULTURE, FOR EXAMPLE.

FOR YEARS WE HAVE WELCOMED THE NATIONAL GOVERNORS' CONFERENCE TO WASHINGTON. NOW WE ARE PLEASED THAT THE REST OF THE STATE ADMINISTRATORS ARE PAYING US A VISIT.

I ALWAYS HAVE SAID THAT IF PEOPLE WANT TO UNDERSTAND AMERICAN POLITICS, THEY HAD BETTER GET OUT OF WASHINGTON -- OUT TO THE STATES WHERE THE REAL BATTLES ARE WON OR LOST. AND IT MAKES EQUALLY GOOD SENSE TO LISTEN TO THE MEN AND WOMEN, LIKE YOURSELVES, WHO ARE IN THE THICK OF THOSE BATTLES, EVERY DAY OF THE YEAR.

I INTEND TO LISTEN CAREFULLY TO WHAT YOU SAY. AND THE DEMOCRATIC PARTY, IN MY VIEW, WOULD BE WELL ADVISED TO DO THE SAME.

BECAUSE YOU RUN FOR STATE-WIDE OFFICE AND BECAUSE YOU SERVE A STATE-WIDE CONSTITUENCY, YOU BRING TO THIS CONFERENCE A RARE COMBINATION OF GOVERNING EXPERIENCE AND POLITICAL INSIGHT.

YOUR REPORTS ON WHAT MOST CONCERNS THE AMERICAN PEOPLE
TODAY -- WHAT THE PEOPLE RIGHTFULLY EXPECT FROM THEIR GOVERNMENT
-- SHOULD BE CRITICALLY IMPORTANT IN BUILDING A WINNING DEMOCRATIC
COALITION IN 1976.

I'M TALKING ABOUT A CAMPAIGN THAT FEATURES THE COMMON
SENSE AND POLITICAL WISDOM OF DEMOCRATS AT THE STATE AND LOCAL
LEVEL -- AS IT IS REFLECTED IN THE NATIONAL PARTY PLATFORM -- AND
AS IT IS ENUNCIATED BY THE DEMOCRATIC PRESIDENTIAL NOMINEE.

I'VE NEVER QUITE RECOVERED FROM THE EXTRAORDINARY EXPERIENCE
OF SERVING AS THE ELECTED MAYOR OF MINNEAPOLIS. AND I'M EQUALLY
PROUD OF MY YEARS AS VICE PRESIDENT OF THE UNITED STATES SERVING
AS THE LIAISON BETWEEN THE JOHNSON-HUMPHREY ADMINISTRATION AND
THE STATES AND LOCALITIES.

I UNDERSTAND AND APPRECIATE THE VITAL ROLE YOU PERFORM
IN MAKING OUR DEMOCRATIC SYSTEM OF GOVERNMENT WORK. THAT'S WHY
YOUR ACTIVE INVOLVEMENT AND SUPPORT IS ESSENTIAL IF THE DEMOCRATS
HOPE TO RECAPTURE THE WHITE HOUSE IN 1976.

WHILE IT IS TRUE THAT YOU AT THE STATE LEVEL ARE CLOSER
TO THE DAY-TO-DAY PROBLEMS OF AMERICAN GOVERNMENT, IT ALSO IS
TRUE THAT YOUR ABILITY TO SOLVE THESE PROBLEMS IS PROFOUNDLY
AFFECTED BY FEDERAL POLICY.

I KNOW THIS: YOU ARE GETTING PRECIOUS LITTLE HELP FROM
THE FEDERAL GOVERNMENT, REGARDLESS OF THE TRADITIONAL REPUBLICAN
RHETORIC ABOUT HELPING STATE AND LOCAL GOVERNMENTS.

WE HEAR A LOT OF TALK ABOUT REVENUE SHARING, BLOC GRANTS AND THE LIKE. BUT THE REALITY HAS BEEN IMPOUNDED FUNDS AND PROGRAM CUT-BACKS THAT LEAVE MOST STATE ADMINISTRATIONS STRAPPED FOR THE RESOURCES THEY NEED TO DELIVER BASIC SERVICES TO THEIR CITIZENS.

BUT THIS REALLY ISN'T SURPRISING. I'VE BEEN AROUND WASHINGTON MORE THAN A FEW YEARS. I'VE HEARD MORE THAN ONE REPUBLICAN PRESIDENT TALK ABOUT SENDING POWER AND AUTHORITY BACK TO THE STATES.

AND I'VE SEEN ONE REPUBLICAN PRESIDENT AFTER ANOTHER CRIPPLE THE PROGRAMS AND DENY THE FINANCIAL SUPPORT THAT STATES ALL TOO OFTEN NEED IF THEY ARE TO MEET THE NEEDS OF PEOPLE.

WHAT HAPPENED UNDER THE NIXON ADMINISTRATION AND WHAT IS HAPPENING TODAY UNDER PRESIDENT FORD IS EXACTLY WHAT HAPPENED WHEN PRESIDENT EISENHOWER AND HIS SECRETARY OF THE TREASURY GEORGE HUMPHREY WERE IN CHARGE: THE COUNTRY STANDS STILL, THE NEEDS OF PEOPLE ARE IGNORED, AND THE PRESIDENT TRIES TO BLAME CONGRESS FOR EVERYTHING FROM INFLATION AND UNEMPLOYMENT TO THE DUTCH ELM DISEASE.

I OFTEN WONDER WHAT PRESIDENT FORD HAS IN MIND WHEN HE COMPARES HIMSELF TO HARRY S. TRUMAN. BOTH WERE PRESIDENTS, BUT THEIR PHILOSOPHIES OF GOVERNMENT COULD NOT BE MORE DIFFERENT.

PRESIDENT TRUMAN SPENT HIS LIFE BATTLING AGAINST THE "DO NOTHING" PHILOSOPHY THAT IS AT THE HEART OF THE FORD ADMINISTRATION.

PRESIDENT TRUMAN BELIEVED IN GETTING THINGS DONE -- GERALD FORD SPECIALIZES IN STOPPING THINGS FROM HAPPENING. TRUMAN USED THE POWER OF HIS OFFICE TO MEET HUMAN NEEDS -- FORD DOES EXACTLY THE OPPOSITE.

GIVEN HIS GIFT FOR THE PUNGENT PHRASE, IT IS HARD TO IMAGINE WHAT HARRY TRUMAN WOULD SAY ABOUT BEING COMPARED TO A CONSERVATIVE, DO-NOTHING, REPUBLICAN PRESIDENT.

BUT HARRY TRUMAN WOULD FIND THE WORDS AND EVERY AMERICAN, ESPECIALLY GERALD FORD, WOULD KNOW EXACTLY WHAT HE MEANT.

I STRONGLY SUSPECT THAT HARRY TRUMAN ALSO WOULD HAVE SOMETHING TO SAY ABOUT THE CURRENT REPUBLICAN ECONOMIC PROGRAM THAT SEEMINGLY IS COMPRISED OF EQUAL PARTS OF CALLOUSNESS AND INCOMPETENCE.

AS A MEMBER AND NOW CHAIRMAN OF THE JOINT ECONOMIC COMMITTEE,
I HAVE SPENT HUNDREDS OF HOURS ATTEMPTING TO UNDERSTAND WHAT THE
REPUBLICAN ADMINISTRATION HAS IN MIND WHEN IT TALKS ABOUT ECONOMIC
RECOVERY.

I AM AS CONFUSED TODAY BY THE REPUBLICAN ECONOMIC PROGRAM
AS I WAS SIX YEARS AGO WHEN RICHARD NIXON SAT DOWN IN THE OVAL
OFFICE.

IN CASE YOU HAVE FORGOTTEN, THE REPUBLICANS IN 1969
INHERITED AN ECONOMY WHERE UNEMPLOYMENT STOOD AT 3.3 PERCENT.
TODAY, SIX YEARS LATER, IT STANDS AT 9.2 PERCENT, AND IS MOVING
UPWARD.

BUT YOU ASK: WHAT ABOUT INFLATION UNDER THE DEMOCRATS?

WELL, IN 1968 -- THE LAST YEAR OF THE JOHNSON-HUMPHREY ADMINISTRATION -- INFLATION ROSE BY 4.7 PERCENT. THAT COMPARES TO THE 12.2 PERCENT INCREASE PRODUCED BY REPUBLICAN ECONOMIC POLICIES IN 1974.

IT COMES TO THIS: SIX YEARS OF REPUBLICAN ECONOMICS HAVE MANAGED NEARLY TO TRIPLE BOTH UNEMPLOYMENT AND INFLATION. THAT IS A MONUMENT TO ECONOMIC INCOMPETENCE SELDOM BEFORE EQUALLED IN AMERICAN HISTORY.

BUT HOW CAN WE BLAME PRESIDENT FORD FOR THIS ECONOMIC MESS? DIDN'T HE INHERIT MOST OF IT FROM HIS PREDECESSOR, RICHARD NIXON?

I THINK WE WERE ALL IMPRESSED -- AND RELIEVED -- BY MR.

FORD'S INITIAL WILLINGNESS TO EXAMINE THE NATION'S SERIOUS ECONOMIC PROBLEMS WITH CANDOR AND FRANKNESS.

HE CONVENED AND ATTENDED THE SESSIONS OF THE ECONOMIC SUMMIT LAST FALL. HE DISMANTLED AND THREW AWAY THE "GOOD NEWS MACHINE" IN THE NIXON WHITE HOUSE THAT INEVITABLY CRANKED OUT ROSEY PREDICTIONS IN THE FACE OF ECONOMIC DISASTER.

FOR A BRIEF PERIOD, WE WERE ABLE TO TALK HONESTLY AND FRANKLY WITH THE PRESIDENT ABOUT THE GRAVE ECONOMIC PROBLEMS THAT FACED US.

THEN, FOR REASONS THAT I YET HAVE BEEN UNABLE TO UNDERSTAND, PRESIDENT FORD CAME BEFORE THE CONGRESS WITH SOME OF THE MOST MISGUIDED AND DOWNRIGHT FOOLISH ECONOMIC PROPOSALS EVER TO COME FROM A REPUBLICAN PRESIDENT -- AND FROM THAT MOMENT UNTIL THIS PRESIDENT FORD HAS ADOPTED THE SAME POLICIES AND EXPRESSED THE SAME ATTITUDES THAT GOT US INTO OUR ECONOMIC MESS IN THE FIRST PLACE.

WITH THE RECESSION DEEPENING EVERY DAY AND WITH UNEMPLOYMENT BOUND TO GROW CRITICALLY WORSE, MR. FORD CAME FORWARD WITH THE PROPOSAL THAT WE SHOULD INCREASE EVERYONE'S TAXES BY FIVE PERCENT. THAT'S LIKE TELLING A PERSON DEATHLY ILL WITH PNEUMONIA THAT WHAT HE REALLY NEEDS IS A LONG WALK IN THE RAIN -- BAREFOOT.

INSTEAD OF PROPOSING A SENSIBLE ECONOMIC PROGRAM TO STOP THE RECESSION, PRESIDENT FORD ASKED US TO WEAR WIN BUTTONS AND CLEAN OUR PLATES.

AND I'LL TELL YOU THIS: IF CONGRESS HAD GONE ALONG WITH PRESIDENT FORD, UNEMPLOYMENT TODAY WOULD BE OVER 11 PERCENT, INSTEAD OF THE 9.2 PERCENT REPORTED TWO WEEKS AGO.

BUT CONGRESS DID NOT GO ALONG. WE HAD ENOUGH GOOD SENSE
SIMPLY TO IGNORE THE PRESIDENT'S NEW ECONOMIC PROGRAM.

BUT IS THAT THE WHOLE STORY? BY NO MEANS. BECAUSE PRESIDENT
FORD AND HIS ADVISERS SO SERIOUSLY MISREAD THE ECONOMIC SITUATION
LAST FALL, SIX CRITICAL MONTHS WERE LOST IN LAUNCHING A COUNTER-
OFFENSIVE THAT COULD BRING THE RECESSION TO AN END AND INITIATE AN
ECONOMIC RECOVERY.

EVEN AS LATE AS DECEMBER 11, 1974, THE PRESIDENT COULD
SAY TO A GROUP OF BUSINESS LEADERS: "IF THERE ARE MANY AMONG YOU
WHO WANT ME TO TAKE A 180-DEGREE TURN FROM INFLATION FIGHTING
TO RECESSIONARY PUMP PRIMING, THEY WILL BE DISAPPOINTED."

SO I SAY THAT PRESIDENT FORD HAS NO ONE BUT HIMSELF
TO BLAME FOR THE HIGHEST UNEMPLOYMENT IN 35 YEARS,

THE RECORD OF THE FORD ADMINISTRATION'S ECONOMIC INCOM-
PETENCE SPEAKS FOR ITSELF,

IN LATE OCTOBER OF 1974, ALAN GREENSPAN, CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS, TOLD US THAT UNEMPLOYMENT MIGHT
ACTUALLY REACH 6.5 PERCENT BY MID-1975,

TEN DAYS LATER -- IN MID-NOVEMBER -- UNEMPLOYMENT REACHED
6.5 PERCENT,

IN DECEMBER, MR. GREENSPAN CAME FORWARD AGAIN TO ANNOUNCE
THAT UNEMPLOYMENT MIGHT HIT SOMETHING OVER 7 PERCENT IN MID-1975,

TWO WEEKS LATER UNEMPLOYMENT REACHED 7.2 PERCENT,

IN JANUARY OF 1975, MR. GREENSPAN CHECKED HIS COMPUTERS AND ANNOUNCED THAT UNEMPLOYMENT WOULD RISE TO BETWEEN 7.5 PERCENT AND 8 PERCENT BY LATE 1975.

IN FEBRUARY UNEMPLOYMENT JUMPED TO 8.2 PERCENT.

AND TODAY, WITH UNEMPLOYMENT STANDING AT A 35-YEAR HIGH OF 9.2 PERCENT, PRESIDENT FORD COMES FORWARD TO TELL US HOW PLEASED HE IS WITH THE ECONOMIC PROGRESS THAT HAS BEEN ACHIEVED DURING HIS ADMINISTRATION.

A PRESIDENT WHO PLEDGED A NEW CANDOR AND OPENNESS IN THE CONDUCT OF HIS OFFICE HAS NOW FALLEN INTO THE TRAP OF JUSTIFYING HIS TERRIBLY MISGUIDED AND FOOLISH ECONOMIC POLICIES BY ASSURING US THAT THINGS WILL BE BETTER TOMORROW -- THAT THE WORST IS SURELY BEHIND US -- THAT WE SHOULD ONLY TRUST HIS JUDGMENT AND THE WISDOM OF HIS ADVISERS.

WE HAVE LEARNED OVER THE PAST SIX YEARS THAT TRUST MUST
BE BASED ON DEEDS -- NOT PROMISES. AND ON THE BASIS OF DEEDS,
THE REPUBLICAN ADMINISTRATION OF GERALD FORD IS IN VERY SERIOUS
TROUBLE.

OUR PRESENT RECESSION IS MORE THAN TWICE AS DEEP AS
ANY POST-WAR RECESSION.

THE RECENT DECLINES IN OUR GROSS NATIONAL PRODUCT HAVE
IDLED ABOUT \$200 BILLION OF OUR ANNUAL PRODUCTIVE CAPACITY, A
TRULY STAGGERING WASTE OF HUMAN AND MATERIAL RESOURCES.

AMERICAN INDUSTRY TODAY IS OPERATING AT ONLY TWO-THIRDS
OF ITS CAPACITY.

THIS DROP IN ECONOMIC OUTPUT HAS BROUGHT ABOUT A
CORRESPONDING DROP IN WAGES AND PROFITS AND, AS A CONSEQUENCE,
A SHARP DROP IN GOVERNMENT TAX REVENUES -- FEDERAL, STATE, AND
LOCAL -- AND A SHARP INCREASE IN EMERGENCY ECONOMIC EXPENDITURES.

REPRESENTATIVE WILLIAM S. MOORHEAD, CHAIRMAN OF THE
SUBCOMMITTEE FOR URBAN AFFAIRS OF THE JOINT ECONOMIC COMMITTEE,
HAS JUST COMPLETED A SPECIAL SURVEY OF THE RECESSION'S IMPACT ON
STATE AND LOCAL GOVERNMENTS.

HE DISCOVERED THAT IN THE MIDST OF A NEAR-DEPRESSION,
STATE AND LOCAL GOVERNMENTS ARE BEING FORCED TO ENACT \$3.6 BILLION
IN TAX INCREASES, CARRY OUT \$3.3 BILLION IN SERVICE CUTBACKS, AND
DELAY ABOUT \$1 BILLION IN CAPITAL CONSTRUCTION.

THIS ADDS UP TO \$8 BILLION BEING TAKEN OUT OF THE ECONOMY
AT THE SAME TIME THAT THE FEDERAL GOVERNMENT IS INJECTING \$22.8
BILLION INTO THE ECONOMY THROUGH TAX REDUCTIONS.

AT THE FEDERAL LEVEL, MORE THAN \$60 BILLION OF THE \$68
BILLION DEFICIT FORECAST FOR NEXT YEAR IS DUE ENTIRELY TO THE
RECESSION -- A COMBINATION OF REDUCED TAX RECEIPTS AND HIGHER
FEDERAL PAYMENTS FOR UNEMPLOYMENT COMPENSATION, FOOD STAMPS, AND
THE LIKE.

THESE ARE SOME OF THE COLD STATISTICS THAT DESCRIBE OUR
PRESENT ECONOMIC CRISIS. BUT HOW DO YOU MEASURE THE MORE HUMAN,
PERSONAL COSTS THAT MILLIONS OF AMERICANS HAVE BEEN FORCED TO
ACCEPT BECAUSE OF THIS DELIBERATELY-INDUCED REPUBLICAN RECESSION?

WHAT IS THE HUMAN COST OF UNEMPLOYMENT? WHAT IS THE PRICE TAG YOU PUT ON THE MESSAGE THAT YOUR PRODUCTIVE SERVICES ARE NO LONGER NEEDED?

WHAT IS THE HUMAN AND SOCIAL COST OF THE BANKRUPTCY OF THOUSANDS OF SMALL BUSINESSES AND FARMS? WHAT IS THE LONG-TERM COST TO OUR SOCIETY -- TO OUR COMMUNITIES -- TO OUR NEIGHBORHOODS?

WHAT IS THE COST OF CHILDREN WHO WERE UNABLE TO COMPLETE THEIR EDUCATION? OR GRADUATES WHO WERE UNABLE TO FIND PRODUCTIVE WORK?

AND WHAT IS THE HUMAN AND SOCIAL COST OF THE MILLIONS OF YOUNG PEOPLE, ESPECIALLY THOSE LIVING IN URBAN CENTERS, AND WOMEN AND MINORITY GROUPS AND OLDER PEOPLE WHO BEAR THE HEAVIEST BURDEN OF UNEMPLOYMENT IN THESE DIFFICULT TIMES?

WHAT CAN THE PRESIDENT'S CHEERY WORDS ABOUT THE ECONOMIC
PROGRESS OF HIS ADMINISTRATION MEAN TO THEM?

THESE ARE COSTS THAT NO SOCIETY CAN AFFORD TO TOLERATE
FOR A MOMENT -- BECAUSE THESE COSTS INVOLVE THE SACRIFICE OF THE
ONE COMMODITY WHICH NO SOCIETY CAN AFFORD TO LOSE -- THE
PRODUCTIVITY AND TALENT OF ITS CITIZENS.

YOU PROPERLY ASK: WHAT CAN WE DO ABOUT IT?

I MAY NOT HAVE ALL THE ANSWERS, BUT I BELIEVE THE JOINT
ECONOMIC COMMITTEE WAS ON TARGET THIS SPRING WHEN IT RECOMMENDED
A COMPREHENSIVE PACKAGE OF EMERGENCY ECONOMIC MEASURES DESIGNED
TO END THE RECESSION AND REDUCE UNEMPLOYMENT AT A FAR MORE RAPID
PACE THAN THE ONE RECOMMENDED BY PRESIDENT FORD.

IN BRIEF, WE RECOMMENDED:

-- A TAX REDUCTION TOTALLING \$32 TO \$35 BILLION.

-- CONTINUED FULL OPERATION OF COST-OF-LIVING ADJUSTMENTS
IN FEDERAL INCOME SUPPORT PROGRAMS, SUCH AS SOCIAL SECURITY AND
FOOD STAMPS.

-- AN INCREASE IN THE MAXIMUM WEEKLY UNEMPLOYMENT BENEFIT
TO TWO-THIRDS OF THE AVERAGE WAGE IN EACH STATE, WITH INDIVIDUALS
RECEIVING AT LEAST 50 PERCENT OF THEIR PREVIOUS WEEKLY WAGE,
UP TO THE MAXIMUM.

-- ANTI-RECESSION GRANTS TO STATE AND LOCAL GOVERNMENTS.
THESE GRANTS SHOULD BE ON THE ORDER OF \$1 BILLION FOR EACH
PERCENTAGE POINT BY WHICH UNEMPLOYMENT EXCEEDS FOUR PERCENT.

-- AN EXPANSION OF PUBLIC SERVICE JOBS, THE SIZE OF THE PROGRAM TO VARY WITH THE RATE OF UNEMPLOYMENT -- FROM 500,000 JOBS WHEN UNEMPLOYMENT AVERAGES 6 PERCENT TO A MAXIMUM OF 1 MILLION JOBS AT UNEMPLOYMENT RATES OF 8 PERCENT OR MORE.

-- ENACTMENT OF A MORTGAGE SUBSIDY PROGRAM FOR LOW, MODERATE AND MIDDLE INCOME FAMILIES TO REDUCE INTEREST PAYMENTS TO A LEVEL NOT TO EXCEED SIX PERCENT.

THESE ARE THE HIGHLIGHTS OF A PROGRAM DESIGNED TO RESTORE THE HEALTH AND VITALITY OF OUR NATION'S ECONOMY. IN ORDER TO GUARD AGAINST A NEW ROUND OF INFLATION, THE JOINT ECONOMIC COMMITTEE DESIGNED THESE PROGRAMS TO SHUT DOWN AUTOMATICALLY AS UNEMPLOYMENT DROPS BELOW 6 PERCENT.

WE ALSO STRESSED THE IMPORTANCE OF ASSESSING THE IMPACT OF ECONOMIC POLICIES ON REGIONS, STATES, AND LOCALITIES. WE URGED THAT EXECUTIVE AND LEGISLATIVE PROPOSALS SHOULD BE ACCOMPANIED BY AN ANALYSIS OF THEIR EFFECT ON EMPLOYMENT, OUTPUT, AND PRICES WITHIN REGIONS AND AREAS WITHIN REGIONS, AND THAT WE MUST BE PREPARED TO PROVIDE ADJUSTMENT ASSISTANCE TO AREAS THAT SUFFER PARTICULARLY ADVERSE ECONOMIC CONSEQUENCES.

I MUST SAY FRANKLY THAT CONGRESS HAS NOT FOLLOWED ALL OF THESE RECOMMENDATIONS, EVEN THOUGH CONGRESS HAS BEEN FAR MORE RESPONSIBLE -- AND RESPONSIVE -- THAN THE PRESIDENT IN FIGHTING THE PRESENT RECESSION.

BUT I PLEDGE TO YOU THAT I WILL DO EVERYTHING IN MY POWER TO SEE THAT THE FULL RECOVERY PROGRAM DESIGNED BY THE JOINT ECONOMIC COMMITTEE IS ACTED ON IN THIS SESSION OF CONGRESS.

I AM NOT ONE OF A SO-CALLED NEW BREED OF POLITICIANS WHO SEEM TO TAKE PRIDE IN SELLING AMERICA SHORT.

I KNOW WHAT THIS COUNTRY CAN ACCOMPLISH WHEN ITS FULL PRODUCTIVE RESOURCES ARE PUT TO WORK.

FOR ALMOST EIGHT YEARS THIS COUNTRY HAS BEEN RUNNING ON FOUR, OR PERHAPS IT IS ONLY TWO, CYLINDERS. PEOPLE TODAY ARE ON THE VERGE OF FORGETTING WHAT IT IS LIKE TO LIVE IN A UNITED STATES THAT IS FULLY EMPLOYED AND HARD AT WORK.

WELL, I HAVEN'T FORGOTTEN. AND YOU HAVEN'T FORGOTTEN.

NOR HAVE MOST DEMOCRATIC MEMBERS OF CONGRESS.

SO OUR JOB IN THE NEXT WEEKS AND MONTHS IS TO REMIND
THE AMERICAN PEOPLE OF THE ABSOLUTE IMPORTANCE OF BRINGING
ABOUT A FULL ECONOMIC RECOVERY AS RAPIDLY AS WE CAN.

IT IS TIME WE PUT AMERICAN BACK TO WORK.

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