

REMARKS OF SENATOR HUBERT H. HUMPHREY  
BUILDING PRODUCTS EXECUTIVES CONFERENCE

Washington, D.C.

October 23, 1975

It is a pleasure for me to participate in this important conference of Building Products Executives.

I want to thank Steve Keating, a good friend and a good Minnesotan, for inviting me here today.

I also want to thank your program chairman, Mr. Kitchens, for his excellent introduction.

As you know, the health of America's construction industry is vital to a strong and prosperous national economy.

With residential and industrial construction activity accounting for about 10 per cent of our national output, a \$135 billion industry, and nearly 5 per cent of our Nation's employment, it is very clear why this sector of our economy is of such great importance.

In recent years, the construction industry, has been in serious trouble and all America has suffered as a result. The continuing depression in the housing industry has been a major factor in producing the worst recession since "The Depression."

We take great risk in permitting the housing and construction sector to be the economic "shock absorber".

Our failure to produce adequate housing at reasonable prices for our citizens has turned the government's promise of "a good home in a decent living environment for every American," into an empty promise.

It is such unfulfilled promises that breed cynicism among our people.

A recent study prepared for me by the staff of the Joint Economic Committee clearly shows that fewer and fewer American families are able to afford decent homes. Today only 15 per cent of America's families have sufficient incomes to support all the housing expenses associated with the average priced new home.

This problem has been aggravated by a lack of commitment on the part of this Administration to housing. Despite the depressed condition of the housing industry, the Administration's approach has been to let nature and the market take their course.

The combination of moratoria on federal housing programs, painfully slow implementation of the new Section 8 housing program, the veto of a shallow subsidy for housing, and the conservative use of monetary policy, have all led to the problems which the construction industry has faced during the past two years.

If these policies are continued, and if interest rates are permitted to rise, they could be a serious threat to a strong and sustained economic recovery next year and beyond.

All of us who share these concerns must be heartened by the Administration's decision last week to reactivate the Section 235 Program. Of course, I think it was a terrible mistake to tie it up in knots in the first place. But, I am very pleased that it will now begin to operate once more. Certainly, the housing industry and our Nation's economy need it.

There are several steps that must be taken now to restore the health of our housing and construction industry. I will very briefly outline three that I feel are of greatest importance.

First, I believe that the Executive Branch can move much more rapidly to implement the housing programs that Congress has already enacted. It is time that "foot dragging" at HUD came to an end.

Second, the Chairman of the Federal Reserve Board, in consultation with the Administration and with Congress, should pursue a monetary policy that will bring us interest rates low enough to promote private sector housing construction.

Third, I have introduced legislation to stabilize the residential construction industry by making funds available for home purchases at reasonable rates of interest. This legislation would set up the Federal Housing Bank. This Bank would operate in the mortgage market so as to provide that home purchasers would be able to get housing money at interest rates of 6 per cent or less. The mortgages that the Bank purchases would have to be secured by new homes -- that is, new construction. We need to revitalize the housing industry in this country -- we need to get it going again -- and I believe that this approach is the right one.

I believe that if these elements were included in a comprehensive housing policy, that it would provide stability to our housing industry and at the same time bring the possibility of home ownership back within the reach of millions of Americans who cannot own their own home today.

Of course, the best housing policy that we can devise will be worthless if the inconsistent and sporadic, on-again off-again, economic policies and programs of the last several years continue.

Today, the economic situation is certainly looking up. The evidence of strong expansion in the Gross National Product and in industrial production during the third quarter of this year certainly is good news. This is important, and encouraging, and it's about time.

However, we must also keep clearly in mind that 30 per cent of our Nation's industrial capacity and equipment is not being used and that 8.4 per cent of our Nation's labor force -- more than 8 million workers -- is out of work.

We need a National Economic Policy that will put these resources back into production quickly and without reigniting inflation. With this current kind of slack in the economy, the chances of producing inflation because of too much pressure on capacity are quite remote.

I think we should all bear in mind that expansion and inflation do not necessarily go hand in hand. To the extent that expansion increases profits, provides "home grown" capital, and decreases unit costs of production, expansion can result in reducing pressure on prices.

As Chairman of the Congressional Joint Economic Committee, I have taken a very close look at the nation's economy, its rate of recovery, and what government action seems appropriate at this time.

The economic recovery we are experiencing at present can be tied, in part, to two temporary factors -- tax rebates and the inventory swing. Once these factors have run their course, it is possible that the rate of economic growth will slow down significantly. At least, this is a possibility that must be carefully watched.

In fact, there is a risk that too restrictive a monetary and fiscal policy, at this time, could produce a very sluggish growth rate and result in no significant decline in unemployment during 1976 and 1977.

With this as a backdrop, it is my view that several steps can and should be taken now to assure a strong 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 higher unemployment, shorter working hours, and reduced income for our people. Together, this means a continuation of the serious problems that you have been facing for the last several years.

To prevent this from happening, I believe that we should take several steps. I will outline them briefly for you.

-- The tax cuts enacted in 1975 -- excluding the rebates -- should be extended into 1976. The rate of recovery should be closely monitored in the next few months, and a decision made regarding the need for additional tax cuts at that time.

-- An emergency jobs program, to put some of the millions of unemployed Americans back to work, is required.

-- We need a more expansionary monetary policy under which interest rates will be kept below the levels which would divert funds from housing and other crucial sectors of our economy.

-- I believe that we must also enact the National Housing Bank proposal which I have recommended, or something like it. It certainly should be part of any program to get our economy back on the move.

These are critically important steps that need to be taken now if we are to achieve a strong and sustained economic recovery.

I reject the President's proposal of a massive tax cut on January 1st followed by massive reduction in federal spending just prior to the elections, ten months later. Such a program would be reckless economics and destructive to public confidence in a stable economic recovery.

Certainly, the economy needs fiscal stimulus, but I am afraid President Ford has become a "true believer" in tax cuts after seeing the positive effects of the action taken by the Congress last winter. In fact, his proposal may be seen as repentance for past sins. Unfortunately, and not uncommon among converts to any cause, his action is a bit overzealous.

In fact it reminds me of the old Anglo-Saxon who upon being baptized as a Christian asked that he be submerged in water up to his right armpit. Of course, he wanted that arm free to continue hacking away with his sword as he had in the past, before he found Christianity.

The question today is what President Ford will hack away with his \$28 billion budget cut. Congress certainly is not going to buy his proposal without careful scrutiny. It must know exactly where the cuts are intended before it can act on this proposal. It would be irresponsible to do otherwise.

There is no question that all federal spending needs to be carefully reviewed. I believe that the new Congressional Budget process is of historic importance in checking federal spending. It has imposed a kind of fiscal discipline on the Congress that it has never known before. As importantly, it has restored the ability of Congress to look comprehensively at the Nation's priorities in a very careful and informed way.

The American people do not need a "rubber stamp" Congress. Congress will very carefully look at the President's budget cut proposals within the context of the new Congressional Budget process.

I am most anxious to see where the President will cut the budget. Will he ask our elderly citizens to give up their protection from inflation? Will he who preaches quality education for all our children decide that it can be purchased on the cheap? Will he be able to cut spending for law enforcement, for health research, for housing programs, and the like, without seriously undermining the quality of life in America?

If this is where the President intends to cut the budget he is going to have a real battle with this Congress.

However, if he wants to cut back on staffing at the White House, on high priced public relations people in the bureaucracy, or on our excess military bases overseas, then he'll have an ally in his efforts.

The point is that I want to see the fine print, and so does every other member of the United States Congress.

Of course, the best way to cut the federal budget deficit is to get our country back to work. If we could trim the unemployment rate by 2 percentage points, we could cut the federal budget deficit through reduced payments for unemployment compensation, welfare programs, and increased tax revenues by about \$30 billion. As I see it, this is the best and most effective way of getting our nation's economic house in order. When the budgets of America's families are in balance the national budget will be also.

And this is what our economic policy must be designed to do today. But, the government's focus on eliminating waste must not be limited to a view of its own budget. The mountains of federal regulations that have been promulgated in recent years have cost taxpayers, consumers, and businesses, billions of dollars. Many of these regulations have perpetuated inefficiencies in our economic system that are simply nonsensical and must be eliminated.

For several years, I have been urging the creation of a Select Committee on Regulatory Reform to look into this issue in detail. The recent creation of an Ad Hoc Committee on Regulatory Reform, made up of Congressional leaders and working closely with the Administration, is the implementation of this proposal and I welcome it.

In the meantime, however, the Executive Branch, which designs most of these regulations, can begin now to eliminate those that make no sense. I urge the Executive Branch to carefully review all of its regulations and to eliminate those that are no longer needed. After all, we are talking about regulations that have been written by legal bureaucrats and not the Ten Commandments handed down by Moses on stone tablets. These regulations must be changed as conditions change. One of the great problems is that they are not.

As businessmen, you know that waste is your great enemy. Well, it is no different for our nation. This recession has cost us \$300 billion in the last two years and will cost \$1.5 trillion by 1980. It has also meant that 75 million Americans have had unemployment in their immediate family some time during 1975.

This just isn't good enough for America. Our people expect more and, frankly, they deserve more. It is time we began to utilize fully the resources with which this Nation has been so uniquely blessed.

If we put all of our resources back to work with consistent and compassionate economic policy, we will whip inflation, we will get our people on the job and off the dole, we will get interest rates down, and we will balance our Nation's budget.

The most important job facing us today is restoring confidence in America. As I see it, this means restoring our economy to health and showing the people that this is their government and that it can be effective in serving their needs.

There is tremendous vitality in America and it must be put to work to meet the many unmet needs of our nation. We need a comprehensive energy policy, and effective housing policy, a farsighted transportation policy, and a national food and nutrition policy. But, most importantly, we need an employment policy for our nation that will put it back to work.

We need to give hope to the millions of young Americans who find it impossible to use their talents and skills for their own benefit and that of their country. Millions of young Americans find crime and carousing as an outlet for the frustration born of not being able to put their abilities to useful tasks.

With 40 per cent of the youth in our inner cities out of work, and 25 per cent of all our young people out of jobs, youth unemployment is a cancer eating at the fabric of our economic and social system and it must be arrested.

As this election year approaches, let all of us compete not to see who can come up with the most outrageous examples of federal extravagance, not to see who can best compete for the support of the special interests, not to see who can make the most outrageous promises to the people, and not to see who can get his name on the front page most often.

In this election year, let us compete in painting for all Americans the vision we have for the future of our nation.

Let us compete with each other with the imaginative proposals and programs that we have for making those dreams become realities.

Let us compete in the arena of ideas for giving all of our people -- young and old, rich and poor, black and white -- reasons to trust in America's leaders and to hope in our nation's future.

# # # # #

Jakes - Basile

(X) my many duties

(2) election reform

(3) Break my heart

REMARKS OF SENATOR ROBERT H. HUMPHREY

BUILDING PRODUCTS EXECUTIVES CONFERENCE

WASHINGTON, D.C.

OCTOBER 23, 1975

Harold Mc Graw  
H. Mc Graw-Hill  
Inc

which  
Mr Kitchens

Steel Kitchens (Honeywell)

more speakers + has  
Democ Candidates

IT IS A PLEASURE FOR ME TO PARTICIPATE IN THIS IMPORTANT  
CONFERENCE OF BUILDING PRODUCTS EXECUTIVES.

I WANT TO THANK STEVE KEATING, A GOOD FRIEND AND  
A GOOD MINNESOTAN, FOR INVITING ME HERE TODAY.

I ALSO WANT TO THANK YOUR PROGRAM CHAIRMAN, MR.  
KITCHENS, FOR HIS EXCELLENT INTRODUCTION.

AS YOU KNOW, THE HEALTH OF AMERICA'S CONSTRUCTION  
INDUSTRY IS VITAL TO A STRONG AND PROSPEROUS NATIONAL  
ECONOMY.

WITH RESIDENTIAL AND INDUSTRIAL CONSTRUCTION ACTIVITY  
ACCOUNTING FOR ABOUT 10 PER CENT OF OUR NATIONAL  
OUTPUT, A \$135 BILLION INDUSTRY, AND NEARLY 5 PER CENT OF  
OUR NATION'S EMPLOYMENT, IT IS VERY CLEAR WHY THIS SECTOR  
OF OUR ECONOMY IS OF SUCH GREAT IMPORTANCE.

(X) Unique Times  
Pres. - V.P.  
Congress -  
Oil  
Food  
Prices

IN RECENT YEARS, THE CONSTRUCTION INDUSTRY, HAS BEEN  
IN SERIOUS TROUBLE AND ALL AMERICA HAS SUFFERED AS A RESULT.  
THE CONTINUING DEPRESSION IN THE HOUSING INDUSTRY HAS BEEN  
A MAJOR FACTOR IN PRODUCING THE WORST RECESSION SINCE "THE  
DEPRESSION."

WE TAKE GREAT RISK IN PERMITTING THE HOUSING AND  
CONSTRUCTION SECTOR TO BE THE ECONOMIC "SHOCK ABSORBER".

OUR FAILURE TO PRODUCE ADEQUATE HOUSING AT REASONABLE  
PRICES FOR OUR CITIZENS HAS TURNED THE GOVERNMENT'S PROMISE  
OF "A <sup>DECENT</sup> HOME IN A <sup>SUITABLE</sup> LIVING ENVIRONMENT FOR EVERY AMERICAN,"  
INTO AN EMPTY PROMISE.

IT IS SUCH UNFULFILLED PROMISES THAT BREED CYNICISM  
AMONG OUR PEOPLE.

A RECENT STUDY PREPARED FOR ME BY THE STAFF OF THE

JOINT ECONOMIC COMMITTEE CLEARLY SHOWS THAT FEWER AND

FEWER AMERICAN FAMILIES ARE ABLE TO AFFORD DECENT HOMES.

Today ONLY 15 PER CENT OF AMERICA'S FAMILIES HAVE SUFFICIENT

INCOMES TO SUPPORT ALL THE HOUSING EXPENSES ASSOCIATED WITH

THE AVERAGE PRICED NEW HOME.

This PROBLEM HAS BEEN AGGRAVATED BY A LACK OF COMMITMENT

ON THE PART OF THIS ADMINISTRATION TO HOUSING DESPITE THE

DEPRESSED CONDITION OF THE HOUSING INDUSTRY, THE ADMINISTRATION'S

APPROACH HAS BEEN TO LET NATURE AND THE MARKET TAKE THEIR COURSE.

The COMBINATION OF MORATORIA ON FEDERAL HOUSING PROGRAMS,

PAINFULLY SLOW IMPLEMENTATION OF THE NEW SECTION 8 HOUSING

PROGRAM, THE VETO OF A SHALLOW SUBSIDY FOR HOUSING, AND THE

CONSERVATIVE USE OF MONETARY POLICY, HAVE ALL LED TO THE  
PROBLEMS WHICH THE CONSTRUCTION INDUSTRY HAS FACED DURING  
THE PAST TWO YEARS.

↳ IF THESE POLICIES ARE CONTINUED, AND IF INTEREST RATES  
ARE PERMITTED TO RISE, THEY COULD BE A SERIOUS THREAT TO A STRONG  
AND SUSTAINED ECONOMIC RECOVERY NEXT YEAR AND BEYOND.

↳ ALL OF US WHO SHARE THESE CONCERNS MUST BE HEARTENED BY  
THE ADMINISTRATION'S DECISION LAST WEEK TO REACTIVATE THE  
SECTION 235 PROGRAM. OF COURSE, I THINK IT WAS A TERRIBLE  
MISTAKE TO TIE IT UP IN KNOTS IN THE FIRST PLACE. BUT, I AM  
VERY PLEASED THAT IT WILL NOW BEGIN TO OPERATE ONCE MORE.  
CERTAINLY, THE HOUSING INDUSTRY AND OUR NATION'S ECONOMY  
NEED IT.

✓ THERE ARE SEVERAL STEPS THAT MUST BE TAKEN NOW TO RESTORE  
THE HEALTH OF OUR HOUSING AND CONSTRUCTION INDUSTRY. I WILL  
VERY BRIEFLY OUTLINE THREE THAT I FEEL ARE OF GREATEST IMPORTANCE.

1 FIRST, I BELIEVE THAT THE EXECUTIVE BRANCH CAN MOVE MUCH  
MORE RAPIDLY TO IMPLEMENT THE HOUSING PROGRAMS THAT CONGRESS HAS  
ALREADY ENACTED. IT IS TIME THAT "FOOT DRAGGING" AT HUD CAME  
TO AN END.

SECOND, THE CHAIRMAN OF THE FEDERAL RESERVE BOARD, IN  
CONSULTATION WITH THE ADMINISTRATION AND WITH CONGRESS, SHOULD  
PURSUE A MONETARY POLICY THAT WILL BRING US INTEREST RATES LOW  
ENOUGH TO PROMOTE PRIVATE SECTOR HOUSING CONSTRUCTION.

THIRD, I HAVE INTRODUCED LEGISLATION TO STABILIZE THE  
RESIDENTIAL CONSTRUCTION INDUSTRY BY MAKING FUNDS AVAILABLE FOR  
HOME PURCHASES AT REASONABLE RATES OF INTEREST. THIS LEGISLATION

WOULD SET UP THE FEDERAL HOUSING BANK. THIS BANK WOULD OPERATE

IN THE MORTGAGE MARKET SO AS TO PROVIDE THAT HOME PURCHASERS WOULD

BE ABLE TO GET HOUSING MONEY AT INTEREST RATES OF 6 PER CENT <sup>u7</sup> ~~OR LESS~~.

THE MORTGAGES THAT THE BANK PURCHASES WOULD HAVE TO BE SECURED BY

NEW HOMES -- THAT IS, NEW CONSTRUCTION. WE NEED TO REVITALIZE

THE HOUSING INDUSTRY IN THIS COUNTRY -- WE NEED TO GET IT GOING

AGAIN -- AND I BELIEVE THAT THIS APPROACH IS THE RIGHT ONE.

I BELIEVE THAT IF THESE ELEMENTS WERE INCLUDED IN A

NATIONAL COMPREHENSIVE <sup>^</sup>HOUSING POLICY, THAT IT WOULD PROVIDE STABILITY TO

OUR HOUSING INDUSTRY AND AT THE SAME TIME BRING THE POSSIBILITY

OF HOME OWNERSHIP BACK WITHIN THE REACH OF MILLIONS OF AMERICANS

WHO CANNOT OWN THEIR OWN HOME TODAY.

OF COURSE, THE BEST HOUSING POLICY THAT WE CAN DEVISE WILL  
BE WORTHLESS IF ~~THE~~ INCONSISTENT AND SPORADIC, ON-AGAIN OFF-AGAIN,  
ECONOMIC POLICIES AND PROGRAMS OF THE LAST SEVERAL YEARS CONTINUE.

Today, the economic situation is certainly looking up.

The evidence of strong expansion in the gross national product

and in industrial production during the third quarter of this

year certainly is good news. This is important, and encouraging,

and it's about time.

However, we must also keep clearly in mind that <sup>30</sup>~~25~~ per cent  
of our nation's industrial capacity and equipment is not being  
used and that 8.4 per cent of our nation's labor force -- more  
than 8 million workers -- is out of work.

WE NEED A NATIONAL ECONOMIC POLICY THAT WILL PUT THESE  
RESOURCES BACK INTO PRODUCTION QUICKLY AND WITHOUT REIGNITING  
INFLATION. WITH ~~THE~~ <sup>THE</sup> CURRENT ~~SLACK~~ SLACK IN THE ECONOMY,  
THE CHANCES OF PRODUCING INFLATION BECAUSE OF TOO MUCH PRESSURE  
ON CAPACITY ARE QUITE REMOTE.

I THINK WE SHOULD ALL BEAR IN MIND THAT EXPANSION AND INFLATION  
DO NOT NECESSARILY GO HAND IN HAND. TO THE EXTENT THAT EXPANSION  
INCREASES PROFITS, PROVIDES "HOME GROWN" CAPITAL, AND DECREASES  
UNIT COSTS OF PRODUCTION, EXPANSION CAN RESULT IN REDUCING  
PRESSURE ON PRICES.

~~AS CHAIRMAN~~ OF THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE,  
~~I HAVE~~ <sup>HAS</sup> TAKEN A VERY CLOSE LOOK AT THE NATION'S ECONOMY, ITS  
RATE OF RECOVERY, AND WHAT GOVERNMENT ACTION SEEMS APPROPRIATE  
AT THIS TIME.

THE ECONOMIC RECOVERY WE ARE EXPERIENCING AT PRESENT CAN BE  
TIED, IN PART, TO TWO TEMPORARY FACTORS -- TAX REBATES AND THE  
INVENTORY SWING. ONCE THESE FACTORS HAVE RUN THEIR COURSE,  
IT IS POSSIBLE THAT THE RATE OF ECONOMIC GROWTH WILL SLOW DOWN  
SIGNIFICANTLY. AT LEAST, THIS IS A POSSIBILITY THAT MUST BE  
CAREFULLY WATCHED.

IN FACT, THERE IS A RISK THAT TOO RESTRICTIVE A MONETARY  
AND FISCAL POLICY, AT THIS TIME, COULD PRODUCE A VERY SLUGGISH  
GROWTH RATE AND RESULT IN NO SIGNIFICANT DECLINE IN UNEMPLOYMENT  
DURING 1976 AND 1977.

WITH THIS AS A BACKDROP, IT IS MY VIEW THAT SEVERAL STEPS  
CAN AND SHOULD BE TAKEN NOW TO ASSURE A STRONG 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

HIGHER UNEMPLOYMENT, SHORTER WORKING HOURS, AND REDUCED INCOME

FOR OUR PEOPLE. TOGETHER, THIS MEANS A CONTINUATION OF THE

SERIOUS PROBLEMS THAT YOU HAVE BEEN FACING FOR THE LAST SEVERAL

YEARS.

TO PREVENT THIS FROM HAPPENING, I BELIEVE THAT WE SHOULD  
TAKE SEVERAL STEPS. I WILL OUTLINE THEM BRIEFLY FOR YOU.

-- THE TAX CUTS ENACTED IN 1975 (EXCLUDING THE REBATES) --  
SHOULD BE EXTENDED INTO 1976. THE RATE OF RECOVERY SHOULD

BE CLOSELY MONITORED IN THE NEXT FEW MONTHS, AND A DECISION

MADE REGARDING THE NEED FOR ADDITIONAL TAX CUTS AT THAT TIME.

-- AN EMERGENCY JOBS PROGRAM, TO PUT SOME OF THE MILLIONS  
OF UNEMPLOYED AMERICANS BACK TO WORK, IS REQUIRED.

-- WE NEED A MORE EXPANSIONARY MONETARY POLICY UNDER WHICH  
INTEREST RATES WILL BE KEPT BELOW THE LEVELS WHICH WOULD DIVERT  
FUNDS FROM HOUSING AND OTHER CRUCIAL SECTORS OF OUR ECONOMY.

-- I BELIEVE THAT WE MUST ALSO ENACT THE NATIONAL HOUSING  
BANK PROPOSAL WHICH I HAVE RECOMMENDED, OR SOMETHING LIKE IT.

IT CERTAINLY SHOULD BE PART OF ANY PROGRAM TO GET OUR ECONOMY  
BACK ON THE MOVE. *(Solidarity)*

THESE ARE CRITICALLY IMPORTANT STEPS THAT NEED TO BE TAKEN  
NOW IF WE ARE TO ACHIEVE A STRONG AND SUSTAINED ECONOMIC RECOVERY.

I REJECT THE PRESIDENT'S PROPOSAL OF A MASSIVE TAX CUT ON  
JANUARY 1ST FOLLOWED BY <sup>A</sup> MASSIVE REDUCTION IN FEDERAL SPENDING JUST  
PRIOR TO THE ELECTIONS, TEN MONTHS LATER. SUCH A PROGRAM WOULD BE  
RECKLESS ECONOMICS AND DESTRUCTIVE TO PUBLIC CONFIDENCE IN A STABLE  
ECONOMIC RECOVERY.

L CERTAINLY, THE ECONOMY NEEDS FISCAL STIMULUS, BUT I AM AFRAID  
PRESIDENT FORD HAS BECOME A "TRUE BELIEVER" IN TAX CUTS AFTER  
SEEING THE POSITIVE EFFECTS OF THE ACTION TAKEN BY THE CONGRESS  
LAST WINTER. IN FACT, HIS PROPOSAL MAY BE SEEN AS REPENTANCE  
FOR PAST SINS. UNFORTUNATELY, AND NOT UNCOMMON AMONG CONVERTS  
TO ANY CAUSE, HIS ACTION IS A BIT OVERZEALOUS.

L IN FACT IT REMINDS ME OF THE OLD ANGLO-SAXON WHO UPON  
BEING BAPTIZED AS A CHRISTIAN ASKED THAT HE BE SUBMERGED IN  
WATER UP TO HIS RIGHT ARMPIT. OF COURSE, HE WANTED THAT ARM  
FREE TO CONTINUE HACKING AWAY WITH HIS SWORD AS HE HAD IN THE  
PAST, BEFORE HE FOUND CHRISTIANITY.

L THE QUESTION TODAY IS WHAT PRESIDENT FORD WILL HACK AWAY  
WITH HIS \$28 BILLION BUDGET CUT. CONGRESS CERTAINLY IS NOT GOING  
TO BUY HIS PROPOSAL WITHOUT CAREFUL SCRUTINY. IT MUST KNOW EXACTLY  
WHERE THE CUTS ARE INTENDED BEFORE IT CAN ACT ON THIS PROPOSAL. IT  
WOULD BE IRRESPONSIBLE TO DO OTHERWISE.

✓ THERE IS NO QUESTION THAT ALL FEDERAL SPENDING NEEDS TO BE  
CAREFULLY REVIEWED. ✓ I BELIEVE THAT THE NEW CONGRESSIONAL BUDGET  
PROCESS IS OF HISTORIC IMPORTANCE IN CHECKING FEDERAL SPENDING. ✓

✓ IT HAS IMPOSED A KIND OF FISCAL DISCIPLINE ON THE CONGRESS THAT  
IT HAS NEVER KNOWN BEFORE. ✓ AS IMPORTANTLY, IT HAS RESTORED  
THE ABILITY OF CONGRESS TO LOOK COMPREHENSIVELY AT THE NATION'S  
PRIORITIES IN A VERY CAREFUL AND INFORMED WAY.

✓ THE AMERICAN PEOPLE DO NOT NEED A "RUBBER STAMP" CONGRESS.

✓ CONGRESS WILL VERY CAREFULLY LOOK AT THE PRESIDENT'S BUDGET CUT  
PROPOSALS WITHIN THE CONTEXT OF THE NEW CONGRESSIONAL BUDGET  
PROCESS.

✓ I AM MOST ANXIOUS TO SEE WHERE THE PRESIDENT WILL CUT THE BUDGET.

✓ WILL HE ASK OUR ELDERLY CITIZENS TO GIVE UP THEIR PROTECTION  
FROM INFLATION? ✓ WILL HE WHO PREACHES QUALITY EDUCATION FOR ALL  
OUR CHILDREN DECIDE THAT IT CAN BE PURCHASED ON THE CHEAP?

WILL HE BE ABLE TO CUT SPENDING FOR LAW ENFORCEMENT, FOR HEALTH RESEARCH, FOR HOUSING PROGRAMS, AND THE LIKE, WITHOUT SERIOUSLY UNDERMINING THE QUALITY OF LIFE IN AMERICA?

IF THIS IS WHERE THE PRESIDENT INTENDS TO CUT THE BUDGET HE IS GOING TO HAVE A REAL BATTLE WITH THIS CONGRESS.

HOWEVER, IF HE WANTS TO CUT BACK ON STAFFING AT THE WHITE HOUSE, ON HIGH PRICED PUBLIC RELATIONS PEOPLE IN THE BUREAUCRACY, OR ON OUR EXCESS MILITARY BASES OVERSEAS, THEN HE'LL HAVE AN ALLY IN HIS EFFORTS.

THE POINT IS THAT I WANT TO SEE THE FINE PRINT, AND SO DOES EVERY OTHER MEMBER OF THE UNITED STATES CONGRESS.

OF COURSE, THE BEST WAY TO CUT THE FEDERAL BUDGET DEFICIT IS TO GET OUR COUNTRY BACK TO WORK. IF WE COULD TRIM THE UNEMPLOYMENT RATE BY 2 PERCENTAGE POINTS, WE COULD CUT THE FEDERAL BUDGET DEFICIT THROUGH REDUCED PAYMENTS FOR UNEMPLOYMENT COMPENSATION, WELFARE PROGRAMS, AND INCREASED TAX REVENUES BY ABOUT \$30 BILLION.

AS I SEE IT, THIS IS THE BEST AND MOST EFFECTIVE WAY OF GETTING  
OUR NATION'S ECONOMIC HOUSE IN ORDER. WHEN THE BUDGETS OF  
AMERICA'S FAMILIES ARE IN BALANCE THE NATIONAL BUDGET WILL BE  
ALSO.

Waste

AND THIS IS WHAT OUR ECONOMIC POLICY MUST BE DESIGNED TO  
DO TODAY. BUT, THE GOVERNMENT'S FOCUS ON ELIMINATING WASTE MUST  
NOT BE LIMITED TO A VIEW OF ITS OWN BUDGET. THE MOUNTAINS OF  
FEDERAL REGULATIONS THAT HAVE BEEN PROMULGATED IN RECENT YEARS  
HAVE COST TAXPAYERS, CONSUMERS, AND BUSINESSES, BILLIONS OF  
DOLLARS. MANY OF THESE REGULATIONS HAVE PERPETUATED  
INEFFICIENCIES IN OUR ECONOMIC SYSTEM THAT ARE SIMPLY NONSENSICAL  
AND MUST BE ELIMINATED.

# Regulations

-16-

FOR SEVERAL YEARS, I HAVE BEEN URGING THE CREATION OF A  
SELECT COMMITTEE ON REGULATORY REFORM TO LOOK INTO THIS ISSUE  
IN DETAIL. THE RECENT CREATION OF AN AD HOC COMMITTEE ON  
REGULATORY REFORM, MADE UP OF CONGRESSIONAL LEADERS AND WORKING  
CLOSELY WITH THE ADMINISTRATION, IS THE IMPLEMENTATION OF THIS  
PROPOSAL AND I WELCOME IT.

IN THE MEANTIME, HOWEVER, THE EXECUTIVE BRANCH, WHICH  
DESIGNS MOST OF THESE REGULATIONS, CAN BEGIN NOW TO ELIMINATE  
THOSE THAT MAKE NO SENSE. I URGE THE EXECUTIVE BRANCH TO  
CAREFULLY REVIEW ALL OF ITS REGULATIONS AND TO ELIMINATE THOSE  
THAT ARE NO LONGER NEEDED. AFTER ALL, WE ARE TALKING ABOUT  
REGULATIONS THAT HAVE BEEN WRITTEN BY LEGAL BUREAUCRATS AND NOT  
THE TEN COMMANDMENTS HANDED DOWN BY MOSES ON STONE TABLETS.  
THESE REGULATIONS MUST BE CHANGED AS CONDITIONS CHANGE. ONE  
OF THE GREAT PROBLEMS IS THAT THEY ARE NOT.

Waste

-17-

h AS BUSINESSMEN, YOU KNOW THAT WASTE IS YOUR GREAT ENEMY.

WELL, IT IS NO DIFFERENT FOR OUR NATION. { THIS RECESSION HAS

COST US \$300 BILLION IN THE LAST TWO YEARS AND WILL COST \$1.5

TRILLION BY 1980. IT HAS ALSO MEANT THAT 75 MILLION AMERICANS

HAVE HAD UNEMPLOYMENT IN THEIR IMMEDIATE FAMILY SOME TIME DURING

1975, the last 2 years.

{ THIS JUST ISN'T GOOD ENOUGH FOR AMERICA { OUR PEOPLE EXPECT

MORE AND, FRANKLY, THEY DESERVE MORE { IT IS TIME WE BEGAN TO

UTILIZE FULLY THE RESOURCES WITH WHICH THIS NATION HAS BEEN SO

UNIQUELY BLESSED,

h IF WE PUT ALL OF OUR RESOURCES BACK TO WORK WITH CONSISTENT  
AND COMPASSIONATE ECONOMIC POLICY, WE WILL WHIP INFLATION, WE WILL

GET OUR PEOPLE ON THE JOB AND OFF THE DOLE, WE WILL GET INTEREST

RATES DOWN, AND WE WILL BALANCE OUR NATION'S BUDGET.

THE MOST IMPORTANT JOB FACING US TODAY IS RESTORING CONFIDENCE  
IN AMERICA. AS I SEE IT, THIS MEANS RESTORING OUR ECONOMY TO  
HEALTH AND SHOWING THE PEOPLE THAT THIS IS THEIR GOVERNMENT AND  
THAT IT CAN BE EFFECTIVE IN SERVING THEIR NEEDS.

THERE IS TREMENDOUS VITALITY IN AMERICA AND IT MUST BE PUT  
TO WORK TO MEET THE MANY UNMET NEEDS OF OUR NATION. WE NEED  
A COMPREHENSIVE ENERGY POLICY, AN EFFECTIVE HOUSING POLICY, A  
FARSIGHTED TRANSPORTATION POLICY, AND A NATIONAL FOOD AND  
NUTRITION POLICY. BUT, MOST IMPORTANTLY, WE NEED AN EMPLOYMENT  
POLICY FOR OUR NATION THAT WILL PUT IT BACK TO WORK.

WE NEED TO GIVE HOPE TO THE MILLIONS OF YOUNG AMERICANS  
WHO FIND IT IMPOSSIBLE TO USE THEIR TALENTS AND SKILLS FOR  
THEIR OWN BENEFIT AND THAT OF THEIR COUNTRY. MILLIONS OF  
YOUNG AMERICANS FIND CRIME AND CAROUSING AS AN OUTLET FOR THE  
FRUSTRATION BORN OF NOT BEING ABLE TO PUT THEIR ABILITIES TO  
USEFUL TASKS.

h WITH 40 PER CENT OF ~~THE~~ <sup>Black</sup> YOUTH IN OUR INNER CITIES OUT  
OF WORK, AND 25 PER CENT OF ALL OUR YOUNG PEOPLE OUT OF JOBS,  
YOUTH UNEMPLOYMENT IS A CANCER EATING AT THE FABRIC OF OUR  
ECONOMIC AND SOCIAL SYSTEM AND IT MUST BE ARRESTED.

h AS THIS ELECTION YEAR APPROACHES, LET ALL OF US COMPETE  
NOT TO SEE WHO CAN COME UP WITH THE MOST OUTRAGEOUS EXAMPLES  
OF FEDERAL EXTRAVAGANCE, NOT TO SEE WHO CAN BEST COMPETE FOR  
THE SUPPORT OF THE SPECIAL INTERESTS, NOT TO SEE WHO CAN MAKE  
THE MOST OUTRAGEOUS PROMISES TO THE PEOPLE, AND NOT TO SEE  
WHO CAN GET HIS NAME ON THE FRONT PAGE MOST OFTEN.

IN THIS ELECTION YEAR, LET US COMPETE IN PAINTING FOR ALL  
AMERICANS THE VISION WE HAVE FOR THE FUTURE OF OUR NATION.

LET US COMPETE WITH EACH OTHER WITH THE IMAGINATIVE  
PROPOSALS AND PROGRAMS THAT WE HAVE FOR MAKING THOSE DREAMS  
BECOME REALITIES.

LET US COMPETE IN THE ARENA OF IDEAS FOR GIVING ALL OF  
OUR PEOPLE -- YOUNG AND OLD, RICH AND POOR, BLACK AND WHITE --  
REASONS TO TRUST IN AMERICA'S LEADERS AND TO HOPE IN OUR  
NATION'S FUTURE.

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