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### Economic Crisis: The Job of Government

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Oct. 11, 1974

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ECONOMIC CRISES: THE JOB OF GOVERNMENT

STATEMENT OF SENATOR MIKE MANSFIELD FOR PUBLICATION BY THE YOUNG ELECTORATE, A Newspaper for Young Members of the Democratic Party

The Economic Summit is behind us. The President's recommendations are before us. I regret to say, notwithstanding that, the twin crises of inflation and recession loom before the Nation larger than ever. Something has to be done. But to date, we seem to lack the capacity. That certainly is apparent with regard to energy--a major source of today's inflation. For years we ignored the problem and then it pounced on the Nation, spilling over to engulf the rest of the economy.

There must be action in dealing with the situation--action that encompasses more than ten-point programs which begin with the imposition of greater tax burdens on modest income families; more than increased acreage allotments for peanuts, cotton and rice production. In short, what has been advanced by this Administration as a remedy for our situation bears too close a resemblance to the fiscal and monetary policies of the previous Administration, policies which have long since proved inadequate to meet the emergency. There is more, much more, that needs to be considered--measures that will not be found in what this administration recommended. To its ten-point agenda, therefore, should be added the following seven measures:

- 1) Establish as needed mandatory wage, price, rent and profit controls;
- 2) Revive the Reconstruction Finance Corporation to deal with the credit needs of ailing businesses such as Penn Central, Lockheed and Grumman, Pan American, TWA and many



smaller firms headed in the same direction; Congress is not the proper forum for specific decisions involving government bail-outs of this kind;

3) Restore Regulation W to require larger downpayments on credit purchases and shorter periods for repayment and allocate credit on a priority basis in the light of the Nation's most critical needs;

4) Commence an equitable rationing system for energy and other scarce materials and establish a stringent conservation system including measures to enforce a national speed limit and to bring about a reduction of wastage in the utility and other industrial fields;

5) Develop a broader system of indexing to the end that the real incomes of wage earners can be tied to real living costs;

6) Implement the Commission on Supplies and Shortages, legislation for which has already passed the Congress and become law;

7) Curtail excessive profits and the flow of investments abroad through the taxing power and grant tax relief to families with low and moderate incomes.

These measures include strong remedies that will require sacrifice. The job of government, at this time, the job of the President and the Congress, is not to put off the asking of those sacrifices; it is to insist that insofar as it lies within our power and wisdom, the sacrifices will be equitably borne by all Americans.