

REMARKS OF SENATOR HUBERT H. HUMPHREY

CONSUMER FEDERATION OF AMERICA

Washington, D.C.

January 22, 1976

It is a distinct pleasure to be here with you this morning.

You have a big stake in seeing that government faces up to the hard answers that are needed to solve the problems of today.

Participation is what good government is all about, and because of your participation considerable progress has been made in areas of vital concern to consumers: safe products, effective and honest warranties, fair credit, and consumer cooperatives, to name a few. But more needs to be done.

The greatest abuse the American consumer is confronted with today is the continued undermining of his purchasing power. He is increasingly unable to afford essential products and services.

One of the causes of this phenomenon is that our economy is experiencing both inflation and recession at the same time. Never before has any industrialized society had such an experience. We have developed economic tools to combat one or the other. But to be faced with both at the same time has confounded us -- and has deeply affected the American consumer.

Americans are learning a very bitter lesson from the economic catastrophe of the 1970's. By the end of this decade, recession alone will have cost our nation \$1.5 trillion in goods never produced, services never provided, and income never found in anyone's paycheck.

More specifically, that represents a loss of over \$7,000 for every man, woman and child in America today. A family of four will have lost, on the average, an incredible \$28,000 in income -- in buying power -- as a result of this disastrous economic mismanagement.

Rapid inflation and deep recession have reduced the standard of living of American consumers twice as much as any other post-war recession. Consumers have taken a severe beating from every direction -- paying higher prices for what they buy, while wages and income have lagged far behind.

In the past three years, consumer prices have risen 28 percent while the take-home pay of the average worker with a wife and two children has decreased 5.4 percent. This same worker's take-home pay in 1975 actually was lower than in 1965. All this when:

-- The price of food at the supermarket has gone up 18 percent in the last two years.

-- The retail price of fuel has increased 32 percent in that same period.

-- The median price of a new home is \$41,300 and can be afforded by only 15 percent of all American families. Only 20 percent can afford an existing home.

-- The cost of medical care skyrocketed to \$118.5 billion in 1975 and now eats up more than one month's pay per year for the average American.

Consumers and consumer groups have exercised considerable muscle in the marketplace. You have a right to be heard, to be informed and to inform, to be safe, and to choose.

There isn't any doubt that the problems of today do not lend themselves to the solutions of yesterday. And all of us know what these problems are.

What we need are creative solutions, and you need an effective means to participate in shaping these solutions.

-- We need to make it possible for more consumers to become involved in helping themselves through consumer cooperatives and through more effective representation as decisions affecting their interest and way of life are made.

-- We need a food policy which is designed to give both producers and consumers fair treatment.

-- We need an energy policy which will provide an adequate supply of energy at reasonable prices. We cannot permit a handful of producers to rig energy prices in their own short-term interest.

-- We need an anti-inflation program designed to encourage competitive pricing and restore industry to higher levels of production.

-- We need an all-out attack on waste throughout the economy. Significant spending reduction, regulatory reform and revenue-raising tax reforms are possible without severely impairing important government services.

Most of all, we need a national economic policy to encourage, in a free, democratic and orderly way, a means of achieving our goals with available resources.

Let's take these items one at a time.

One of the most important items on the consumer agenda is to make it possible for most consumers to become involved in helping themselves.

This is happening through the growing effectiveness of state and local consumer organizations and by recent Congressional endorsement of an Agency for Consumer Advocacy. This legislation strikes a good balance between the public's right to know about products or services which may endanger their health or safety or which may cause substantial economic injury, and the right of those complained against also to be heard. The voice and interests of consumers must be heard in fact, not just in theory.

Consumer cooperatives also have become a reality and we need to promote their growth by providing loans and technical assistance, just as we did to farmers through the Farm Credit System. A national consumer cooperative bank would serve consumers interested in establishing or expanding sound business endeavors in housing, consumer goods, health services, credit and other similar consumer activities.

This could be one of the greatest economic additions to the forward look that consumers already have brought to many of our national programs and goals.

Consumers and producers alike have an interest in maintaining a strong system of cooperatives. They help the farmers compete and help assure a reliable food supply for consumers.

The erratic "boom and bust" policies advocated by this Administration are not the answer. They wrongly have set the consumer against the farmer.

For example, the food bill of American citizens has increased over \$57 billion in the last three years as a result of the "doctrine of the free market" as interpreted by Secretary Butz. This Administration's policies are encouraging higher food prices while driving our farmers out of business.

We've all heard a lot of hoopla about the cost of farm subsidies. But during the last 40 years the government has paid less to the farmers for price supports, conservation, cropland adjustment and other programs than it has cost you at the cash register in the supermarket in the last three years alone.

The percent of your income going for food had actually been declining before this Administration took office. Government costs for farm programs have gone down in the last three years. But your food bill has increased by almost 50 percent. Neither the consumer nor the farmer is being served by this "boom and bust" policy of the Administration.

The time has come to make tough decisions so that our food policy is fair to farmers and consumers alike.

It simply is not a political issue or an economic problem when rising food prices mean the difference between a decent meal and gnawing hunger, between health and malnutrition for hundreds of thousands of families across America.

It is too much to ask our poorest consumer to eat only in good years.

It also is too much to ask our farm families -- who have made American agriculture the most productive and efficient in the world -- to plan and plant next year's crop when wildly gyrating prices give not one clue as to whether they will recover their investments for production costs, let alone make a profit.

Farmers and consumers both have paid a high price, because we have ignored the need for a balanced national food policy. We should not be deceived by the rhetoric today concerning the need to remove the shackles of government intervention and interference from the farmer. A policy of "government hands-off" as some advocate, simply is not realistic in a world where state-controlled trading operations dominate the export business of many nations.

How many times are our producers and consumers going to be burned by volatile markets before we come to the realization that some basic structural changes have occurred in the world's agricultural system and we need a food and agricultural policy to reflect these changes?

It is no easy task to develop a comprehensive policy to meet the needs of both producers and consumer. But it should aim at the following objectives:

- Price and income protection for producers of food and fiber;

- Food supply stability for consumers at reasonable prices;

- Adequate supply of inputs and transportation for producers at reasonable prices;

- Adequate agricultural production for domestic and international needs;

-- The establishment of a reserve program to provide market stability during periods of shortage and surplus; to maintain the reliability of the United States as an exporter, and to continue the provision of food assistance to needy nations.

Soaring energy prices have been another cause of the sharp erosion in purchasing power we have experienced.

Month after month we watched gas prices, heating oil prices, and electric rates climb until now we pay 80 percent more for gas, 140 percent more for heating oil, and 75 percent more for electricity than we did in 1973. And we've had to fight mightily just to keep these prices from going still higher.

The free-enterprise buccaneers of this Administration tell us that oil prices should be set by the free market. But an OPEC-dedicated oil price is hardly what I would call a free market. It is a contrived artificial price established by an international cartel with no justification other than that provided by naked monopoly power.

Yet the debates rarely focus on that fact. And hardly anyone talks about you -- about the impact of energy shortages and soaring prices to the consumer.

Oil decontrol was proposed in your name with claims that it would reduce imports. But the Administration's own data reveals that imports would be reduced by less than 10 percent by 1980. And this, had it come to pass, would have cost you at least \$12 billion in higher oil prices on top of the estimated \$40 billion in higher energy costs you already are paying. According to projections by the Joint Economic Committee, you would have faced double digit inflation this winter and watched 150,000 men and women join the ranks of the unemployed.

Specific authority already vested in the President resulted in a 20 percent increase in oil exploration without total decontrol.

Instead of taking more money out of your pocket, we need to establish a reliable oil and energy supply to achieve energy independence. We need to tax American know-how, not American consumers. We need:

-- A challenge to private enterprise to develop effective automobiles, appliances and machines that save energy;

-- A good-sized emergency oil stockpile of up to one billion barrels;

-- More domestic oil production -- if environmentally sound, and if it can be done for less than we now pay for OPEC oil;

-- A massive solar energy program to replace scarce and environmentally-damaging nuclear and fossil fuels; and

-- An expeditious solution to the problems of transporting natural gas so that badly-needed energy will not be flared off in Alaska as shortages occur in the other 49 states.

Is it any wonder that public confidence in government is at an all-time low when time after time agencies that purport to represent the public interest end up costing the consumer more money?

In this time of economic recession and energy conservation, we need to devote a major effort to change regulatory processes which increase costs to the consumer and encourage a wasteful use of our precious resources. With the possible exception of taxation, no economic activity touches so much of the citizenry as does the regulatory commissions. Yet we're still operating according to concepts that have been or are becoming outmoded by change.

We need to encourage competitive pricing and restore industry to higher levels of production. Recent price increases in many industries simply cannot be justified when one realizes that 30 percent of our industrial resources lie idle and unused.

Auto production is down and has been for over two years, yet buyers are being asked to pay \$1,000 more for the average car than they were two years ago. No wonder so many Americans are clinging to their old cars and so many auto workers remain unemployed. No wonder so many of our people feel that "free enterprise" is simply the mumbo-jumbo of the monopolists and their economic apologists.

In a truly competitive market, many of these pricing actions would not have taken place. Such irresponsible use of arbitrary pricing power has delayed and weakened the economic recovery by reducing the real value of consumers' purchasing power at a crucial time and by reinforcing the fear of inflation.

Renewed wage and price controls, reorganization of concentrated industries to create more competition, and the creation of government corporations to inject competition into certain concentrated industries have been proposed to restrain corporate power. Each of these remedies, however, has serious drawbacks.

But fundamental changes will be necessary if arbitrary economic power continues to grow as it has done. In fact, we may not be far from a new era of general trustbusting like the one that swept America in the early 1900's in response to excessive corporate bigness and power.

I have talked about the direction we need to take in addressing the problems facing consumers today -- food, energy, continued price escalation in the industrial sector in spite of production slack, and participation in the decisions so directly affecting you.

But to solve these problems we need a positive government with strong leadership. Don't let anyone promise to take government out of your lives. Some would have you believe that big federal government is to blame for the country's economic stagnation -- that by cutting back federal programs, inflation somehow will magically disappear. Unfortunately, it's not that easy.

Big spending won't do it either.

What we really need is direction -- some clear, national economic policy that is shaped by the people it will affect. Businesses plan; consumers plan. All other industrial nations plan. We are a nation with our destiny in our hands. Let's act like one.

We must look ahead in a free, democratic and orderly way to put the nation back on the road to prosperity. But we must do it together.

People are crying out for a government that works, that understands their problems, and makes an honest realistic but compassionate effort to help solve them. A great deal depends on the choice you make at the polls in November and on the quality of leadership provided by the person selected as the next President of the United States.

One of the great moral political leaders of our time was my dear and good friend, Adlai Stevenson.

Adlai reminded us that democracy is not self-executing. We have to make it work through sober thought and constructive criticism. We need to reason together, to see new facts in the light of old principles, and evaluate old principles in the light of new facts. Democracy's need for wisdom will remain as perennial as its need for liberty. Self-examination is the perennial price of liberty. The work of self-government never ceases.

A part of this self-examination will take place here during your convention. It's up to each and every one of you to speak out.

You have one of the biggest stakes in seeing that government faces up to the hard answers. Your voice is as vital now as it ever has been. Use it wisely, but most of all, use it.

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Pres Ford -
Truman
Tom Paine

I could become
B. Partisan

REMARKS OF SENATOR HUBERT H. HUMPHREY

CONSUMER FEDERATION OF AMERICA

WASHINGTON, D.C.

JANUARY 22, 1976

Candidate
"Re-election"

Carol Fournier

10th Annual Consumer
Assembly

Jake Clayman

(Ambitious Program)

IT IS A DISTINCT PLEASURE TO BE HERE WITH YOU THIS MORNING.

YOU HAVE A BIG STAKE IN SEEING THAT GOVERNMENT FACES UP
TO THE HARD ANSWERS THAT ARE NEEDED TO SOLVE THE PROBLEMS
OF TODAY.

We the People

h PARTICIPATION IS WHAT GOOD GOVERNMENT IS ALL ABOUT, AND
BECAUSE OF YOUR PARTICIPATION CONSIDERABLE PROGRESS HAS BEEN
MADE IN AREAS OF VITAL CONCERN TO CONSUMERS; SAFE PRODUCTS,
EFFECTIVE AND HONEST WARRANTIES, FAIR CREDIT, AND CONSUMER
COOPERATIVES, TO NAME A FEW. h BUT MORE NEEDS TO BE DONE.

THE GREATEST ABUSE THE AMERICAN CONSUMER IS CONFRONTED
WITH TODAY IS THE CONTINUED UNDERMINING OF HIS PURCHASING
POWER. h HE IS INCREASINGLY UNABLE TO AFFORD ESSENTIAL PRODUCTS
AND SERVICES.

ONE OF THE CAUSES OF THIS PHENOMENON IS THAT OUR ECONOMY IS
EXPERIENCING BOTH INFLATION AND RECESSION AT THE SAME TIME.

NEVER BEFORE HAS ANY INDUSTRIALIZED SOCIETY HAD SUCH AN

EXPERIENCE. WE HAVE DEVELOPED ECONOMIC TOOLS TO COMBAT ONE

OR THE OTHER. BUT, TO BE FACED WITH BOTH AT THE SAME TIME HAS

CONFOUNDED US -- AND HAS DEEPLY AFFECTED THE AMERICAN CONSUMER.

AMERICANS ARE LEARNING A VERY BITTER LESSON FROM THE

ECONOMIC CATASTROPHE OF THE 1970's. BY THE END OF THIS DECADE,

RECESSION ALONE WILL HAVE COST OUR NATION \$1.5 TRILLION IN

GOODS NEVER PRODUCED, SERVICES NEVER PROVIDED, AND INCOME

NEVER FOUND IN ANYONE'S PAYCHECK.

MORE SPECIFICALLY, THAT REPRESENTS A LOSS OF OVER

\$7,000 FOR EVERY MAN, WOMAN AND CHILD IN AMERICAN TODAY.

L A FAMILY OF FOUR WILL HAVE LOST, ON THE AVERAGE, AN INCREDIBLE
\$28,000 IN INCOME -- IN BUYING POWER -- AS A RESULT OF THIS
DISASTROUS ECONOMIC MISMANAGEMENT.

h RAPID INFLATION AND DEEP RECESSION HAVE REDUCED THE STANDARD
OF LIVING OF AMERICAN CONSUMERS TWICE AS MUCH AS ANY OTHER
POST-WAR RECESSION CONSUMERS HAVE TAKEN A SEVERE BEATING FROM
EVERY DIRECTION -- PAYING HIGHER PRICES FOR WHAT THEY BUY,
WHILE WAGES AND INCOME HAVE LAGGED FAR BEHIND. (~~1965~~)

L IN THE PAST THREE YEARS, CONSUMER PRICES HAVE RISEN
28 PERCENT WHILE THE TAKE-HOME PAY OF THE AVERAGE WORKER
WITH A WIFE AND TWO CHILDREN HAS DECREASED 5.4 PERCENT. THIS
SAME WORKER'S TAKE-HOME PAY IN 1975 ACTUALLY WAS LOWER THAN
IN 1965. ALL THIS WHEN:

L-- THE PRICE OF FOOD AT THE SUPERMARKET HAS GONE UP
18 PERCENT IN THE LAST TWO YEARS.

L-- THE RETAIL PRICE OF FUEL HAS INCREASED 32 PERCENT IN
THAT SAME PERIOD.

L-- THE MEDIAN PRICE OF A NEW HOME IS \$41,300 AND CAN BE
AFFORDED BY ONLY 15 PERCENT OF ALL AMERICAN FAMILIES. ~~ONLY~~
~~20 PERCENT CAN AFFORD AN EXISTING HOME.~~

L-- THE COST OF MEDICAL CARE SKYROCKETED TO \$118.5 BILLION
IN 1975 AND NOW EATS UP MORE THAN ONE MONTH'S PAY PER YEAR
FOR THE AVERAGE AMERICAN.

L-- ~~CONSUMERS~~ CONSUMERS AND CONSUMER GROUPS HAVE EXERCISED CONSIDERABLE
MUSCLE IN THE MARKETPLACE. YOU HAVE A RIGHT TO BE HEARD, TO
BE INFORMED AND TO INFORM, TO BE SAFE, AND TO CHOOSE.

L THERE ISN'T ANY DOUBT THAT THE PROBLEMS OF TODAY DO NOT
LEND THEMSELVES TO THE SOLUTIONS OF YESTERDAY. L AND ALL OF
US KNOW WHAT THESE PROBLEMS ARE.

L WHAT WE NEED ARE CREATIVE SOLUTIONS, AND YOU NEED AN EFFECTIVE
MEANS TO PARTICIPATE IN SHAPING THESE SOLUTIONS.

-- L WE NEED TO MAKE IT POSSIBLE FOR MORE CONSUMERS TO BECOME
INVOLVED IN HELPING THEMSELVES THROUGH CONSUMER COOPERATIVES
AND THROUGH MORE EFFECTIVE REPRESENTATION AS DECISIONS
AFFECTING THEIR INTEREST AND WAY OF LIFE ARE MADE.

h -- WE NEED A FOOD POLICY WHICH IS DESIGNED TO GIVE BOTH
PRODUCERS AND CONSUMERS FAIR TREATMENT.

L -- WE NEED AN ENERGY POLICY WHICH WILL PROVIDE AN ADEQUATE
SUPPLY OF ENERGY AT REASONABLE PRICES. WE CANNOT PERMIT A HANDFUL
OF PRODUCERS TO RIG ENERGY PRICES IN THEIR OWN SHORT-TERM INTEREST.

L -- WE NEED AN ANTI-INFLATION PROGRAM DESIGNED TO ENCOURAGE
COMPETITIVE PRICING AND RESTORE INDUSTRY TO HIGHER LEVELS OF
PRODUCTION.

L -- WE NEED AN ALL-OUT ATTACK ON WASTE THROUGHOUT THE ECONOMY.

L SIGNIFICANT SPENDING REDUCTION, REGULATORY REFORM AND REVENUE-
RAISING TAX REFORMS ARE POSSIBLE WITHOUT SEVERELY IMPAIRING
IMPORTANT GOVERNMENT SERVICES.

L MOST OF ALL, WE NEED A NATIONAL ECONOMIC POLICY TO ENCOURAGE,
IN A FREE, DEMOCRATIC AND ORDERLY WAY, A MEANS OF ACHIEVING OUR
GOALS WITH AVAILABLE RESOURCES.

L LET'S TAKE THESE ITEMS ONE AT A TIME.!

ONE OF THE MOST IMPORTANT ITEMS ON THE CONSUMER AGENDA IS
TO MAKE IT POSSIBLE FOR MOST CONSUMERS TO BECOME INVOLVED IN
HELPING THEMSELVES.

THIS IS HAPPENING THROUGH THE GROWING EFFECTIVENESS OF STATE

AND LOCAL CONSUMER ORGANIZATIONS AND BY RECENT CONGRESSIONAL

ENDORSEMENT OF AN AGENCY FOR CONSUMER ADVOCACY. THIS LEGISLATION

STRIKES A GOOD BALANCE BETWEEN THE PUBLIC'S RIGHT TO KNOW ABOUT

PRODUCTS OR SERVICES WHICH MAY ENDANGER THEIR HEALTH OR SAFETY

OR WHICH MAY CAUSE SUBSTANTIAL ECONOMIC INJURY, AND THE RIGHT

OF THOSE COMPLAINED AGAINST ALSO TO BE HEARD. THE VOICE AND

INTERESTS OF CONSUMERS MUST BE HEARD IN FACT, NOT JUST IN THEORY!

CONSUMER COOPERATIVES ALSO HAVE BECOME A REALITY AND WE NEED

TO PROMOTE THEIR GROWTH BY PROVIDING LOANS AND TECHNICAL

ASSISTANCE, JUST AS WE DID TO FARMERS THROUGH THE FARM CREDIT

SYSTEM. A NATIONAL CONSUMER COOPERATIVE BANK WOULD SERVE

CONSUMERS INTERESTED IN ESTABLISHING OR EXPANDING SOUND BUSINESS

ENDEAVORS IN HOUSING, CONSUMER GOODS, HEALTH SERVICES, CREDIT

AND OTHER SIMILAR CONSUMER ACTIVITIES.

Passed
for
House
not
signed

Credit
Union

MM

THIS COULD BE ONE OF THE GREATEST ECONOMIC ADDITIONS TO THE
FORWARD LOOK THAT CONSUMERS ALREADY HAVE BROUGHT TO MANY OF OUR
NATIONAL PROGRAMS AND GOALS.

CONSUMERS AND PRODUCERS ALIKE HAVE AN INTEREST IN MAINTAINING
A STRONG SYSTEM OF ^{Producers} COOPERATIVES. THEY HELP THE FARMERS COMPETE
AND HELP ASSURE A RELIABLE FOOD SUPPLY FOR CONSUMERS.

THE ERRATIC "BOOM AND BUST" POLICIES ADVOCATED BY THIS
ADMINISTRATION ARE NOT THE ANSWER. THEY WRONGLY HAVE SET
THE CONSUMER AGAINST THE FARMER.

FOR EXAMPLE, THE FOOD BILL OF AMERICAN CITIZENS HAS INCREASED
OVER \$57 BILLION IN THE LAST THREE YEARS AS A RESULT OF THE
"DOCTRINE OF THE FREE MARKET" AS INTERPRETED BY SECRETARY BUTZ.

THIS ADMINISTRATION'S POLICIES ARE ENCOURAGING HIGHER FOOD PRICES
WHILE DRIVING ^{many of} OUR FARMERS OUT OF BUSINESS.

h WE'VE ALL HEARD A LOT OF HOOPLA ABOUT THE COST OF FARM

SUBSIDIES. h BUT DURING THE LAST 40 YEARS THE GOVERNMENT HAS

PAID LESS TO THE FARMERS FOR PRICE SUPPORTS, CONSERVATION,

CROPLAND ADJUSTMENT AND OTHER PROGRAMS THAN IT HAS COST YOU *in*

increased prices
AT THE CASH REGISTER IN THE SUPERMARKET IN THE LAST THREE YEARS

ALONE.

h THE PERCENT OF YOUR INCOME GOING FOR FOOD HAD ACTUALLY BEEN

DECLINING BEFORE THIS ADMINISTRATION TOOK OFFICE. h GOVERNMENT

COSTS FOR FARM PROGRAMS HAVE GONE DOWN IN THE LAST THREE YEARS.

h BUT YOUR FOOD BILL HAS INCREASED BY ALMOST 50 PERCENT. h NEITHER

THE CONSUMER NOR THE FARMER IS BEING SERVED BY THIS "BOOM AND

BUST" POLICY OF THE ADMINISTRATION.

h THE TIME HAS COME TO MAKE TOUGH DECISIONS SO THAT OUR FOOD

POLICY IS FAIR TO FARMERS AND CONSUMERS ALIKE.

It simply is not a POLITICAL ISSUE OR AN ECONOMIC PROBLEM
WHEN RISING FOOD PRICES MEAN THE DIFFERENCE BETWEEN A DECENT
MEAL AND GNAWING HUNGER, BETWEEN HEALTH AND MALNUTRITION FOR
HUNDREDS OF THOUSANDS OF FAMILIES ACROSS AMERICA.

It is too much to ask our POOREST CONSUMER TO EAT ONLY
IN GOOD YEARS,

It also is too much to ask our FARM FAMILIES -- WHO HAVE
MADE AMERICAN AGRICULTURE THE MOST PRODUCTIVE AND EFFICIENT IN
THE WORLD -- TO PLAN AND PLANT NEXT YEAR'S CROP WHEN WILDLY
FLUCTUATING PRICES GIVE NOT ONE CLUE AS TO WHETHER THEY WILL
RECOVER THEIR INVESTMENTS FOR PRODUCTION COSTS, LET ALONE
MAKE A PROFIT.

2 FARMERS AND CONSUMERS BOTH HAVE PAID A HIGH PRICE, BECAUSE

WE HAVE IGNORED THE NEED FOR A BALANCED NATIONAL FOOD POLICY.

3 WE SHOULD NOT BE DECEIVED BY THE RHETORIC TODAY CONCERNING

THE NEED TO REMOVE THE SHACKLES OF GOVERNMENT INTERVENTION

AND INTERFERENCE FROM THE FARMER. A POLICY OF "GOVERNMENT

HANDS-OFF" AS SOME ADVOCATE, SIMPLY IS NOT REALISTIC IN A

WORLD WHERE STATE-CONTROLLED TRADING OPERATIONS DOMINATE THE

EXPORT BUSINESS OF MANY NATIONS.

4 HOW MANY TIMES ARE OUR PRODUCERS AND CONSUMERS GOING TO

BE BURNED BY VOLATILE MARKETS BEFORE WE COME TO THE

REALIZATION THAT SOME BASIC STRUCTURAL CHANGES HAVE OCCURED

IN THE WORLD'S AGRICULTURAL SYSTEM AND WE NEED A FOOD AND

AGRICULTURAL POLICY TO REFLECT THESE CHANGES?

I realize that
it IS NO EASY TASK TO DEVELOP A COMPREHENSIVE POLICY TO

MEET THE NEEDS OF BOTH PRODUCERS AND CONSUMER. BUT IT SHOULD

AIM AT THE FOLLOWING OBJECTIVES:

L-- PRICE AND INCOME PROTECTION FOR PRODUCERS OF FOOD AND

FIBER;

L-- FOOD SUPPLY STABILITY FOR CONSUMERS AT REASONABLE PRICES;

L-- ADEQUATE SUPPLY OF INPUTS AND TRANSPORTATION FOR PRODUCERS

AT REASONABLE PRICES;

L-- ADEQUATE AGRICULTURAL PRODUCTION FOR DOMESTIC AND

INTERNATIONAL NEEDS;

L-- THE ESTABLISHMENT OF A ^{Food} RESERVE PROGRAM TO PROVIDE MARKET

STABILITY DURING PERIODS OF SHORTAGE AND SURPLUS; TO MAINTAIN

THE RELIABILITY OF THE UNITED STATES AS AN EXPORTER, AND TO

CONTINUE THE PROVISION OF FOOD ASSISTANCE TO NEEDY NATIONS.

Energy

-13-

SOARING ENERGY PRICES HAVE BEEN ANOTHER CAUSE OF THE SHARP

EROSION IN PURCHASING POWER WE HAVE EXPERIENCED.

h MONTH AFTER MONTH WE WATCHED GAS PRICES, HEATING OIL PRICES,
AND ELECTRIC RATES CLIMB UNTIL NOW WE PAY 80 PERCENT MORE FOR GAS,
140 PERCENT MORE FOR HEATING OIL, AND 75 PERCENT MORE FOR
ELECTRICITY THAN WE DID IN 1973. h AND WE'VE HAD TO FIGHT
MIGHTILY JUST TO KEEP THESE PRICES FROM GOING STILL HIGHER.

h THE "FREE-ENTERPRISE BUCANEERS OF THIS ADMINISTRATION TELL
US THAT OIL PRICES SHOULD BE SET BY THE FREE MARKET. h BUT AN
OPEC-DEDICATED OIL PRICE IS HARDLY WHAT I WOULD CALL A FREE
MARKET. h IT IS A CONTRIVED ARTIFICIAL PRICE ESTABLISHED BY AN
INTERNATIONAL CARTEL WITH NO JUSTIFICATION OTHER THAN THAT
PROVIDED BY NAKED MONOPOLY POWER.

L YET THE DEBATES RARELY FOCUS ON THAT FACT L AND HARDLY

ANYONE TALKS ABOUT YOU -- ABOUT THE IMPACT OF ENERGY SHORTAGES
AND SOARING PRICES TO THE CONSUMER.

L OIL DECONTROL WAS PROPOSED IN YOUR NAME WITH CLAIMS THAT

IT WOULD REDUCE IMPORTS L BUT THE ADMINISTRATION'S OWN DATA

REVEALS THAT IMPORTS WOULD BE REDUCED BY LESS THAN 10 PERCENT

BY 1980. L AND THIS, HAD IT COME TO PASS, WOULD HAVE COST YOU

AT LEAST \$12 BILLION IN HIGHER OIL PRICES ON TOP OF THE ESTIMATED

\$40 BILLION IN HIGHER ENERGY COSTS YOU ALREADY ARE PAYING.

L ACCORDING TO PROJECTIONS BY THE JOINT ECONOMIC COMMITTEE, YOU

WOULD HAVE FACED DOUBLE DIGIT INFLATION THIS WINTER AND

WATCHED 150,000 MEN AND WOMEN JOIN THE RANKS OF THE UNEMPLOYED.

L SPECIFIC AUTHORITY ALREADY VESTED IN THE PRESIDENT RESULTED

IN A 20 PERCENT INCREASE IN OIL EXPLORATION WITHOUT TOTAL DECONTROL.

↳ INSTEAD OF TAKING MORE MONEY OUT OF YOUR POCKET, WE NEED TO

ESTABLISH A RELIABLE OIL AND ENERGY SUPPLY TO ACHIEVE ENERGY

INDEPENDENCE. ↳ WE NEED TO TAX AMERICAN KNOW-HOW, NOT AMERICAN

CONSUMERS. WE NEED:

↳ -- A CHALLENGE TO PRIVATE ENTERPRISE TO DEVELOP EFFECTIVE

AUTOMOBILES, APPLIANCES AND MACHINES THAT SAVE ENERGY;

↳ -- A GOOD-SIZED EMERGENCY OIL STOCKPILE OF UP TO ONE BILLION
BARRELS;

↳ -- MORE DOMESTIC OIL PRODUCTION -- IF ENVIRONMENTALLY SOUND,
AND IF IT CAN BE DONE FOR LESS THAN WE NOW PAY FOR OPEC OIL;

↳ -- A MASSIVE SOLAR ENERGY PROGRAM TO REPLACE SCARCE AND
ENVIRONMENTALLY-DAMAGING NUCLEAR AND FOSSIL FUELS; AND

↳ -- AN EXPEDITIOUS SOLUTION TO THE PROBLEMS OF TRANSPORTING
NATURAL GAS SO THAT BADLY-NEEDED ENERGY WILL NOT BE FLARED
OFF IN ALASKA AS SHORTAGES OCCUR IN THE OTHER 49 STATES.

Is it any wonder that public confidence in government is at an all-time low when time after time agencies that purport to represent the public interest end up ^{COSTING} ~~costing~~ the consumer more money?

*Regulatory Agencies
Consumer Reps*

In this time of economic recession and energy conservation, we need to devote a major effort to change regulatory processes which increase costs to the consumer and encourage a wasteful use of our precious resources. With the possible exception of taxation, no economic activity touches so much of the citizenry as does the regulatory commissions. Yet we're still operating according to concepts that have been or are becoming outmoded by change.

We need to encourage competitive pricing and restore industry to higher levels of production.

(Ted R. R. R. R. R.)

RECENT PRICE INCREASES IN MANY INDUSTRIES SIMPLY CANNOT BE JUSTIFIED WHEN ONE REALIZES THAT ~~30~~²⁵ PERCENT OF OUR INDUSTRIAL RESOURCES LIE IDLE AND UNUSED.

AUTO PRODUCTION IS DOWN AND HAS BEEN FOR OVER TWO YEARS, YET BUYERS ARE BEING ASKED TO PAY \$1,000 MORE FOR THE AVERAGE CAR THAN THEY WERE TWO YEARS AGO. NO WONDER SO MANY AMERICANS ARE CLINGING TO THEIR OLD CARS AND SO MANY AUTO WORKERS REMAIN UNEMPLOYED. NO WONDER SO MANY OF OUR PEOPLE FEEL THAT "FREE ENTERPRISE" IS SIMPLY THE MUMBO-JUMBO OF THE MONOPOLISTS AND THEIR ECONOMIC APOLOGISTS.

IN A TRULY COMPETITIVE MARKET, MANY OF THESE PRICING ACTIONS WOULD NOT HAVE TAKEN PLACE. SUCH IRRESPONSIBLE USE OF ARBITRARY PRICING POWER HAS DELAYED AND WEAKENED THE ECONOMIC RECOVERY BY REDUCING THE REAL VALUE OF CONSUMERS' PURCHASING POWER AT A CRUCIAL TIME AND BY REINFORCING THE FEAR OF INFLATION.

RENEWED WAGE AND PRICE CONTROLS, REORGANIZATION OF
CONCENTRATED INDUSTRIES TO CREATE MORE COMPETITION, AND THE
CREATION OF GOVERNMENT CORPORATIONS TO INJECT COMPETITION INTO
CERTAIN CONCENTRATED INDUSTRIES HAVE BEEN PROPOSED TO RESTRAIN
CORPORATE POWER. EACH OF THESE REMEDIES, HOWEVER, HAS SERIOUS

DRAWBACKS.

BUT FUNDAMENTAL CHANGES WILL BE NECESSARY IF ARBITRARY ECONOMIC
POWER CONTINUES TO GROW AS IT HAS DONE. IN FACT, WE MAY NOT
BE FAR FROM A NEW ERA OF GENERAL TRUSTBUSTING LIKE THE ONE
THAT SWEPT AMERICA IN THE EARLY 1900'S IN RESPONSE TO
EXCESSIVE CORPORATE BIGNESS AND POWER.

I HAVE TALKED ABOUT THE DIRECTION WE NEED TO TAKE IN
ADDRESSING THE PROBLEMS FACING CONSUMERS TODAY -- FOOD,
ENERGY, CONTINUED PRICE ESCALATION IN THE INDUSTRIAL
SECTOR IN SPITE OF PRODUCTION SLACK, AND PARTICIPATION
IN THE DECISIONS SO DIRECTLY AFFECTING YOU.

BUT TO SOLVE THESE PROBLEMS WE NEED A POSITIVE GOVERNMENT
WITH STRONG LEADERSHIP. DON'T LET ANYONE PROMISE TO TAKE
GOVERNMENT OUT OF YOUR LIVES. SOME WOULD HAVE YOU BELIEVE
THAT BIG FEDERAL GOVERNMENT IS TO BLAME FOR THE COUNTRY'S
ECONOMIC STAGNATION -- THAT BY CUTTING BACK FEDERAL PROGRAMS,
INFLATION SOMEHOW WILL MAGICALLY DISAPPEAR. UNFORTUNATELY,
IT'S NOT THAT EASY.

alone
BIG SPENDING WON'T DO IT EITHER.

WHAT WE REALLY NEED IS DIRECTION -- SOME CLEAR, NATIONAL
ECONOMIC POLICY THAT IS SHAPED BY THE PEOPLE IT WILL AFFECT,

BUSINESSES PLAN; CONSUMERS PLAN, ALL OTHER INDUSTRIAL NATIONS PLAN.

WE ARE A NATION WITH OUR DESTINY IN OUR HANDS LET'S ACT LIKE ONE.

WE MUST LOOK AHEAD IN A FREE, DEMOCRATIC AND ORDERLY WAY

TO PUT THE NATION BACK ON THE ROAD TO PROSPERITY, BUT WE
MUST DO IT TOGETHER.

PEOPLE ARE CRYING OUT FOR A GOVERNMENT THAT WORKS, THAT

UNDERSTANDS THEIR PROBLEMS, AND MAKES AN HONEST REALISTIC

BUT COMPASSIONATE EFFORT TO HELP SOLVE THEM, A GREAT DEAL

DEPENDS ON THE CHOICE YOU MAKE AT THE POLLS IN NOVEMBER AND

ON THE QUALITY OF LEADERSHIP PROVIDED BY THE PERSON SELECTED

AS THE NEXT PRESIDENT OF THE UNITED STATES.

h ONE OF THE GREAT MORAL POLITICAL LEADERS OF OUR TIME WAS

MY DEAR AND GOOD FRIEND, ADLAI STEVENSON.

h ADLAI REMINDED US THAT DEMOCRACY IS NOT SELF-EXECUTING.

WE HAVE TO MAKE IT WORK THROUGH SOBER THOUGHT AND CONSTRUCTIVE

CRITICISM. WE NEED TO REASON TOGETHER, TO SEE NEW FACTS IN

THE LIGHT OF OLD PRINCIPLES, AND EVALUATE OLD PRINCIPLES IN

THE LIGHT OF NEW FACTS. h DEMOCRACY'S NEED FOR WISDOM WILL

REMAIN AS PERENNIAL AS ITS NEED FOR LIBERTY h SELF-EXAMINATION

IS THE PERENNIAL PRICE OF LIBERTY. THE WORK OF SELF-GOVERNMENT

h
NEVER CEASES.

h A PART OF THIS SELF-EXAMINATION WILL TAKE PLACE HERE DURING
YOUR CONVENTION. IT'S UP TO EACH AND EVERY ONE OF YOU TO

SPEAK OUT.

YOU HAVE ONE OF THE BIGGEST STAKES IN SEEING THAT
GOVERNMENT FACES UP TO THE HARD ANSWERS. YOUR VOICE IS AS
VITAL NOW AS IT EVER HAS BEEN. USE IT WISELY, BUT MOST OF
ALL, USE IT.

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