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No one can doubt that we live in times of great uncertainty and popular disenchantment with government. This indictment encompasses both political parties and governmental leaders at all levels.

We've reached the point where a respected pollster reported to a conference on politics at Harvard that 83.2 percent of a nationwide sample believed that "the people running the country don't tell us the truth."

More and more political leaders are attempting to capitalize on these sentiments. President Ford attacks the unresponsiveness and inefficiency of the federal bureaucracy over which he presides as Chief Executive. We hear of governors stressing things government cannot do to help people. And scarcely a week passes when we are not reminded by someone of the futility of "throwing money at problems."

It is one thing to hear these sentiments from card-carrying conservatives. For his entire public career Gerald Ford has questioned the positive role government can play in alleviating human misery. That he continues to voice these sentiments from the Oval Office comes as no surprise.

What is surprising is the growing number of converts to this point of view from among activist liberals. It is downright fashionable, I gather, for some liberals to debunk and ridicule government's ability to make a difference in achieving the security and happiness of the people.

I also find curious the equally firm expectations among large segments of the public that government must be held responsible for ever more complicated and difficult burdens ... everything from greater control over corporate enterprises, to management of our environment, to protection of our health and safety on the nation's highways.

When you probe beneath popular generalities about the evils of big government, you discover a solid base of common sense that recognizes that our highly specialized and interdependent society could not survive without a government around to hold things together.

We are faced, then, with a most interesting paradox: At a time when government is more important than ever, popular antagonism toward government is at an all-time high.

This situation can be partially explained by a series of events, such as the tragedy of the Vietnam War and the resignation in disgrace of a sitting President. But there is, in my view, a further reason that must be recognized.

It simply is this: Government has been trying to solve current problems with tools and mechanisms designed in another era to deal with issues very different from the ones we face today. In these circumstances it is not surprising that government often has failed. And the failure rate in recent years has been rising rapidly.

To put it most simply: Government often has performed poorly. And a football team that consistently fumbles the ball or allows interceptions is bound to lose the support of its fans. That's what has been happening to government.

Take, for example, the federal government's role in managing the national economy.

It was just a year ago that President Ford accepted the proposal of the Democratic Congressional leaders to convene an economic summit meeting in Washington.

The President listened carefully as many of the nation's most distinguished economists warned that a deep recession and high unemployment rates were just around the corner.

We were told that a sharp drop in the nations's output was inevitable.

In other words, the government could not afford to be concerned only with inflation, as serious as it had become. A tax cut to stimulate consumer spending and business investment was needed to blunt the recession's impact and reduce the projected high unemployment levels.

I, along with other Democrats in Congress, had been proposing such a course of action since mid-summer of 1974.

The President may have listened carefully to this advice, but two weeks later, when he unveiled his new economic program to a joint session of Congress, he proposed a tax increase. To make matters worse, President Ford also advocated highly restrictive fiscal and monetary policies designed to fight what economists call "demand pull" inflation, or too much money chasing too few goods.

It was, by all odds, a fatal miscalculation and misreading of economic reality. Last year's inflation had almost nothing to do with excess consumer demand. It was the result of administered prices, such as the quadrupling of oil prices by OPEC, and unforeseen food shortages and serious bottlenecks of materials and labor, as well as declining productivity.

President Ford prescribed the wrong medicine and, not surprisingly, the patient immediately took a turn for the worse.

Congress had enough sense not to swallow the President's medicine. But valuable time was lost in starting the proper treatment.

In January President Ford returned to Congress and proposed a tax cut in his state of the union message. But unemployment had already jumped from 5.8 per cent in September to 8.2 per cent in January. Other economic indicators were equally gloomy.

Congress passed a larger tax cut in record time. And we also redesigned the legislation so that its benefits went primarily to low and middle income people.

The faulty perceptions that led President Ford initially to propose a tax increase persisted. He doggedly opposed Congressional efforts to accelerate economic recovery. Bill after bill was vetoed. Meanwhile, the Federal Reserve reverted to tight money policies that even today jeopardize our hopes for a swift and sustained recovery.

The costs of this economic mismanagement have been very high:

- Some ten million persons have lost their jobs;
- The auto industry is nearly wrecked;
- Home construction is just about at a standstill;

- Businesses are carrying the highest debt load in history;
- Cities stand on the brink of bankruptcy.

Fully \$230 billion in potential economic output has been sacrificed, a loss equal to about \$1,000 for every man, woman and child in the country.

To compound the problem, President Ford is still advocating a high-price energy program that the Congressional Budget Office estimates would sacrifice 600,000 more jobs by the end of 1977.

Given this performance, it is little wonder that pollster Pat Caddell found in a recent survey that 44 per cent of the people agree that "it would be better if we got rid of all the people in office and started over with new people."

It would be a mistake, however, to attribute our current economic problems solely to the very conservative, traditional Republican philosophy accepted by the President and all of his economic advisers. Events of the past few years demonstrate clearly that our country desperately needs a better way to make basic economic decisions.

We have done little more than react to crisis after crises after they were upon us. We have had no way to focus on long-term problems or to take corrective action while these problems could be averted with minimum cost and disruption.

A further point should be noted. If you step back from our present difficulties and examine the recent past, one fact emerges: Our economic problems have grown progressively more severe.

A patient, weakened by one bout of flu, is that much more susceptible to disease and likely to suffer a more serious illness the next time. So it has been with our economy.

In 1967, we had a mini-recession. In 1970, we experienced what some economists described as an "ordinary garden variety" of recession. But, by 1975, we were afflicted with the worst recession since the Great Depression.

The same pattern holds for inflation. Over the past ten years each inflationary wave has been worse than the preceding one.

These grim facts lead to one unavoidable conclusion: Our economy has been operating in fits and starts, far below its potential. Even in relatively prosperous times, such as 1972 and 1973, misguided policies have been sowing the seeds of the next crisis. This downward spiral must be broken.

I am convinced that the tools at our disposal for achieving and then maintaining a healthy economy no longer are capable of doing the job. Our policymakers are stuck with institutions and procedures designed in the mid-1940's, while the people expect 1976-style solutions.

Without question, the single most important step we could take in restoring popular faith in government would be to regain the people's confidence in the government's ability to manage the economy.

This means putting our country's enormous economic resources to work in an orderly and coordinated way, instead of frittering away these resources by misdirection and error.

I have introduced in Congress, along with Senator Javits, the Balanced Growth and Economic Planning Act of 1975 as the first step in designing a more effective way of running the economy.

The Balanced Growth Act is based on the assumption that a way must be found to coordinate public and private economic activity in the pursuit of a long-term goals.

Equally important, this economic planning and coordination must take place in a way that preserves, and indeed strengthens, our traditions of economic freedom and popular consent.

Our society is based upon consent -- government by the consent of the governed. Consent is just another word for achievement by persuasion. It is not consent by order, but by reason, by debate, discussion, dialogue and ultimately by decision.

In this spirit, the Balanced Growth Act provides that every two years the President will submit to Congress a Balanced Economic Growth Plan that examines long-run economic and social trends and objectives; that recommends a multi-year economic and social plan, embodying coherent and achievable goals for each major sector of the economy; that identifies the resources that will be needed to achieve these goals, along with the necessary policies and programs; and that analyzes how these goals might compete with other objectives.

The Balanced Economic Growth Plan would be the product of a new planning structure in the Executive Branch, including an Economic Planning Board, an Economic Planning Council, and an Advisory Committee on Economic Planning.

Following submission of the President's plan, the Joint Economic Committee in Congress would conduct a thorough evaluation through public hearings and staff studies. Also, governors, local officials, and citizens of each state would be asked to analyze and comment on the plan.

Ultimately, after all views had been received and considered, Congress would approve, modify, or reject the President's proposals.

This process of evaluating the Balanced Economic Growth Plan would insure, every two years, a national debate over the country's economic and social goals. But it would not be a debate limited to the floor of Congress. Every state and local government -- and even neighborhoods -- would have a voice in the final decision. The entire nation would participate in setting goals and priorities.

The process of drawing up multi-year goals would compel the Executive Branch of Congress to develop the data, estimates and recommendations that make possible informed and far-seeing decisions. For the first time, we would have a coherent picture of where we are headed economically and what we have to do to get there.

One point must be stressed: There is not a single word or phrase in this legislation that would be used to expand government control over the economy. We are proposing a voluntary system of economic planning, one that simply helps us identify desirable goals and the ways to reach those goals. But the public and private sectors would then have to decide whether to follow the road map that had been developed.

The further point: The Balanced Growth Act is open to refinements and improvements. Any proposal is welcome for making such a system of economic planning more workable. The legislation, as introduced, clearly is not the final word.

This month the Joint Economic Committee begins a series of regional hearings on the economy to hear the reactions and suggestions of citizens in all sections of the country. And early next year we are planning a national economic conference in Washington upon the occasion of the 30th anniversary of the Employment Act of 1946.

I hope that the Balanced Growth Act will be ready for debate and passage by Congress during the next session of Congress. To enact this legislation in the bicentennial year would be a striking reaffirmation of the American people's faith and confidence in their democratic institutions.

I am not among those who believe the people have given up on democracy.

I believe, rather, that people are only waiting for some sign that elected leaders are seriously trying to run our democracy in a way that relates to individual needs and concerns.

For liberals, this means thinking clearly and honestly about how government and people, working together, can begin to fashion solutions for today's problems, not those of the 1950's and 1960's.

This should never mean abandoning the principles that brought the Americans for Democratic Action into existence in the aftermath of World War II. To walk away from the urgent problems that confront us, proclaiming that government can't be expected to solve this or that problem, is the height of irresponsibility.

We must, however, be ready to set forth specific, concrete steps -- such as the Balanced Growth and Economic Planning Act -- that hold out the promise of making democracy work for all the people.

If we face this challenge squarely, I am confident that today's public apathy, cynicism, and distrust can be transformed into enthusiasm, faith, and confidence in America's future.

This new birth of freedom is within our grasp.

The people are only waiting.

I say they have waited long enough.

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