1-28-1978

Public Affairs Council of the Montana Chamber of Commerce

Max S. Baucus

Let us know how access to this document benefits you.
Follow this and additional works at: https://scholarworks.umt.edu/baucus_speeches

Recommended Citation
https://scholarworks.umt.edu/baucus_speeches/43

This Speech is brought to you for free and open access by the Archives and Special Collections at ScholarWorks at University of Montana. It has been accepted for inclusion in Max S. Baucus Speeches by an authorized administrator of ScholarWorks at University of Montana. For more information, please contact scholarworks@mso.umt.edu.
Senator * or Department*: BAUCUS

Instructions:
Prepare one form for insertion at the beginning of each record series.
Prepare and insert additional forms at points that you want to index.
For example: at the beginning of a new folder, briefing book, topic, project, or date sequence.

Record Type*: Speeches & Remarks

MONTH/YEAR of Records*: January-1978
(Example: JANUARY-2003)

(1) Subject*: Economic Affairs
(select subject from controlled vocabulary, if your office has one)

(2) Subject* Public Affairs Council Speech

DOCUMENT DATE*: 01/28/1978
IT'S ALWAYS EASY TO GIVE A SPEECH ABOUT THE ECONOMY DURING TIMES OF ECONOMIC CRISIS. THE PROBLEMS OF A MAJOR DEPRESSION OF RUIN AND INFLATION ARE EASY TO SEE AND DESCRIBE. THE SOLUTIONS AT LEAST SEEM FORTUNATELY FOR THE AMERICAN PEOPLE, BUT UNFORTUNATELY FOR PUBLIC SPEAKERS, 1978 IS NOT A YEAR OF ECONOMIC CATASTROPHE. TO BE SURE, OUR ECONOMY IS PLAGUED WITH SOME SERIOUS AND PERSISTENT PROBLEMS. WHEN NO MAJOR DISASTER THREATENS, IT IS ALMOST AS HARD TO CONVINCE PEOPLE THAT THE ECONOMY IS NOT RUNNING WELL AS IT IS TO RESTORE IT TO SMOOTH OPERATION. MOST PEOPLE TODAY AT LEAST HAVE A FEELING THAT OUR ECONOMY IS NOT THE PICTURE OF HEALTH, BUT THEY ARE NOT SURE WHAT THE ROOT OF THIS PROBLEM IS OR WHAT TO DO ABOUT IT.
Far be it from me to paint myself as some sort of economic prophet who can instantly pinpoint the source of our troubles and propose the cure. But, as you know, I do spend a lot of time in Washington. I try to cut through the maze of economic predictions, statistics, and gobbledegook to learn what we can expect to happen and what we can do about it. Today, I’d like to give you an idea of where the U.S. and Montana economics are going, and what we can do to prepare for the future.

In biblical times, the number seven was held to possess mystical qualities. In our modern American society, the mystical number is six. We don’t seem to be able to push the rate of unemployment and inflation below six percent. While we’ve done somewhat better with unemployment in Montana lately, generally Montana tends to follow the national trend.

Unemployment and inflation at six percent don’t qualify as major economic crises. But over time, both figures represent serious drains on our economy.

Six percent unemployment means millions of unemployed Americans and thousands of Montanans out of work. It means welfare payments to people who can work, and even want to work, but can’t find jobs. It means resources being unused and wasted and production falling below our potential. And most importantly, it means personal pain and crisis for the man or woman who wants to work, but can’t.
Six percent inflation, if consistent, will double the if we pay every dozen years. Wages and salaries don't go up that fast. Inflation hurts everybody, but it hits the elderly who live on fixed incomes the hardest. Inflation is also especially harmful to our Montana farmers and ranchers, who can't compensate for it by raising prices.

It's time the economic policy makers in Washington realize that the old solutions to these problems just don't work any more. Tried deficit spending for several years now, and the main result has been - bigger deficits. We've tried higher interest rates, but inflation is still with us. A few years back, we even tried wage and price controls. They didn't work either.

The solutions that worked well into the early sixties, don't work anymore because features have been added to our economy which weren't around in those earlier, simpler times. Government regulations and paperwork have grown like a tropical rainforest. Energy is no longer cheap and readily available. A multitude of social welfare programs make it more desirable to accept unemployment than to find a job. Yet, government policies fail to take these changes into account.

Take the energy crisis. Energy shortages create both unemployment and inflation at the same time. Producers who can't get raw materials, while consumers pay ever-higher prices for energy to run their cars and fuel to heat their homes.