

*Joe Danzansky - a giant
of a man*

OUTLINE OF

REMARKS OF SENATOR HUBERT H. HUMPHREY

NATIONAL ASSOCIATION OF FOOD CHAINS

ANNUAL MEETING

WASHINGTON, D.C.

OCTOBER 15, 1975

IT'S A PLEASURE TO BE BACK AMONG OLD FRIENDS.

I HAVE KNOWN AND WORKED WITH YOUR CHAIRMAN, JOE DANZANSKY AND

YOUR PRESIDENT, CLANCY ADAMY, FOR MANY YEARS. AND, I SEE

MANY OTHER FIMILIAR FACES IN THE AUDIENCE.

I I'VE ALWAYS ENJOYED THE SUPERMARKET PEOPLE. YOURS IS AN

INDUSTRY IN WHICH ~~IT~~ IS STILL POSSIBLE, *with hard work & good mgmt*

TO MAKE IT BIG.

Today I would like to talk briefly about THREE CLOSELY

RELATED SUBJECTS THAT ARE OF GREAT CONCERN TO ALL OF US,

-- PUBLIC ATTITUDES TOWARDS YOUR INDUSTRY,

-- THE NEED FOR A NATIONAL FOOD POLICY AND WHAT IT

SHOULD INCLUDE,

-- My ASSESMENT OF OUR CURRENT ECONOMIC PROBLEMS AND

WHAT NEEDS TO BE DONE TO OVERCOME THEM.

I BELIEVE THAT YOUR INDUSTRIES CURRENT PROBLEMS WITH
THE PUBLIC CLEARLY COME FROM TWO SOURCES,

FIRST, AND MOST IMPORTANTLY, TWO YEARS OF SERIOUS
RECESSION COUPLED WITH ~~A-^{high} SEVERE~~ INFLATION,

↳ RAPIDLY RISING FOOD PRICES HAVE PUT AMERICA'S FOOD
STORE OPERATORS ON THE ECONOMIC AND POLITICAL FIRING LINE.

THE SOARING PRICES ON EVERYTHING FROM APPLES TO ZUCCHINI
COMBINED WITH THE DRASTIC REDUCTION IN THE REAL TAKE HOME
PAY OF THE AVERAGE WORKER, HAVE, NOT SURPRISINGLY, SPARKED AN
OUTBROK^{EAK} OF CONSUMER FRUSTRATION AND ANGER.

↳ IT SHOULD COME AS NO SURPRISE THAT YOU ARE THE ONES
WHO GET THE BLAME. ~~People identify inflation with food~~

↳ HOW DOES A CONSUMER IN BALTIMORE COMPLAIN TO THE
CATTLE RANCHER OUT WEST OR THE WHEAT FARMER IN NEBRASKA?

HE DOESN'T AND HE CAN'T.

It is at the check-out counter cash registers in your stores that all

of the complex elements of private decision and government

policy that determine our nation's economic condition confront

the normal consumer.

When the people see ever higher food bills and a shrinking
pay check, they naturally blame the people that take their
money -- and that is you.

In a sense, you in the food store business, are like the
messenger of old who was slain by the monarch if he brought
bad news.

You are the modern messengers who bring the bad news
of inflation and recession, in a very practical and concrete
way, to the people of our nation.

L A RECENT PUBLIC OPINION SURVEY BY PAT CADELL, THE
OUTSTANDING YOUNG POLLSTER, CLEARLY INDICATES THE CENTRAL
IMPORTANCE OF FOOD ^{PRICES} ~~IN OUR ECONOMY~~ IN OUR ECONOMY.

*Inflation is food
prices*

L HIS DATA SHOW THAT FOOD PRICES ARE THE SINGLE MOST
IMPORTANT FACTOR IN DETERMINING THE PEOPLE'S CONFIDENCE, OR
LACK ^{of confidence} ~~thereof~~ IN THE ECONOMY.

L FOOD PRICES ARE THE PUBLIC'S ^{BELL} ~~WEATHER~~ AND ARE THE KEY
TO UNDERSTANDING CONSUMER BEHAVIOR THROUGHOUT THE ECONOMY.

L OF COURSE, YEARS AGO WHEN YOUR INDUSTRY WAS SMALLER
AND WHEN YOUR GROCEER WAS ALSO A NEIGHBOR, CONSUMERS FOCUSED
THEIR ANGER AND FRUSTRATION OVER HIGHER PRICES ON SOMEONE
ELSE. L AS MANY OF YOU KNOW, MY FATHER WAS A RETAILER -- THE
TOWN DRUGIST -- AND WE ALL WORKED IN THE STORE. WHEN YOU

CAME INTO OUR STORE WE KNEW YOU AND YOU KNEW US. IN FACT,

IN THOSE DAYS THE OWNER OF A STORE, HIS FAMILY AND HIS CLERK

WERE KNOWN TO EVERYONE IN THE COMMUNITY. ~~EVERYONE KNEW WHEN~~

~~YOU DID A SLOPPY JOB.~~

T THOSE DAYS ARE LONG GONE. WITH THEM IS ^{gone} THE CLOSENESS, AND

THE CONFIDENCE, BETWEEN THE STORE OWNER AND HIS CUSTOMERS.

TODAY ITS BIG, COMPLEX AND SOPHISTICATED.

^{all the time} JUST WHEN YOU GET TO KNOW THE PRODUCE MAN, THE BUTCHER,

OR THE MANAGER, THE COMPANY SENDS HIM OVER TO ANOTHER STORE,

IN ANOTHER NEIGHBORHOOD.

HAVING NO REAL CLOSENESS WITH OR CONFIDENCE IN THE

^{you} SUPERMARKET PEOPLE, THEY BECOME THE EASIEST ONES TO BLAME, WHEN

PRICES SOAR ON "THEIR" PRODUCTS.

It's really not surprising that politicians rally to the trumpet call of "WINDFALL FOOD CHAIN PROFITS," when seen in this context. For this reason it is critically important to all of you that OBJECTIVE ANALYSIS OF FOOD CHAIN DATA BE PRESENTED TO THE PUBLIC.

The Joint Economic Committee, with your patient cooperation, is in the process of such an analysis. *I thank you for your cooperation now*

I guarantee you that it is no witch hunt, and ~~I assure you~~ *with it being* THAT IT WILL BE NO WHITE WASH.

~~When the analysis is done the facts will be made public.~~

~~If other steps seem to be warranted, they shall be taken.~~

~~While you can help yourselves greatly by continuing to try harder to make your stores active and accepted parts of the community, you can't solve your problem by yourself.~~

~~Handwritten~~

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THE BASIC PROBLEM IS THE VOLATILITY OF FOOD PRICES AND
THE FAILURE OF OUR ECONOMY TO ACHIEVE OVERALL STABLE GROWTH.

ON THE FOOD PRICE SIDE, IT IS ABSOLUTELY ESSENTIAL THAT
OUR GOVERNMENT ESTABLISH A NATIONAL FOOD POLICY. TODAY, WE
SIMPLY HAVE NONE.

LET THOSE WHO DISPUTE THIS CLAIM GO TO USDA, TO HEW, TO
FDA, TO FTC, TO OMB -- YES, EVEN TO THE TREASURY AND TO THE
STATE DEPARTMENT. IF AFTER HAVING VISITED AND TALKED WITH THE
PEOPLE IN CHARGE, THEY CAN DISCOVER ANY SORT OF COHESIVE AND
COMPREHENSIVE FOOD POLICY THEN THEY ARE BETTER PEOPLE THAN I.

AMERICA HAS BEEN VERY FORTUNATE. BLESSED AS WE ARE
WITH RICH FARMLANDS, HIGHLY TRAINED FARMERS, AND THE MOST
EFFICIENT FOOD DISTRIBUTION SYSTEM IN THE WORLD, OUR PEOPLE
IN RECENT YEARS HAVE BEEN ABLE TO SATISFY THEIR FOOD NEEDS
WHILE USING ONLY 16 TO 17 PER CENT OF THEIR DISPOSABLE INCOMES.

WE ARE MUCH MORE FORTUNATE THAN PEOPLE IN WESTERN

EUROPE WHO TYPICALLY MUST SPEND 25 PER CENT OR MORE OF THEIR

INCOME ON FOOD, THOSE IN EASTERN EUROPE WHO SPEND 35 PER CENT

OR MORE, AND CERTAINLY THOSE IN THE DEVELOPING COUNTRIES WHO

IN MANY CASES MUST SPEND 75 PER CENT OR MORE JUST TO FEED

THEMSELVES AND THEIR FAMILIES.

BUT, FOR TOO LONG, WE HAVE BEEN SELSATISFIED AND HAVE

NOT DEVELOPED THE KIND OF FOOD POLICY WHICH WE NEED TO

ASSURE A FUTURE OF ADEQUATE FOOD AT REASONABLE PRICES TO OUR

CONSUMERS AND THOSE ABROAD WHO RELY ON US FOR THEIR SUSTENANCE.

IF WE ARE TO HAVE STABLE FOOD PRICES, THE FIRST ELEMENT
IN A NATIONAL FOOD POLICY MUST BE A SYSTEM OF GRAIN RESERVES

~~GOVERNMENT MUST BE IN A POSITION TO PURCHASE WHEN THERE IS~~

~~SURPLUS PRODUCTION AND SELL DURING PERIODS OF SCARCITY.~~

THIS IDEA OF RESERVES IS NOT A NEW ONE. THOSE WHO
HAVE READ THE BIBLE REMEMBER THAT JOSEPH ADVISED PHAROAH
TO FILL HIS STOREHOUSE FOR THE SAME PURPOSE.

UNDER THE PLAN I'VE PROPOSED, AMERICAN FARMERS WOULD
BE ENCOURAGED TO PRODUCE ALL THEY POSSIBLY CAN. THE FEDERAL
GOVERNMENT WOULD BUY AND STORE SURPLUS PRODUCTION AT A FAIR
PRICE TO FARMERS IN GOOD YEARS.

THIS COULD BE STORED UNTIL AN ADEQUATE RESERVE COULD
BE BUILD UP. NOW, THE NEXT TIME THE MARKET TIGHTENS UP AND
THREATENS TO PUSH PRICES SKYHIGH, WITH YOU GETTING THE BLAME,
THE GOVERNMENT CAN RELEASE SOME OF THE RESERVE AND MODERATE THE
PRICE RISE.

AS A RESULT, CONSUMER PRICES ARE MORE STABLE, FARMERS
INCOME ARE MORE PREDICTABLE AND YOUR LIVES ARE ALOT EASIER.

BUT THERE ARE OTHER ELEMENTS THAT MUST BE INCLUDED IN A
NATIONAL FOOD POLICY.

L FIRST, WE NEED TO PROVIDE IMPROVED TARGET PRICES AND
LOAN LEVELS FOR OUR FARMERS. THE GOVERNMENT SHOULD SHARE AT
LEAST SOME OF THE RISK OF ALL OUT PRODUCTION ON THE PART OF
OUR FARMERS.

L SECOND, WE MUST ESTABLISH A SET OF RULES SO THAT
OUR CONSUMERS AND COMPANIES KNOW IN ADVANCE JUST WHAT WILL
HAPPEN IN PERIODS OF SHORT SUPPLY. SUCH A SYSTEM CAN AVOID THE
NEED FOR EXPORT EMBARGOES IN THE FUTURE.

THIRD, WE NEED TO DEVELOP AN IMPROVED WORLD AGRICULTURE
INFORMATION SYSTEM. THE DISCUSSIONS I INITIATED WITH THE
RUSSIANS IN 1973 HAVE PROGRESSED MUCH TOO SLOWLY.

FOURTH, WE NEED TO ESTABLISH A MECHANISM AT THE
WHITE HOUSE LEVEL TO PULL TOGETHER OUR FOOD AND NUTRITION
POLICIES. THERE HAS BEEN ALLTOGETHER TOO MUCH BUREACRATIC
WRANGLING AMONG THE ~~VAR~~IOUS AGENCIES AND INTERESTS INVOLVED.

IT'S TIME THE SPASTIC SEARCH FOR A POLICY BE ENDED AND
A POLICY DEVELOPED WITH THE TOP ADMINISTRATION LEADERSHIP.

FINALLY, ONE MUST NOT FORGET THAT PROVIDING ADEQUATE
NUTRITION FOR PEOPLE IS THE BASIC PURPOSE OF FOOD PRODUCTION.

~~FOOD IS NUTRITION FOR PEOPLE. PEOPLE CONSUME THE FOOD THAT~~
~~IS PRODUCED.~~

IT IS TRAGIC THAT THIS COUNTRY FOR ALL ITS WEALTH, FOR ALL
ITS RESOURCES, AND FOR ALL ITS GOOD INTENTIONS, STILL LACKS A
NATIONAL FOOD POLICY THAT CONSIDERS FOOD AS NOURSIHMENT, THAT IS
CONCERNED ABOUT HEALTH, NOT MERELY ABOUT COMMODITIES OF COMMERCE.

AND THIS MUST BE THE UNDERLYING AND PERVASIVE PHILOSOPHY OF

A NATIONAL FOOD POLICY.

But OF COURSE, SUCH A POLICY CAN'T BE SUCCESSFUL IN MEETING

THE NEEDS OF OUR PEOPLE, IF THE NATIONAL ECONOMY IS IN TROUBLE.

FOR THE LAST SEVEN YEARS, THE ZIGS AND ZAGS, THE

UPS AND DOWNS, THE STARTS AND STOPS, OF OUR NATIONS'

ECONOMIC POLICY HAVE GIVEN US THE WORST RECESSION SINCE

THE DEPRESSION, THE MOST RAPID INFLATION IN DECADES, AND

MORE PEOPLE OUT OF WORK THAN AT ANY TIME SINCE THE 1930's.

would have been worse without 500,000, 700,000
unemp comp.

ARE
A WHILE WE FINALLY EXPERIENCING ~~FAIRLY~~ FAIRLY STRONG ECONOMIC

GROWTH, ~~AT THIS TIME~~, MUCH OF IT IS CAUSED BY TWO TEMPORARY

FACTORS -- TAX REBATES OF LAST SPRING AND THE SWINGIN INVENTORIES.

I BELIEVE THAT ONCE THESE TWO FACTORS HAVE RUN THEIR BRIEF

COURSE, THE RATE OF ECONOMIC GROWTH WILL SLOW DOWN.

10/15/75

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IN FACT, THE GROWTH RATE COULD SLOW DOWN SO MUCH THAT THERE WILL BE LITTLE IF ANY FURTHER DECLINE IN UNEMPLOYMENT DURING 1976 AND 1977. THERE IS ALSO EVIDENCE THAT TOO RESTRICTIVE A MONETARY POLICY AND FISCAL POLICY COULD ACTUALLY INDUCE A NEW RECESSION LATE NEXT YEAR OR EARLY IN 1977.

THIS OUTLOOK, ENDORSED BY THE MAJORITY OF THE DEMOCRATS ON THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE, WHICH I CHAIR, INDICATES TO ME THAT ACTION MUST BE TAKEN NOW TO ENSURE A RAPID AND SUSTAINED ECONOMIC RECOVERY. WITHOUT RAPID AND SUSTAINED RECOVERY, UNDERUTILIZED CAPACITY WILL CONTINUE TO RESULT IN LOWER PRODUCTIVITY AND HIGHER PRICES. AT THE SAME TIME, IT WILL MEAN HIGH UNEMPLOYMENT, SHORTER WORKING HOURS, AND REDUCED INCOME FOR OUR PEOPLE. TOGETHER, THIS MEANS A CONTINUATION OF THE PROBLEMS THAT YOUR INDUSTRY HAS BEEN FACING FOR THE LAST SEVERAL YEARS

what is needed is sustained
recovery -⁻¹⁴⁻

~~TO PREVENT THIS FROM HAPPENING, THE JOINT ECONOMIC COMMITTEE~~

Let me outline some of the steps
~~HAS RECOMMENDED THAT SEVERAL STEPS BE TAKEN. I WILL OUTLINE~~
that are needed -
~~THEM VERY BRIEFLY;~~

-- EXTENSION OF THE 1975 TAX CUTS, AND ENACTMENT OF A

FURTHER \$8 TO \$10 BILLION REDUCTION IN TAXES IN 1976.

Stimulus

*Through
to Wilson*

-- AN EMERGENCY JOBS PROGRAM TO PUT SOME OF THE MILLIONS
OF UNEMPLOYED BACK TO WORK.

particularly youth

-- A MORE EXPANSIONARY MONETARY POLICY ~~UNDER WHICH INTEREST~~

Housing construction
~~RATES WILL BE KEPT BELOW THE LEVELS WHICH WOULD DIVERT FUNDS FROM~~

HOUSING AND OTHER CRUCIAL SECTORS OF OUR ECONOMY.

wage
-- A PRICE-INCOMES POLICY WHEREIN THE PRESIDENT HIMSELF AND

HIS HIGHEST LEVEL ADVISORS WOULD INITIATE AND MAINTAIN AN ACTIVE

VOLUNTARY PRICE INCOMES POLICY.

Budget Review - cuts - yes

I AM CONVINCED THAT THESE ARE CRITICALLY IMPORTANT STEPS THAT
NEED TO BE TAKEN NOW IF WE ARE TO RESTORE OUR ECONOMY TO A PERIOD
OF STRONG AND SUSTAINED ECONOMIC RECOVERY,

AMERICANS ARE LEARNING A VERY BITTER LESSON FROM THE ECONOMIC
MISTAKES OF THE 1970's.

RECESSION HAS SHOWN US ONCE AGAIN WHAT A TRAGIC WASTE IT IS
OF OUR NATIONS HUMAN, CAPITAL, AND NATURAL RESOURCES.

THIS RECESSION HAS COST US THREE HUNDRED BILLION DOLLARS
IN LOST INCOME IN TWO YEARS, AND WILL COST \$1.5 TRILLION IN
LOST GOODS, PRODUCTION AND INCOME BY THE END OF THE 1970's.

AND, IT HAS COST 25 MILLION AMERICAN WORKERS THEIR JOBS AT SOME
TIME DURING THE LAST TWO YEARS.

-- RECESSION IS A WASTE OF LABOR, OF SKILLS, OF EDUCATION AND
MANAGEMENT TALENT.

-- RECESSION IS A WASTE OF FACTORIES AND EQUIPMENT.

-- IT IS A WASTE OF GOVERNMENT REVENUES NOT GAINED.

-- A WASTE OF ESSENTIAL SERVICES NOT PROVIDED.

-- IT IS A WASTE OF TALENT AND ENTHUSIASM OF YOUNG MEN AND
WOMEN THAT FIND IT IMPOSSIBLE TO GET A JOB.

-- AND, IT IS A WASTE OF SAVINGS THAT ARE USED UP TO CARRY
US THROUGH THE HARD TIMES, AND BURNED UP BY THE FIRES OF INFLATION.

WITH ALL OF THE RICHNESS WITH WHICH AMERICA IS BLESSED, THIS
WASTE IS ^{THE} A SHAME OF OUR NATION. IT IS AN EVEN GREATER SHAME WHEN
ONE REALIZES THAT THERE IS SO MUCH THAT REMAINS TO BE DONE IN THIS
COUNTRY.

AMERICA HAS BEEN SADDLED WITH ~~SEVENTEEN~~ SEVEN YEARS OF DOUBT,
DIVISION, AND DEBT. WE MUST PUT IT TO AN END.

WE MUST ONCE AGAIN HOLD OUT THE PROMISE THAT WE WILL MAKE
DEMOCRACY WORK FOR ALL THE PEOPLE.

IF WE FACE THIS CHALLENGE SQUARELY, I AM CONFIDENT TODAY'S
PUBLIC APATHY, CYNICISM, AND DISTRUST CAN BE TRANSFORMED INTO
ENTHUSIASM, FAITH AND CONFIDENCE IN AMERICA'S FUTURE.

A NEW BIRTH OF FREEDOM IS WITHIN OUR GRASP. THE PEOPLE ARE
ONLY WAITING. AND I SAY THEY HAVE WAITED LONG ENOUGH.

LET'S GIVE AMERICA A CHANCE TO BE GREAT AND GOOD, STRONG AND
JUST, DECENT AND HAPPY.

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