1974

Speeches, Statement at a Meeting on Economic Foresight

Mike Mansfield 1903-2001
MEETING OF THE CONGRESSIONAL LEADERSHIP
AND REPRESENTATIVES OF THE EXECUTIVE
BRANCH ON THE QUESTION OF ECONOMIC
FORESIGHT

There was fundamental agreement that a representative high-level group—fully representative of the nation (both government and private sectors)—should consider the type of instrumentality needed on a permanent basis to perform the function of economic foresight. It was specifically agreed at the meeting by all in attendance that no further studies by this group of this issue are warranted. In the words of Mr. Simon, the incoming Secretary of the Treasury, it is hoped that we have learned from the energy crisis and from past studies, including that of the Paley Commission in 1952, and that we now have the political will to create the instrumentality needed to perform this vital function. Secondly, all those in attendance agreed that there be a meeting of the same group next week for, among other reasons, the purpose of evaluating a proposal to establish a temporary Commission on National Needs charged, not to study the issue, but to create the needed permanent instrumentality that will provide economic foresight—for the Executive Branch, for the Congress and for the people.
The President
The White House
Washington, D. C.

Dear Mr. President:

It occurs to us that there is a need to look beyond the current crisis to the way in which our economic life has come to be organized. The energy shortage is a part, not the whole of the difficulty which confronts the nation's economy. Danger signals are flashing elsewhere on the complex switchboard of our national existence.

It is our thought that there must be a better way to deal with the needs of our people than by Federal intervention and bail-outs to shore up faltering parts of the economy, on a crash-basis. The practice of waiting for the storms to strike and then, hurriedly, erecting shelters is not only wasteful and inefficient of the resources of the nation but its cumulative effect may well be devastating.

There is a need, it seems to us, to anticipate and, as far as possible, to act in an orderly fashion before the difficulties have descended on us. Unless we have some synchronized and coordinated machinery for this purpose, the nation will be subject to a plague of crises, one after another, in the years ahead. It is our suggestion, therefore, that we consider bringing together representatives of the Legislative and Executive Branches of the government on a regular basis with those of industry and labor and other areas of our national life for the purpose of thinking through our national needs, not only as they confront us, today, but as they are likely to be five, ten or more years hence and how they are best to be met. If the government is to intervene in these matters, as it is now doing, an effort ought to be made to put that intervention, as far as possible, on a rational and far-sighted basis.

We would appreciate your reactions to this suggestion and would be prepared to work with the Executive Branch in bringing about a concerted consideration of the proposal.

Sincerely,

[Signature]

Mike Mansfield Papers, Series 22, Box 78, Folder 10, Mansfield Library, University of Montana
Dear Mike:

Thank you for the thoughtful letter that you and Hugh Scott sent me on February 19, 1974 about "the way in which our economic life has come to be organized". I think that is a good way to put the question, which is not really how we solve this or that particular problem but what kind of problem-solving system we have and need.

Your letter does seem to imply a certain notion about the deficiency in the problem-solving system. It implies that the difficulty is lack of foresight and coordinated action by Government. One could take a different, although not necessarily inconsistent, view -- namely, that we have an excellent problem-solving system, the free market, which is too much interfered with by Government because people do not understand it.

However, I do not want to emphasize this possible difference now. I agree that the country needs more responsible and mature thought about the economic system. I can't tell from your letter whether you are proposing large open meetings for this purpose. I am afraid that I believe large meetings are not good for thinking through anything. Probably some more constructive procedure could be found. Use might be made of the National Commission on Productivity, which includes representatives of business, labor, agriculture, consumers, State and local government, the universities and the executive branch, and which is accustomed to quiet, cooperative work.
I think it would be desirable to follow up this suggestion and see whether progress can be made in defining the problem and finding a way to attack it. To this end I would propose that you and Hugh Scott and your House opposite numbers might meet with Secretary Shultz, Director Ash, Director Dunlop, Director Flanagan, and Chairman Stein to discuss the subject further. If this idea appeals to you will you please get in touch with Secretary Shultz to make further arrangements. I hope that any public information about our communications will make clear that they do not assume the existence of any crisis or the need for radical changes but are only designed to explore the possibility of doing things better.

Sincerely,

[Signature]

The Honorable Mike Mansfield
United States Senate
Washington, D.C. 20510
The President
The White House
Washington, D. C.

Dear Mr. President:

Thank you for your letter of March 25th in response to our thoughts about establishing some instrumentality to bring together representatives of the legislative and executive branches with representatives of agriculture, business, labor and other private communities for the purpose of identifying and doing something about areas of potential national crisis.

We are pleased to have your cooperation and appreciate the suggestion that representatives of the House and Senate meet with Secretary Shultz, Director Ash, Director Dunlop, Director Flanigan, and Chairman Stein to discuss the subject further.

The Senate Majority Policy Committee has endorsed the proposal in a resolution, a copy of which is enclosed. The House and Senate leaderships have discussed the matter and we are in agreement on the desirability of pursuing the matter. An initial meeting has been set up for April 30, 1974, at 10:00 a.m. in the office of the Senate Majority Leader. We expect that about four members of each House will be in attendance. This letter, copies of which are being sent to those representatives of the Executive whom you mentioned in your communication of March 25, will serve as our invitation to them to attend the meeting.

With best wishes, we are

Sincerely yours,

[Signatures]

Enclosure
ADOPTED BY SENATE DEMOCRATIC POLICY COMMITTEE April 9, 1974

WHEREAS, the energy shortage has kindled awareness of the uncertain supply of many resources, materials and commodities vital to national needs;

WHEREAS, the energy shortage also revealed that the nation is not equipped to provide a continuing and interrelated evaluation of the status and availability of basic resources, materials and commodities and, hence, cannot make the most effective and timely response to situations of adversity, with consequent detriment to the national well-being;

WHEREAS, the Senate Majority Conference has approved Leadership efforts to pursue, in concert with the Senate Republican Leadership, the establishment of an appropriate forum at the highest level of national life for the purpose of assuring that national needs are fulfilled; and

WHEREAS, the President has indicated in a letter dated March 25, 1974, to the Leaders of the Senate his readiness to cooperate in an examination of this question;

The Democratic Policy Committee recommends:

(1) that consideration be given to constituting a national instrumentality composed of representatives of the Legislative and Executive Branches and members of the agricultural, industrial, labor and other private communities of the nation;

(2) that such instrumentality, if constituted, have the capacity both to forecast potential areas of national economic crisis and to propose to the President and Congress such planning and policy alternatives as may be necessary to prevent or mitigate any such crisis; and

(3) that the Majority Leader, in concert with the Senate Republican Leader, engage in discussions with designees of the House Leadership and of the Administration in pursuit of the establishment of such an instrumentality.
in the following bill; which was read twice and referred to the Committee on

A BILL
To establish a National Commission on Domestic Needs

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SHORT TITLE
Section 1. This Act may be cited as the "National Commission on Domestic Needs and Economic Foresight Assessment Act of 1974."

FINDINGS AND PURPOSE
Sec. 2. (a) The Congress finds and declares that —

(1) the current roles of the Federal Government and of State and local governments in economic regulation, planning, and development and in the conduct of public programs should be reassessed at the highest level in order to avoid economic and social dislocations and material shortages, both domestic and international;

(2) the measurement and projection of the levels of natural, social, economic, and technological capabilities and resources must be coordinated and improved, and
(3) public and private agencies and organizations which are engaged in the measurement and projection of supplies and inventories of natural resources, agricultural commodities, and manufactured products—have not effectively coordinated their efforts, and have not provided a basis for a rational and comprehensive approach to the assessment of our national asset and how best to use them.

ESTABLISHMENT OF COMMISSION

Sec. 3. (a) There is established as an independent instrumentality of the Federal Government a National Commission on Domestic Needs and Economic Foresight (hereinafter referred to as the "Commission"). The Commission shall be comprised of 16 members selected as follows:

(1) The President, in consultation with the Majority and Minority Leaders of the Senate and the Majority and Minority Leaders of the House of Representatives, shall appoint 8 members of the Commission from among persons in private life, of whom one shall be representative of the Agricultural community, one shall be representative of organized labor, two shall be representative of consumer and environmental organizations, two shall be representative of producing and manufacturing business, one shall be representative of the financial community, and one shall be representative of the international trading community.

(2) The President shall designate four senior officials of the Executive Branch, to serve without additional compensation as members of the Commission.

(3) The President of the Senate, after consultation with the Majority and Minority Leaders of the Senate, shall appoint two Senators to be members of the Commission and the Speaker of the House of Representatives, after consultation with the Majority and Minority Leaders of the House of Representatives, shall appoint two Members of Congress to be members of the Commission. Members appointed under this paragraph shall serve as members of the Commission without additional compensation.

(b) The Commission shall rotate from among its members a Chairman and Vice Chairman which officers shall rotate between the Executive and Legislative Branch designees and those appointed from the private sector.
Each member of the Commission appointed pursuant to subsection (a)(1) shall be entitled to be compensated at a rate equal to the per diem equivalent of the rate for an individual occupying a position under level III of the Executive Schedule under section 5314 of title 5, United States Code, when engaged in the actual performance of duties as such a member, and all members of the Commission shall be entitled to reimbursement for travel, subsistence, and other necessary expenses incurred in the performance of their duties.

Sec. 4. (a) It shall be the function of the Commission to conduct an investigation of existing techniques for the measurement and projection of supplies of natural resources, agricultural commodities, materials, and manufactured products, to determine what public and private organizations are currently involved in such measurements and projections, and to make a full report to the President and to the Congress recommending the establishment of an independent agency to provide for a continuing and comprehensive examination and analysis of the economy of the United States and otherwise to carry out the purposes of this Act.

(b) The Commission shall include in the report required by this section specific and detailed recommendations to assure that the independent agency will be representative of the Executive and Legislative Branches and the Private Sector and will have adequate authority and resources to make a continuing study of and periodic reports with respect to--

(1) the existence or possibility of any long- or short-term shortages or market adversities affecting the supply of any natural resources, raw agriculture commodities, materials, manufactured products (including any possible impairment of productive capacity which may result from shortages in energy producing materials, plant or equipment, or capital investment) and the reason for such shortage or adversities;

(2) the need for, and the appropriate type of action necessary to increase the availability of the items referred to in clause (1), or to correct the adversity affecting the availability of any such items;
(3) the need to develop additional or alternative sources of scarce materials or commodities and the need for governmental action, if any, in order to encourage private market conduct which will best achieve balanced national and international economic growth with minimal short-term dislocations or shortages; 

(4) the appropriate role of government in the economic life of the United States, 

(5) the appropriate relationships between government and the private sector, in such areas as education, employment, environmental protection and improvement, health care, housing, and transportation, in achieving vital national objectives, taking into account the need to make the most efficient use of available resources; and 

(6) the long-term objectives for the economy of the United States, establishing rational relationships between the domestic economic policy and the foreign economic policy of the United States, regulation of imports and exports in order to assure the participation by the United States in the international economy. 

(c) In addition to its functions under subsection (b), the agency shall coordinate information with respect to the economic life of the United States, 

(d) The Commission shall prepare and publish such periodic reports and recommendations, as required by Sec. 4, as it deems appropriate, and shall transmit a final report with its recommendations to the President and the Congress not later than December 31, 1974. 

ADVISORY COMMITTEES 

Sec. 5. (a) The Commission is authorized to establish such advisory committees as may be necessary or appropriate to carry out specific analytical or investigative undertakings on behalf of the Commission. Any such committee shall be subject to the relevant provisions of the Federal Advisory Committee Act.
POWERS

Sec. 6. (a) Subject to such rules and regulations it may adopt
the Commission, though its Chairman shall have the power to--

(1) appoint and fix the compensation of an Executive
Director at not to exceed, $40,000 per annum, and such additional staff
personnel as is deemed necessary, without regard to the provisions of
title 5, United States Code, governing appointments in the competitive
service, and without regard to Chapter 51, and subchapter III of chapter
53 of such title relating to classification and General Schedule under
section 5332 of such title; and

(2) procure temporary and intermittent services to the
same extent as is authorized by section 3109 of title 5, United States
Code, but at rates not to exceed $100 a day for individuals.

(b) The Commission or any subcommittee thereof is authorized
to hold such hearings, sit and act at such times and places, as it may
deem advisable.

ASSISTANCE OF GOVERNMENT AGENCIES

Sec. 7. Each department, agency, and instrumentality of the Federal
Government, including the Congress, consistent with the Constitution
of the United States, and independent agencies, is authorized and directed
to furnish to the Commission upon request made by the Chairman, such
data, reports, and other information as the Commission deems necessary
to carry out its functions under this Act.

AUTHORIZATION OF APPROPRIATIONS

Sec. 8. There are authorized to be appropriated such sums as may
be necessary to carry out the provisions of this Act.