COPY

DISTRIBUTION

TITLE: AMERICA'S GROWTH HINGES ON CONSUMER PURCHASING POWER

FOR RELEASE OCTOBER 10, 1954

SENT TO: (FIRST CLASS MAIL)

METROPOLITAN PAPERS, RADIO, TV STATIONS, WIRE SERVICES

ALL AREA LABOR PAPERS

LABOR'S DAILY

LABOR

EXECUTIVE COMMITTEE

CANDIDATES

SENT BY: JO ANNE ALBERG, OCTOBER 7, 1954

AMERICA'S GROWTH HINGES ON CONSUMER PURCHASING POWER

America's economy must expand to produce around $500 billion worth of goods

and services by 1960 if we are going to maintain full employment in the face of

our growing population and improved productive "know-how", Senator Hubert H.

Humphrey declared last night in an address before the Midwest Railway Employees

Educational Rally in the Floyd B. Olson Memorial Labor Temple Auditorium.

"America can do it -- if it recognized that the shortest road to such expan-
sion of industry is expansion of consumer purchasing power", Senator Humphrey said.

"The American economy is a strong economy -- a buoyant economy. It contains
the seeds of great revival and expansion, if we but recognize where the seeds of
expansion lie. Our difficulty during the past year has been one of analysis.

"The fact is that the American economy is based on consumer spending. It is
concern with the consumer that accounts for the dynamism and progress of our
economy; it is the emphasis on sales and consumer spending that distinguishes our
economy from any other economy of the world.

"Our economy is the world's freest because the consumer rules it; it is not
an economy run by a few investors, or by a few owners of key industry. It is an
economy run by you and me when we spend our dollars for goods.

"Unfortunately, the present administration has misjudged the real base of
economic expansion, and placed its faith in the investing few -- in tax and fiscal
and other economic policies.

"Surely the direct road to economic growth lies in tax reduction for the man--
for the great consuming public, to stimulate purchasing power. When people are
buying, businessmen will invest -- and the economy will expand", Senator Humphrey
said.

In outlining his "full employment goals" for the future, Senator Humphrey

said this is what a $500 billion economy by 1960 could mean:

"It means that personal consumption expenditures should increase $100
billion from 1953 to 1960. It means that private investment in our
economy should increase $20 billion from 1953 to 1960. It means farm
income should increase $10 billion from 1953 to 1960. It means the
wages of workers should increase $90 billion from 1953 to 1960.

"It means that the average standard of living could be raised by 35% --
that Mr. Average American could be 35% better off, by 1960. We could
bring all American families up to a minimum of a $4,000 a year standard
of living, and still absorb less than half the increase in our national
income from 1953 to 1960", he declared.

Senator Humphrey paid tribute to the historic role occupied by railroads in

the nation's growth and development, and said he was "talking about our need for

economic expansion tonight because the railroads historically have been leaders

in the economic growth of our Nation. They will continue to be in the future.

"But all of you who are engaged in railroading should know that your growth

and prosperity is involved with the growth and prosperity of the whole economy.

And to maintain that growth and prosperity, we need a government -- a Congress

and an Administration -- which looks to the ordinary people of this Nation as the

basic force in a free economy."