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to time to discuss the economic situation—a good suggestion, agreed to by the President and, hopefully, something will come out of it.

Now, if I may discuss some of the matters which were reported out by the Democratic conference at the last meeting:

(1) Creating a job program and expanding unemployment benefits to mitigate the hardships of unemployment.

I believe the Republican leader has agreed to that proposal and, if my memory serves me correctly, the distinguished Senator from Wisconsin (Mr. PROXMIRE) has voted for legislation of that kind.

(2) Reviving the Reconstruction Finance Corporation to deal with the credit needs of ailing businesses during times of economic crisis.

I have stated that I do not think that Congress is the forum to which ailing businesses should come for relief and, I believe, that basically is the position of the distinguished Senator from Wisconsin. Neither he nor I, if my memory serves me correctly, voted for relief for the Penn Central, voted for relief for Lockheed, voted for relief for Grumman, because if you are going to bring big business ailments to Congress on a happenstance basis, you are putting on Congress a responsibility which it should not assume. I do not think that you are doing ailing big business a favor by having them come to us, to lobby and pressure for the purpose of getting handouts, loans, or whatever we want to call them.

Mr. President, I ask unanimous consent that an article which appeared in the New York Times for Sunday, December 1, entitled "A New RFC Is Proposed for Business," by Felix G. Rohatyn be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A NEW RFC IS PROPOSED FOR BUSINESS
(By Felix G. Rohatyn)

With the country sliding rapidly into what appears to be a serious recession, suggestions are being made to revive the Reconstruction Finance Corporation as part of an overall economic program. The Democratic leadership has proposed this step and has introduced the necessary legislation.

Revival of the R.F.C. as part of a plan to get the economy on its feet is desirable without any doubt. In the Depression years of the 1930's, the R.F.C. played an important role in providing liquidity to banks and key industries, thereby preventing failures and a deepening spiral of the economic downturn. However, simply recreating the R.F.C. to provide additional credit to borrowers otherwise unable to obtain it, would be to overlook key aspects of the actual role played by the agency and to ignore basic differences between the financial structure of United States enterprise then and now. If the R.F.C. is to be recreated, let it become a vital instrument of economic growth and not just another lender of last resort.

The R.F.C. itself was a revival, in this case a revival of the War Finance Corporation of World War I. It took place in January, 1932. It was charged with providing emergency facilities for banks and other credit institutions. It was also given broad authority to make loans to agricultural, commercial and industrial enterprises. The National City

THE ECONOMIC SITUATION

Mr. MANSFIELD. Mr. President, I, too, want to join my distinguished colleagues, the Senator from Alabama (Mr. SPARKMAN) and the Senator from Mississippi (Mr. STENNIS) in complimenting the cogency and the terseness with which the distinguished Senator from Wisconsin has expressed his position.

However, while he finds fault with what has been advocated by the leadership in both Houses, as yet he has not come up with anything in the way of specifics.

I would point out that it was the distinguished Senator from Mississippi (Mr. STENNIS) at the last meeting of the Democratic conference who raised the cry of alarm that something must be done, and advanced the suggestion that the joint leadership of both Houses meet informally with the President from time

Bank letter of February 1932 stated: "The enactment of the R.F.C. Act of Jan. 22 is recognition by the Government of the interest of all the people in supporting the credit granting institutions . . . and in bridging over the refinancing difficulties of the railways. . . ." It went on to say, "The object of the R.F.C. is to revive industry by receiving credit"

The initial funds for the R.F.C. were to consist of \$500-million of capital subscribed to by the United States Treasury and the authority to raise an additional \$1.5-billion through the sale of Government guaranteed obligations. Conceived initially as a defensive mechanism, the corporation was not perceived as a possible instrument for economic stimulation. It was only in 1933 that emergency banking legislation gave the R.F.C. the authority to purchase bank preferred stocks, thus enabling their capital base to be strengthened.

Of approximately \$4-billion proposed R.F.C. expenditures for 1934, the largest portion, \$1.4-billion, was earmarked for the purchase of bank preferred stocks. Eventually the R.F.C. expanded into other areas through subsidiaries such as the Commodity Credit Corporation, the Electric Home and Farm Authority, the R.F.C. Mortgage Company and the Federal National Mortgage Association. It also financed public works programs, made industrial loans and provided emergency relief.

By 1938, the R.F.C. had disbursed \$10-billion, including approximately \$4-billion to financial institutions, \$1.5-billion to agriculture and \$1-billion each to railroads and public works. The fears of many that the R.F.C. would become an instrument of creeping socialism or of state planning were unwarranted: a vast investor of public funds, the R.F.C. nevertheless was operated essentially along the lines of a private banking institution.

This brief review should be kept in mind when consideration is given to the role and the powers of a new R.F.C. in today's economic environment. Certain factors would appear to be the most obviously telling:

At every level of our economy our institutions are overburdened with debt. In the past 10 years the debt-equity ratio of individual corporations has gone from 25 per cent to 40 per cent. Inflation and the collapse of the equity markets has accelerated this trend.

The continued decline in the equity markets has resulted in 80 per cent of New York Exchange stocks presently carrying a multiple of less than 10 times earnings. A majority of such companies have market values of less than their book values. Many are unable to sell equity at any reasonable price.

The Big Board has recently estimated that the equity requirements of American industry for the foreseeable future could approximate \$50-billion a year. It would appear that 1974 will produce only about \$5-billion.

The United States banking system, trying to keep pace with the requirements for credit, has itself become dangerously over-extended. The requirements for equity by the banking system may, in some ways, be proportionally greater than those of the industrial sector.

The dangers to the international banking system caused by the deficits of oil importing countries are too well known to require more than a mention.

This environment of fragility in both the industrial and the financial sectors exists at a time of steeply declining production, sharply increasing unemployment and continued inflationary pressures. The downward leverage, under those circumstances, would be vicious.

There exists today no public instrument for providing the only true safety net that a major corporation or bank should avail itself of when in difficulty—a major infusion

of equity capital. A massive infusion of credit, such as was undertaken by the Federal Reserve System in the case of the Franklin National Bank, will provide temporary relief to cover withdrawals by depositors. It will not provide capital support to the bank in the case of a major default.

An emergency loan guarantee enabled the Lockheed Aircraft Corporation to obtain necessary short-term credits but it did not resolve the company's long-term requirements; a major restructuring of its debt and a large infusion of new equity capital will be required to do this.

At a time when loss of confidence is an almost palpable thing, accelerating the downturn of a shaky economy, a major bankruptcy either in the industrial or the financial sector is to be avoided at any reasonable cost. The R.F.C. should be the safety net, but the cure should be permanent. From its inception, it should be an instrument empowered to make significant equity investments, in the form of either common or preferred stock, for the long-term resolution of financial problems.

There will be wide opposition to such a thesis both on ideological and practical grounds. The specter of socialism will be raised by the conservatives and the cry of "big business bail-out" will be heard from the liberals. Serious concerns with respect to the governance of such an enterprise, to its potential political power, to the possible conflicts-of-interest and corruption posed by such a mass of capital, will have to be debated and resolved. But the need for the enterprise would appear to be sufficiently great to outweigh the drawbacks.

In addition to being an investor of last resort empowered to make equity infusions into banks or industrial enterprises deemed to be "in the public interest," the R.F.C. could become a catalyst of stimulation in many areas. If a Manhattan-type project in the area of energy is ever undertaken, as is clearly required, the R.F.C. could play a major role as an investor, risk-sharer, lender and guarantor in a variety of projects. Although state-regulator concerns such as utilities should perhaps not be eligible investments, the financing of massive generating facilities, the output of which would be shared by various grids, could be considered. Construction of over \$20-billion worth of generating capacity has been canceled so far this year, its effect to be felt years from now.

There can be no denying that such an organization, with the type of wide-ranging freedom described above, can be perceived as a first step toward state planning of the economy. Yet the time may have come for a public debate on this subject. Our economy is today subjected to certain traumas which have nothing to do with the result of free market interaction. The oil cartel and the prices of other basic commodities that directly affect our economy such as phosphates and alumina are the result of political rather than economic decisions, and are totally beyond our control.

At a time when the oil producing countries are levying an initial tax of \$60-billion a year on the rest of the world, the United States has become capital-poor. The possible impact on this country's welfare, as well as its security, of foreign control of major enterprises has not been evaluated. The premise that, under such circumstances, the country has to husband its resources more carefully, allocate them more prudently and match its financial capabilities with its social priorities would appear to be worth considering. What many will call state planning would, to the average family, be no more than prudent budgeting.

There are many who believe that long-range economic planning, at the Federal level will become a necessity. A plan without instruments to bring it to reality, however, is sim-

ply one more piece of paper. The R.F.C. could be one of the key instruments in this kind of approach. By injecting equity capital where none is available in quantity, it could facilitate major-restructuring for the public purpose.

For instance, if a merger of Pan American World Airways and Trans World Airlines appears to be nationally desirable, a \$250-million equity investment in the merged company could accomplish much. It could cause the lenders of both corporations to convert some of their debt to equity, or reduce carrying charges or stretch out maturities. It could insure the merged company's ability to ride through the storm, achieve its savings and efficiencies and ultimately be profitable enough to provide a fair return to the investors (including the R.F.C.), a viable employer and pass some savings on in lower fares.

The R.F.C. should, thus, become a permanent part of our economic establishment, not just as a last-ditch creditor but as a vibrant instrument of both rescue as well as stimulus. It need not, and should not, be a permanent investor in any one particular enterprise. It should only remain as an investor, either as a part-owner or creditor, until such time as it can, in the public interest, divest itself of the enterprise in which it invests and this investment is eligible for normal market channels or until the markets are capable of performing their function. The R.F.C., therefore, should, in effect, become a revolving fund—hopefully a profitable one—which steps in where no alternatives are available and which steps out when the public interest has been served and normal market forces can again operate.

An initial capitalization of \$5-billion in commonstock subscribed to by the Treasury, and the authority to issue up to \$10-billion in United States guaranteed obligations would provide a major safety factor to the economy in the coming times of peril, as well as simultaneously taking pressure off the banking system. These obligations could provide a logical investment for the surplus dollars of oil-producing countries.

Financing the capital subscription should come from the private sector. It could take the form of a levy of 1 per cent of pretax profits of all enterprises earning over \$1-million per annum. This would reimburse the Treasury's subscription in less than five years.

The R.F.C. should combine public purpose with prudent business practice and, with the proper leadership and oversight, should accomplish both to the ultimate benefit of the tax payers.

Its own board of directors should include the secretary of the Treasury, the chairman of the Council of Economic Advisers, the chairman of the Securities and Exchange Commission and the chairman of the Federal Reserve System. With a large audience gazing over its shoulder, its management will have to practice a degree of asceticism and conform to standards of an extraordinarily high order. We should not despair of that possibility, however. Other agencies have been held to such standards * * * the R.F.C. not to be able to do the same.

Mr. MANSFIELD. The idea of the Reconstruction Finance Corporation being reconstituted lies in the fact that it did operate at a profit, that it did help ailing business, and it did so on a basis of widespread knowledge, know-how, and the technical knowledge to be able to understand all facets of the requests to be made for them.

Frankly, I do not want to see Pan American come to Congress for a subsidy. I do not want to see TWA come to Congress for a subsidy. But both need

help, so where should they go? The only place I can think of in this instance or in these instances is a reconstituted Reconstruction Finance Corporation.

(3) Establishing credit procedures so as to allocate credit on a priority basis in the light of the Nation's critical needs.

I believe the Republican leader (Mr. HUGH SCOTT) indicated his assent to this particular proposal and, I believe, that this is the attitude of the Senate as a whole. I do not know what the position of the distinguished Senator from Wisconsin is, but I think he is in accord with the proposal of this kind.

Mr. PROXMIER. Mr. President, will the Senator indicate—I missed that last—what was that?

Mr. MANSFIELD. Establishing credit procedures so as to allocate credit on a priority basis in the light of the Nation's critical needs.

Mr. PROXMIER. Well, I have some ideas along that line. Of course, in general, I think the notion is all right, but I think we might have a little difference of opinion on specifics.

Mr. MANSFIELD. I was just speaking in general. I was speaking in specifics on (1) about unemployment benefits and a job program.

(4) Implementing mandatory allocations and, if need be, the equitable rationing of energy, enforcing other conservation measures, including a basic 55-miles per hour speed law and reducing wastage in the utility and other industrial fields to the end that dependency on foreign sources of petroleum can be reduced by 1 million barrels per day as the President has suggested.

But he has not recommended it. He has thought it worth considering and, I think, that the 1 million barrels of oil per day reduction is the least that we can do to cut down on the imports of petroleum.

The Republican leader was correct this morning when he said that we were coasting along, we were not aware of the fact, I think, the possibility, at least, that an energy crisis might confront us this winter because, let me remind my colleagues, that what the OPEC turns off they can turn on and turn off again, and they can use it for political, economic and other leverages.

So, frankly, I would like to see rationing reimposed. I would like to see the speed limit observed. And while I am against the proposal of some of the President's advisers that the tax on gasoline be raised 10 cents a gallon, 20 cents, 25 cents, 30 cents a gallon, I would be glad to reconsider my position in the light of an overall package which would be specific and which would face up to the difficulties which confront this Nation today.

We ought to be through with generalities and volunteerism because neither will work and if the people of this country think they are going to slide through because the oil is pouring out of our ears at the moment, they are mistaken, because what we are facing is a new era, a new time, a change and we are going to have to modify our life concepts accordingly.

So I hope that something specific along these lines, as well as the others which I mentioned, can be done.

Now, No. 5.

formulating a system under which, when needed as a last resort, effective controls can be imposed to encompass prices, wages, rents, and profits, and high interest rates, assuring that such a system is developed and enforced fairly and equitably and without discrimination in terms of the overall needs of the Nation.

This is a generality, but I think the concept is plain as to what is meant.

The distinguished Senator from Wisconsin has raised some very pertinent questions and points as to how he would apply each of these factors under such a program, but I would point out that the key sentence, or the key part of the sentence in 5 is, "when needed as a last resort," then effective controls ought to be considered.

The Senator was correct when the Senator said that during Phase II wage and price controls worked and that as soon as they were lifted everything went through the roof and still is going through the roof. It may happen again. I do not like wage, price, rent, profit, interest rate controls, but I do not like 12.2-percent inflation, I do not like 6.2-percent unemployment, and I do not like the trend in both areas which is up.

I think that the American people are looking to Congress for relief and initiatives.

The Senator mentioned there would be more Federal control. Yes, there would be, because on the basis of the last depression in 1933—and I lived through that depression, as did the Senator, I knew what it was having a master's degree and not being able to get a job washing dishes, and that depression has moulded my social philosophy. What did the Government do to cure that depression, insofar as it was cured prior to the war? Why, it brought in social security, unemployment insurance, all these other protections. The Government just could not keep out, and the result of that is we have too much centralized Government today, too much.

But we cannot turn the clock back, so we better face up to the reality of what the people expect from us and try to do something accordingly and do it on the basis of specifics, because the time for action, if it is not past, is almost upon us, and, as I said before, we know for whom the bells are tolling.

I yield the floor.

Mr. SPARKMAN. Will the Senator yield to me before yielding the floor?

Mr. MANSFIELD. Yes, indeed.

Mr. SPARKMAN. I want to say that I am in agreement with most of the specifics that the Senator has mentioned.

I go along with the Senator on the idea of the reconstituted Reconstruction Finance Corporation. It did a tremendous job when it was in force before and I think it could do a job again.

I certainly believe that every effort ought to be made with reference to cutting down the unemployment, certainly preventing it from becoming more and more.

I do not go along with the Senator on the idea of allocation of credit. Now, there can be some form of allocation, but it is something that will have to be

worked out on the basis of policy by the Federal Reserve Board rather than specifically moving ahead of time on what those allocations of credit are going to be. In other words, it would be a policy action carried out as the need arises without actual action ahead of time.

I believe that we ought to be greatly concerned with the job situation and I think we ought to follow the recommendations which I understand the President has made, whether he has sent the request here or not, of public employment in order to help relieve that situation.

I remember the old WPA days and I know what a job it did. We used to make a lot of jokes about people leaning on their shovels and raking leaves, things of that kind. Nevertheless it was a tremendous force pulling out of that terrible depression through which we lived back in the early 1930's.

It took bold action on the part of President Roosevelt at that time. I remember the inaugural address that he made in 1932 when he first came to the Presidency. As I recall, it was only 12 minutes long. I stood on the sidewalk in my home town and listened to it on the radio from a store inside and I remember when he said:

We have nothing to fear but fear itself.

Then he went on and said:

I don't know what we will do, but we'll try something, if it doesn't work we'll throw it away and try something else.

That is the kind of determination I think we need again in this country and I believe we can have it.

Mr. MANSFIELD. May I say that the Senator not only lived during the depression in Alabama, but the Senator served in the Congress during the depression.

I recall President Roosevelt saying—and I was only one among thousands without a job and no hope—what the Senator has said and saying also on a later occasion:

We will drive the money lenders from the temple.

Mr. SPARKMAN. I remember that.

Mr. MANSFIELD. And in Montana in those days, if one wanted to get a crowd, all President Roosevelt had to do was announce a fireside chat, No TV, but radio, and we turned out by the hundreds and sometimes by the thousands. Why? Because we were looking for leadership and initiative.

Mr. SPARKMAN. And he gave it to us.

Mr. MANSFIELD. And he gave it to us.

And that is what the people expect today from the President and from the Congress, working together.

Mr. President, I am delighted with what the Senator said about his support on a reconstituted RFC.

Mr. SPARKMAN. Mr. President, may I say just this further. In the early days of the depression, I was a young lawyer, and I remember that I made practically nothing. I remember the hardships. My wife got a job as a schoolteacher. She taught for \$60 a month. That was practically what we lived on, that and the credit that was extended to us by a neighbor who had a little store who would let us buy the food that we needed on

time, and it ran for a long time until we worked out of that.

Mr. MANSFIELD. Memoirs remain.

May I say that my wife, a high school teacher in Butte—I was going with her at the time, she was not my wife then—cashed her insurance to put me through school.

I thought I had two job offers after I graduated, one paid \$75 a month—they make that much in a day now—the other paid \$80. I lost both of them and I got a job then as a graduate assistant at the University of Montana for \$25 a month for 10 months and I had to teach two pretty big freshman classes 5 days a week. One could not get a job in those days.

When I look at the Senator from Alabama (Mr. SPARKMAN) and the Senator from Wisconsin (Mr. PROXMIRE) and the Senator from Mississippi (Mr. STENNIS), all who know far more about the technicalities of the economic situation which confronts the Nation today than I do, I am impressed because it indicates an interest, but what I am asking for is specifics—specifics—specifics and leadership—leadership on the part of the President of the United States, and cooperation with him on the part of the Congress.

Mr. STENNIS. Will the Senator yield a half minute?

Mr. MANSFIELD. I yield.

Mr. STENNIS. I want to say this, without getting into the specifics. The Senator from Montana has been one who has been pounding, pounding, pounding on this problem, and offering concrete suggestions and exercising leadership, the sound kind, the necessary kind, even though we might not agree with all that he has said.

I think he is so correct in stating that we are being forced into a new era. We are being forced with new problems. We can solve them. I do not believe we have much more time.

I thank the Senator.

Mr. MANSFIELD. I think we can solve them, but we have to work together and face up to realities.

Mr. PROXMIRE. If the Senator will yield, I want to congratulate the Senator on an excellent presentation. I know how deeply he feels. I do think that the debate we have had so far indicates that there is some unfortunate misconception about the kind of situation we face.

There is no question that Roosevelt was a very great leader. There is no question he gave this country the kind of inspiration, leadership, action and specifics that we needed at the time he came into power.

I do believe we have to take a look at the economic situation then and now. It is entirely different now. We do not need the kind of action now that we needed then. We do need action, action that might be more difficult to take for various reasons.

I think we ought to do our best to stimulate that action in the private sector. That is why housing can be so helpful. We are 1 million housing starts below what we had about a year ago. If we can stimulate economic activity in this area, it means we are putting to work idle re-

sources. It is not inflationary, because unemployment is now over 12 percent in the construction trades.

The ACTING PRESIDENT pro tempore. The time of the Senator from Montana has expired.

Mr. MANSFIELD. I yield to the Senator 1 minute under morning business.

Mr. PROXMIRE. I think there are specific actions we can take. We discussed the wage-price situation. I have a bill which I intend to introduce, as I told the Senator, within a few days, or if the Senator from Alabama thinks it would be more realistic I shall introduce it next year.

I do think we have a strong difference of opinion on the RFC. The difference is that I do not think Pan American and Penn Central should come to the Congress or to a new administrative agency, either one. After all, if they cannot make it, that is it.

If the Congress decided not to go along on some of these individual corporate bailout proposals that have been before us, it is not because we thought they should go somewhere else in the Government. It is because we thought they should stand on their own feet. When we do that, we do not destroy jobs. If the demand is there, it means that the jobs will be taken up by competitors who are more efficient.

Mr. MANSFIELD. If the Senator will yield, may I say that even there you have Government interested in Pan American and TWA. What about the postal rates? What about the price they pay for landing rights in foreign countries compared to what foreign countries pay in this country?

Mr. PROXMIRE. I agree.

Mr. MANSFIELD. We have the difficulties in which Pan Am and perhaps TWA find themselves at the present time. So the Government has a responsibility.

The Senator mentioned housing. Who is putting up the money to get housing going, when and if it gets going? The unemployment rate in housing is closer to 20 percent in the construction industry than it is to 12 percent.

Did we not pass a \$3 billion bill not so long ago, by means of which, under favored interest rates, the housing industry and the timber industry—which is in a slump, a decline, a recession—could be helped, so that they could recover?

The Government is in everything too much, but it is in there, so we have to make the best of it. The Government is in because of the depression of 1933, when the safeguards that the Senator talks about were created and which up to this time have kept the lid on, so to speak—perhaps the cap on the bottle of recession—up to a certain point.

In 1933, there were no means by which the Government could help the people. President Roosevelt came in, and legislation was enacted, even though the RFC was inaugurated by President Hoover in 1931, a revival of a World War I agency which did not become effective until 1932 or 1933.

The PRESIDING OFFICER (Mr. McINTYRE). The 3 minutes of the Senator from Wisconsin have expired.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 15 minutes, with statements therein limited to 3 minutes.

THE ECONOMIC SITUATION

Mr. SPARKMAN. Mr. President, I just want to make this very brief statement with reference particularly to the housing situation, which the Senator has mentioned.

We did enact a very fine housing law. Secretary Lynn called me after that conference report and congratulated me upon our getting out such a good housing act. But has it been implemented?

The Senator from Wisconsin will recall that in conference, after a very hard struggle—by the way, that conference lasted for 5 weeks, meeting morning, noon, and night, as the Senator will recall—we finally continued two programs that the administration was dead set against—that is, the 235 and 236 programs.

Has anything been done on those programs? Those two programs have not been utilized. It could be done with a minimum effect on the budget. They should be used.

Talking about the slump in housing, I sometimes think that housing is responsible for more employment than most of us realize, going back into the woods, where the logs are cut, and down into the bowels of the earth, where the minerals are found. We have a tremendous slump in that industry now.

We are not building as many homes as we should be. The best way I know of to stimulate that right now would be to activate the 235 or 236 programs.

Mr. PROXMIRE. Mr. President, I agree with what the Senator from Alabama has just said.

I think there are two points to which we should be very sensitive in housing. No. 1 is that it is not true that most of the money in housing, even in Government-assisted housing, comes from the public sector. It comes from the private individual.

In the 235 program to which the Senator from Alabama has referred, the individual will pay the entire amortization part of the loan, and pay part of the interest. So that is largely a privately financed program. The Federal Government puts up a small proportion of the total cost of the housing and the interest.

This is true of the 236 program. In the conventional program, the Federal Government puts up nothing. We put up insurance, but this is carried on in the private sector, with the disciplines of the private sector, with the profit motive and the other motives working to keep it efficient and without inflationary pressure, because we have available resources.

The trouble is, as the Senator pointed out, that we have enacted these programs, the funds are available, and the program could be put into effect, but the administration simply refuses to move ahead. That has been true week after

week and month after month and year after year.

Since January of 1973, we have had a moratorium on Government-assisted housing. The monetary policy has resulted in a situation in which interest rates are so high that conventional housing has been crucified, too.

We have the resources and the manpower, and we should move ahead. It can be largely in the private sector and can be without a gigantic Government program. It seems to me that it is an excellent way to move ahead, to proceed. There are other specifics with which I hope to come up in the future.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. GOLDWATER. Mr. President, I have listened to this colloquy with great interest. Speaking as a conservative Republican, I find myself in a great deal of agreement with what has been said.

In fact, this morning, on a national television show, I suggested that the President put Air Force I in the hangar for about 8 months and stay home and pay attention to our domestic problems. I hope he will do that.

I agree with what has been said about this country needing leadership. Whether the leadership is going to produce anything or not is beside the point. I think we need to be told where we are, what the dangers are, and where we will find ourselves if we continue the way we are.

Mr. President, I can remember the depression of the 1920's and 1930's very vividly. I made \$15 a week and ran a business that did not make any money for 5 years. But we did not have to lower salaries or have to fire anybody. That is not easy to do. I lived in a part of the country that really was not seriously affected by the Great Depression.

I am not one of those conservatives who voted for a Lockhead loan, or a Grumman loan, or to help Penn Central, and I do not intend to help Pan American or any other airline, other than by urging the Government to do those things we already can do and which the majority leader has mentioned.

I just want to leave one little word of warning as we go into the end of this Congress and the beginning of the next Congress. We are going to be sorely tempted to try things that we have tried before which have never worked. There is no way that wage and price controls will work. They never have worked, since the days of Babylon, and they tried them, too.

I just want to remind my colleagues that in spite of the leadership that Franklin Roosevelt gave in the 1930's, we still had 17 million people out of work in 1939. It took World War II to end the depression that started in Austria in 1928—started in Austria when the Austrians were doing precisely what we are doing in this Congress and have been doing in this Congress for 40 years, through Republicans and Democrats alike—spending money we do not have. There is no way in the world that is going to work.

So I think Congress has a charge in front of it. Let us really work on these

budgets. I do not care whether it is military or space, both of which are very close to my heart, or whether it is HEW or what it is. It is time that we told the American people that being broke is a lot worse than having to cut down on a few programs here and there.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. MANSFIELD. The proposals advanced by the Senator from Montana this morning may or may not be the answer I do not know. But I think it is mandatory that we attempt something, that we let the people of the Nation know that we are aware of the problems and are trying to find ways and means to face up to them.

I have no compunction in stating that, in my opinion, people like Senator PROXMIRE and Senator SPARKMAN know far more about economics than I do. I have no doubt about their desire to do something. But I hope we do not wait too long before we come forth with proposals, not necessarily in this session, but at least lay the groundwork, so that the first things we might be able to face up to in the next session would be the tackling of specific problems on which the people are crying out for us to help them.

Time is running short. The coal strike, if it is not settled, is going to further increase unemployment. The President has indicated that when unemployment reaches 6.5 percent, he has alternative plans. I am afraid that he is going to have to put them into operation.

Inflation shows no signs of abating. So we have a problem which is up, up, and about which we should do something.

Mr. GOLDWATER. Mr. President, I could not agree more with the Senator. I think that, above all, we need evidence of leadership.

I might mention to the Senator one specific item with which we might get on. We have an energy crisis facing us, and we will have one regardless of how much fuel comes into this country. We now have five committees of Congress to deal with energy. I have talked with the Senator about this. I am not urging that this committee or that committee or the other committee take charge of it; but there should be only one committee in Congress interested in total energy, not five, and we should not have committee chairmen running around this country making politics out of energy. We should be doing something in this body about getting more gasoline, new sources of energy, better use of the atom, better use of the things that have been coming to us from the space program.

I do not offer this as a matter of criticism. I know that the Senator is asking for help as to where we might go, and I think this is one area that we could land on with all five feet, instead of getting just one foot up.

Mr. MANSFIELD. I am very much aware of the problem. I am trying to work out something. Something has to be done. Some action has to be taken, and if agreement cannot be reached, some action will be taken, and taken soon.

Mr. PROXMIRE. If the Senator will yield for just 1 minute.

Mr. MANSFIELD. Surely.

Mr. PROXMIRE. I say to my good friend from Montana that I think that the essence of leadership is to make specific proposals of the kind that he has made. It is easy to disagree with whatever proposals are made, to tear them down, denounce them, show why they will not work or why they are inappropriate. It is much harder to come up with specific proposals. I think that the Senator from Montana has made it plain today why he is an excellent leader, why we all have such respect for him.

I hope that my criticism of some of the proposals that he has made—I agree with some—does not give him the impression that I am in any way critical of him. I think he is a fine leader, he would not be as good a leader as he is.

I think the debate this morning has been helpful for me and helpful for other members of Congress, and will be very useful for the country. I think we should try to proceed on a vigorous economic program, but not the program the Senator from Montana has proposed. We may modify it one way or the other, but the more we know about it, debate it, discuss it, and become familiar with it, the more rapidly and efficiently we can proceed.

Mr. MANSFIELD. I say to the distinguished Senator that I did not take the criticism personally. I thought that the Senator was performing a service, as he always has, because no one in this Chamber, in my opinion, speaks with better expertise on things economic that does the Senator from Wisconsin (Mr. PROXMIRE). I thought it was good to have a colloquy of this sort. I am delighted that it was carried on with such sincerity and seriousness.

I think that the Senator from Wisconsin is to be commended and complimented for raising the issue and, as always, expressing his opinions as honestly and as candidly as he knows how. I commend him.