

INTERVIEW WITH SENATOR HUBERT H. HUMPHREY

By Bill Crawford - CBS News

December 12, 1974

OUR GUEST THIS MORNING IS SENATOR HUBERT HUMPHREY, DEMOCRAT OF MINNESOTA. SENATOR, AS THE COMMITTEE CHAIRMANSHIP SHIFTS IN THE NEW CONGRESS, YOU TAKE OVER THE JOINT ECONOMIC COMMITTEE. PRESIDENT FORD SAID IN HIS SPEECH TO THE BUSINESSMEN LAST NIGHT HE WOULD HAVE SOME NEW ECONOMIC SUGGESTIONS FOR THE NEW CONGRESS AND I GATHER THAT YOU HAVE SOME.

Senator: Well I hope that the President has some because we need leadership and we need it desperately. There needs to be the restoration of confidence. I think that's at the heart of part of our problem.

I have a few suggestions that I would make. First of all, I want the Democrats in the Congress that have the majority to get their house in order. Therefore, I have written to the Speaker of the House of Representatives, Carl Albert, who is the top-ranking Democrat. He's next to the President, of course, in the line of succession now. I have asked Speaker Albert to call a conference of the top Democratic leadership, particularly in the economic area, to hammer out a program, to be taken to our respective caucuses. By this I mean the leadership of both the House and the Senate so we have one program around which we can muster our support. Then they will sit down with the President and negotiate, hopefully, a national economic policy because recession and inflation know no partisanship. We have simply got to get the country moving. That's number one.

Now the second point is that while our concentration has been on inflation, recession is the fact of our time and recession builds inflation. It is the fuel of inflation. It lowers the productivity of the worker. It raises the unit cost of production. People are losing sales in the retail area, the manufacturers tend to raise prices rather than lower them, and recession leaves plants unused, and workers unproductive. It is estimated that this recession, if it continues, will cost this country \$700 billion in lost production. Our Joint Economic Committee staff feels that no matter

(more)

what we do, it will take a good deal of time to get the country turned around again on its pattern of normal growth -- possibly close to 1980. Therefore, we have got to take some strong medicine. We have to know what the disease is. The disease is not just inflation. It is basically recession. The first thing I would recommend outside of Mr. Albert taking the leadership, and in pooling out ideas, is a huge tax cut - \$10 billion at a minimum. And now. A tax cut that is spread across the board with the lion's share being for the middle income and lower income people. That's number one. Number two, we simply have to have a jobs program. We picked up unemployment of 500,000 more people last month.

QUESTION: YOU ARE LUCKY TO GET THAT THIS YEAR, AREN'T YOU? THAT BILL SEEMS TO BE MOVING ALONG.

Senator: The jobs program will move, but the tax program we need desperately. Henry Ford came out the other day for a very large tax cut, and after the jobs program we also need to have credit allocation. We are not going to restore this economy until we get the construction industry moving again. Housing is in a depression and we have simply got to get the construction industry moving. That means rent subsidies, interest subsidies, loans, insured loans, guaranteed loans. It means putting this country back to work. Instead of a WIN button, we need a WORK button - W-O-R-K. Unemployment compensation, all of these things are only palliatives. They are aspirins. And then on top of all of this, we need to strengthen our Wage-Price Stability Council. It's a toothless tiger today. It doesn't have a subpoena power. It ought to have the power to hold extensive public hearings. It ought to have the power to suspend any wage and price increase that looks exorbitant. And it ought to have the power, if need be, to lay on selective controls.

QUESTION: YOU WOULD VOTE FOR STANDBY CONTROL AUTHORITY THEN?

Senator: No, I would vote to give the Wage-Price Stability Council the subpoena power. I would vote to give it the power of public hearings. I would vote to give it the power of price roll backs. I would vote to give it the power of suspension of wages and prices over a period not to exceed 90 days while they are being examined. And, finally, yes, for selective types of controls, not

across the board. I don't think we are prepared yet to put away across the board wage and price controls. Unless you want to take in rents and profits and all the other things.

QUESTION: SENATOR, IS IT REALISTIC FOR CONGRESS TO INITIATE A PROGRAM? CONGRESS TRADITIONALLY REACTS TO WHAT PRESIDENT'S DO.

Senator: Well, it would be better if it came down from the White House. That is true. Our system is a presidential one.

QUESTION: HAS THE PRESIDENT FAILED TO SHOW LEADERSHIP?

Senator: Yes, sir, I am afraid he has. Up to now we have been treating the patient, the American economy, with the skills of an old eighteenth century doctor. Inflation is like a fever, so we have been bleeding it. And we are going to die, may I say, from a loss of blood, which is recession. Die of anemia, rather than of the fever. Now we have to get modern. We have to put to work the tools that will do the job. We don't come in with a meat ax. You come in with a delicate instrument, like a scalpel. But you have got to begin with a tax cut. You simply have to have a jobs program. You have to have allocation of credit and lower interest rates. Then give some strength to the Wage-Price Stability Council.

SENATOR HUMPHREY, THANK YOU VERY MUCH FOR COMING BY THIS MORNING.

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