

SENATOR'S MINNESOTA RADIO PROGRAMS

Public Service Feature

1954

<u>No.</u>	<u>Title</u>	<u>For Week of</u>
1.	State of the Union Message	January 11th
2.	Farm Program	January 18th
3.	Foreign Policy	January 25th
4.	Taxes and Our Economy	February 1st
5.	Using Our Abundance	February 8th
6.	Social Security and Health	February 15th
7.	Defense Contracts	February 22nd
8.	Security for Aged	March 1st
9.	Dairy Crisis	March 8th
10.	Taxes	March 15th
11.	Housing	March 22nd
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13.	Health	April 5th
14.	Educational Exchange	April 12th
15.	School Lunch and Public Housing	April 19th
16.	Good Government	April 27th
17.	Vocational Education	May 3rd
18.	Agriculture	May 10th
19.	Combatting Recession	May 17th
20.	St. Lawrence Seaway Watershed Bill	May 24th
21.	Anti-Communism	May 31st

Senator's Minnesota Radio Programs (Cont.)

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| 22. | Budget Progress                         | June 7th              |
| 23. | Schools                                 | June 14th             |
| 24. | Women                                   | June 21st             |
| 25. | Conservation                            | June 28th [Missing]   |
| 26. | India                                   | July 5th x [Missing]  |
| 27. | Civil Defense                           | July 12th             |
| 28. | Taxes                                   | July 19th             |
| 29. | Congress Windup (Social Security, Farm) | July 26th x [Missing] |

COPY  
January 15, 1934

Mr. McClaren, Manager  
Radio Station CKFI  
International Falls, Minnesota

Dear Mr. McClaren:

Representative Ed Childgren has written me regarding his visit with you to discuss carrying my public service recordings, reporting on legislative issues from Washington. He informs me that you expressed your willingness to cooperate, which I appreciate very much.

Because his letter did not arrive in time for the first recording I released, I am sending you under separate cover the next two -- for the week of January 18 and the week of January 25. They are on the President's farm message, and foreign relations. The opening one was on the President's State of the Union Message, and can be sent you if you want it.

Unless we hear otherwise, the programs will be sent weekly, with labels for their return without cost to you. Enclosed with each will be a brief press announcement of the subject matter, for release to your local newspaper or as "spot" promotional material if you are interested. At least it will give you an idea of what each broadcast is about.

I appreciate your cooperation in handling these programs, as I feel they are a real public service in keeping our people well informed on current issues.

Sincerely,

Hubert H. Humphrey

Minnesota Radio  
International Falls  
CKFI

s  
COPY  
January 15, 1964

The Honorable E. J. Chilgren  
Littlefork, Minnesota

Dear Ed:

Thanks a lot for your fine help in arranging for CKFI to carry my weekly radio reports. I have written Mr. McClaren, and am sending him two recordings this weekend. I sure appreciate your good work. I'm enclosing a mat for the column, as you suggested. Give my regards to John Koch and my thanks for his help.

We're sure in for a busy session down here, as you can well imagine. But it looks like the President's toughest problem will be with his own backward boys!

Sincerely,

Hubert H. Humphrey

Enclosure

International Falls  
CKFD

E. J. CHILGREN  
62ND DISTRICT  
LITTLEFORK, MINN.



COMMITTEES:  
COMMERCE, MANUFACTURING  
AND RETAIL TRADE  
GAME AND FISH  
MOTOR VEHICLES  
PUBLIC DOMAIN  
TAXES



REC'D JAN 11 1954

State of Minnesota  
HOUSE OF REPRESENTATIVES  
JOHN A. HARTLE, Speaker

Littlefork, Minn.  
Jan 8, 1954

Address on  
other mail

Senator Hubert H. Humphrey  
Senate Office Bldg.  
Washington, D. C.

Dear Senator Humphrey:

In reply to Mr. Simms appeal of Dec. 31 to Mrs. John Koch to contact our local radio station in regard to your weekly radio broadcasts we say that Mr. Koch and I went over to see Mr. McClaren, manager of Radio Station CKFD in Fort Frances Tuesday. He told us he would be pleased to run the broadcasts and will put them on from 9:15 to 9:30 every Sunday afternoon which I think is a good time for the winter months at least. When spring and summer comes we will try to get some other time. Mr. McClaren stated that you could start sending the broadcast immediately, in either disc or tape form, but



to avoid delay suggested that you mail  
them to Radio Station C K F I,  
International Falls

I see President Eisenhower stated  
that 1953 had been the best year in  
American history. Did he think it  
would be possible for the Republicans  
to wreck the prosperous economy built  
up by the Democrats in only one year?

Sincerely

Ed Chilgren

P.S. We are using your weekly  
newspaper repab almost every week and  
would like a snip of the 2-column  
head that I see some of the papers are  
using. No doubt I received this too,  
but it must have been mislaid.

Ed

Radio Script for: Senator Hubert H. Humphrey

Subject Matter:

No.1, Week of January 11, 1954

State of Union Message

STIMMS: REPORT FROM WASHINGTON! With re-opening of the 83rd ~~session~~ of the Congress, Senator Hubert H. Humphrey is resuming his weekly report from the nation's capital to the people of Minnesota. This program is brought to you as a public service, in cooperation with this station. In this first of his new series, Senator Humphrey will discuss the President's <sup>recent</sup> State of the Union Message to the Congress.

Senator Humphrey, what was your general reaction to the President's message:

SENATOR: The President has laid out a very comprehensive program. Much of it is forward looking. But of course all of it was in very broad and general terms. The details are yet to be made known in further messages, and in specific legislative proposals. Now, general statements and philosophy regarding objectives are fine and good, but it is the specifics -- the details -- which the country is really awaiting. Most of us, I am sure, will agree with the President's high objectives. But there will likely be considerable differences of opinion over ways to achieve them. When you get <sup>to</sup> deeds instead of words, the chips are down. That will tell the story of whether this Congress is going to act constructively for the good of the country.

*Followed  
the  
Endorsement  
of Foreign  
Policy  
+ Domestic  
Policies  
no Repeat*

SIMMS: Senator Humphrey, I note that you say part of the message was forward-looking. What were some of the sections which you particularly approved?

SENATOR: Well, of course I'm sure the folks at home were as pleased as I was that the President came out strongly for the St. Lawrence Seaway, urging the Congress to promptly approve our participation in its construction as necessary for security as well as economic reasons. It's early on our agenda in the Senate, and I believe at long last we are finally going to win our long fight for this vitally important waterway.

His call for increased civilian defense efforts is a start in the right direction. We need to develop our continental defenses, and protect the lives of American citizens in case of attack.

Of course I am also happy to see the President's promise of requests for expanding the air force, thus reversing the Administration's earlier decision<sup>do</sup> and justifying the fight many of us made against the ill-advised reductions voted last year.

On the whole, <sup>the President's</sup> ~~his~~ views on taxes were constructive. I agree with some of the increased exemptions he suggested. In view of present high profits and earnings, the continuation of the corporation tax which the President asks seems justified. However, by closing some of the existing tax loopholes -- a program I have advocated for three years -- we might be able to reduce excise taxes rather than

continue them. You know, getting rid of these excise taxes would help stimulate our consumer purchasing power -- something that would help the economy right now.

SIMMS: Well, Senator, it's good to see you point out some of the constructive suggestions in the President's message, but I'm sure you don't quite agree with all of it .... what were some of the issues on which you disagree?

SENATOR: You're right, I did find things with which I disagree as well as those which I approve .. ~~I'm just trying to be fair, and give credit where it is due~~ ... I was considerably disappointed, for example, with the President's comments on farm legislation. It seems unfortunate that he has apparently been won over to Secretary Benson's philosophy of flexible or "sliding scale" price supports, the idea of lowering the amount of <sup>price</sup> protection given farmers under the assumption lower prices will mean our farmers will produce less. To me the President is ignoring the overwhelming sentiment of farmers themselves, as reflected most accurately in the hearings conducted across the country by Congressman Hope's House Agriculture Committee. We had such a hearing in Minneapolis, and farmers made it clear they don't want lower support prices. You may recall that the Minnesota State Legislature had unanimously adopted a resolution earlier last year asking continuation of price supports at a minimum of 90% of parity, and adding additional commodities under such protection.

I agree with that position, and from past statements it appears that most of the Congressional delegation from Minnesota feels the same way, regardless of party. I've always been against the sliding scale idea of lowering price supports and am still against it as being unrealistic and unsound. We fought that fight out in 1949, and won. Now it looks like we'll have to fight it out all over again. I'm convinced that lowering price supports would increase, rather than diminish, the problem of surpluses, forcing farmers to raise more of their products to maintain incomes sufficient to keep pace with high costs.

SIMMS: What about the President's suggestion for special uses for some of our food surpluses?

SENATOR: On that I can agree wholeheartedly. I was pleased to hear him talk about the need for setting aside some of our food abundance for special uses such as the school lunch programs, disaster relief, emergency assistance to foreign friends, and stockpiling of reserves for a national emergency. I have been pushing for such a program all last session, and all summer and fall. Last June I introduced legislation for a special contingency reserve of wheat and corn which would do just what the President suggested about insulating surplus supplies from the normal channels of trade, and holding them for special emergency uses.

SIMMS: Senator, what other weaknesses do you see in his message?

SENATOR: Well, for one thing I certainly regret the lack of any recommendation for legislative action in the civil rights field. Apparently coupled with that turning away from this fundamental problem has been the decision of the Chairman of the Senate Labor and Public Welfare Committee to postpone contemplated hearings on the Ives-Humphrey Equal Opportunity in Employment Act. Also rather conspicuous by their absence are proposals for anti-poll tax, anti-lynching and other civil rights bills.

SIMMS: ~~Perhaps you did take a setback on that, Senator, but~~ I understand you got some boosts for other legislation of yours, didn't you?

SENATOR: That's right .. I have bills pending covering several of the points the President emphasized. I was especially pleased to see his concurrence with my bill permitting 18-year-olds to vote. His proposal for more liberal tax treatment for dependent children who work, for widows or widowers with dependent children, and for medical expenses are right in line with my suggestions. He asked that the present Hospital Survey and Construction Act should be broadened in order to assist in the development of adequate facilities for the chronically ill and to encourage the construction of diagnostic centers,

rehabilitation facilities, and nursing homes, for which I am co-sponsoring legislation with Senator Hill. He also approved the purpose of my bill providing for the Federal government to assist states which cannot provide sufficient school buildings.

SIMMS: Are there portions of the message about which you feel additional information will be needed to make clear the Administration's position?

SENATOR: Very much so, and I'm sure all of us will be interested in seeing how close specific legislation comes to approaching the objectives set forth. I was glad to see the increased attention given conservation and upstream watershed work for flood prevention, for example, but at the same time I am somewhat concerned over the President's reference to grazing lands and other public lands in this connection. I want to see our public lands protected, and I certainly hope no effort is being made to put across a watered-down version of the so-called Stockmen's Bill behind the more attractive "front" of conservation. Conservation groups should watch this closely, because it involves an issue upon which no compromise is possible. Either public lands are to be made available under conservation controls on an open bid basis or they are not. Of course it will be some time before we know all the details the Administration has in mind in many phases of this message, as the President himself indicated.

SIMMS: Senator, what about the President's plan to revoke citizenship of proven Communist conspirators?

SENATOR: I agree with such legislation, as a public repudiation of communists. However, I might point out that any proven Communist conspirators convicted under the law already lose the right of voting and any other rights of citizenship that could be revoked by law, as a result of being convicted of a felony.

SIMMS: What about the President's approval for extension of unemployment insurance?

SENATOR: It was encouraging. I welcomed the recognition by the President, both in his advance television talk to the American people and in his State of the Union Message, that we are in the beginnings of a recession. It doesn't help to hide our heads. We are better off to face it. I will support the President's efforts to extend and improve unemployment insurance, and certainly hope that the Administration will take other steps toward restoring full employment and warding off any threat of another depression.

SIMMS: Senator, what do you think the general attitude of the Congress will be?

SENATOR: The real fight is yet ahead. Congress must now buckle down to converting aims into achievements. The test of leadership is at hand. I really think the President's problem with the Congress will be primarily with his own Party, and I base that on the voting record in the first half of this session. His own party voted against him time after time, with the Democrats saving many of his proposals. I want to make my position perfectly clear to the folks at home. It shall be my policy to judge the merits of programs and policies, rather than their political tag. I shall not hesitate to support the President whenever I feel he is right and sound. I have no intention of changing just because we are entering an election year. Whenever the minority party feels the public interest is best served by opposing Republican policies, I believe we have the responsibility to provide constructive alternatives, rather than just to oppose. As I have often said, I am not as interested in the parentage of the bill, as I am in the legislative child.

STIMMS: Thank you, Senator Humphrey .. You have just heard Senator Hubert H. Humphrey of Minnesota in the first of a new series weekly radio reports to the people of Minnesota, recorded in Washington and presented as a public service through the cooperation of this station. This is Washington, returning you to your station announcer....

STATEMENT BY SENATOR HUBERT H HUMPHREY  
for  
Frank Edward's Program

Call it whatever name you wish - recession or re-adjustment - the truth is that there are trouble signs in the American economy. The time to take action to remedy the situation is before it gets out of hand.

Here are the disturbing signs:

Purchasing power of farm families is down 6%;

Unemployment in the month of December went up 400,000, to a total of 1,800,000 - and it is still climbing.

The farm parity ratio stood at 91 at the end of 1953, as compared with 99 at the beginning.

The value of farm real estate dropped 6% in one year.

The value of farm assets was down approximately \$9 billion.

Overtime pay checks for workers are fewer and in less amount.

Farm implement factories <sup>and Railroads</sup> are laying off workers.

The average work week is down to below 40 hours per week.

The number of business failures in the third quarter of 1953 increased 27% over the same period the year before.

Credit is tighter.

Interest rates are higher.

Loans are more difficult to obtain.

These, amongst others, are the disturbing signs. Merchants on Main Street are feeling the pinch of reduced purchasing power. Economists are predicting a drop in the national <sup>of</sup> gross income/over \$5 billion next year, which could result in unemployment of around 4 million.

These are not just statistics. This represents the welfare of families, the solvency of business, the income of farmers and workers.

Yes, in fact, the revenues of government.

The time is at hand ~~to~~ to take positive action and not just to make reassuring statements.

Radio Script for: Senator <sup>H</sup>Hubert H. Humphrey

Subject Matter:

No. 2 - Week of January 18, 1954

Farm Program

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H. Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station. Senator Humphrey will discuss President Eisenhower's farm message, and the outlook for farm legislation in the present session of the Congress.

Senator Humphrey, what has been the general reaction to the President's farm message?

SENATOR: It was a very disappointing message, ~~from~~ to all farm-state representatives in the Congress, whether they are Democrats or Republicans. After all the talk of a new and better farm program, ~~and~~ the President is now proposing ~~is~~ the same old ~~disastrous~~ sliding scale idea of 1948-49 which most farmers have overwhelmingly disavowed, <sup>To be sure it is</sup> dressed up this time with a temporary sedative to conceal its eventual impact.

Past promises of full parity or at least a minimum of 90% have apparently

(Get some facts on farm income)

given way to Secretary Benson's plan of flexible 75 to 90% of <sup>price</sup> supports.

Nothing new at all was proposed in two of the most serious problem areas of our farm economy -- dairying, and beef cattle producing.

For all practical purposes, perishable commodities which produce the bulk of agricultural income were left out of the recommendations entirely.

It is rather interesting to note that when it comes to tobacco, wool, and sugar, 90 to 100% of parity is provided. Yet when it comes to such fundamental and essential commodities as corn, wheat, and dairy products, farmers are supposed to get along on 75 to 90% of parity, with a new so-called "modernized" parity that makes the support even lower.

Apparently tobacco has a priority over food. Now I have nothing against tobacco producers, but I certainly feel our Minnesota food and feed and livestock producers are entitled to just as much consideration. From what I have heard so far, many others feel the same way. Wires and letters I have received so far indicate farmers are unhappy over the President's suggestions, and quite a few other Senators tell me their mail is running the same way.

(Wool) see Wash Star.

SIMMS: Senator Humphrey, what do you think Congress will do about the President's farm program?

SENATOR: Well, right now it looks like the President's idea of lower price supports are in for a rough time in the Congress. Enough city congressmen are concerned about the recession in agriculture and its effects on the rest of the economy to team up with farm-state representatives and head off the sliding scale, as it looks now. / It has become apparent that Congress will have to take in its own hands the formulation of an improved farm program. I'm not sure just what we can get, but I do feel it will be stronger than what the President has suggested. After all, the President's recommendations weaken what we now have, rather than improve anything.

SIMMS: Senator, you mentioned support for the farmer from some city Congressmen. What is the consumer's interest in this fight over farm price supports?

SENATOR: That's a good question, and, fortunately, one that more and more people are beginning to understand. Every consumer has a very vital stake in a sound farm economy -- the stake of adequate food supplies at reasonable prices, and the stake of a prosperous, expanding economy that doesn't get tipped out of balance. Remember, <sup>economic</sup> history shows that national depressions are farm led and farm fed. Many rural merchants have already felt the pinch of declining farm purchasing power, and have curtailed orders from factories. That means less jobs, and the vicious old cycle is again under way. Abundant production, not scarcity, is the consumer's best protection against unreasonable prices -- and the entire theory of the sliding scale is to reduce farm returns to the point some farmers can't go on producing, thereby forcing farm production down to the point where scarcity forces food prices up. That's what they mean by talking of depending on the "free market", or supply and demand. Rather than contribute to continued abundant production with stability of reasonable prices, it would mean prices fluctuating up and down from one year to the next. Actually, the farmer gets such a small share of the consumer's

dollar that the difference between 90% and 75% of parity to the farmer means very little to retail prices, but a great deal to the farmer. Any idea that lowering price supports is going to help consumers is absurd. The consumers' experience in failing to benefit proportionately from low beef prices to the producer should be proof of that fact. History has certainly taught all of us, consumer and farmer alike, that in ~~the~~ national best interest there is a floor level below which the nation cannot afford to allow farm prices to fall. ~~and still have adequate~~ *Price stability is absolutely essential if America is to have* ~~provision for~~ a continuous and expanding production of food to meet the needs of an increasing population, and to help maintain ~~on~~ *on* ~~continuously~~ expanding and prosperous economy.

SIMMS: Senator Humphrey, your mention of an increasing population brings another thought to mind. In view of our growth, don't you feel it is rather dangerous to deliberately encourage policies of scarcity?

SENATOR: I certainly do, and let me tell you why. Eventually, we're going to need all the food we can produce. And to make sure our children get enough to eat in years to come, we better be thinking about making it

*Share of income spent on food*  
*To Long*

possible for people to stay in farming, rather than think about squeezing some of them out. Let me remind you that our population has just passed the 160 million mark, an increase of 8,868,000 since the April, 1950 census. The national population gain in the past 40 months has equalled the total population of the state of Illinois in 1950. Yet that's just a drop in the bucket to what's ahead. A population of 175 million by the next census in 1960 is predicted by the Department of Commerce, and estimates indicate it will exceed 200 million by 1975. Population is increasing at the rate of one every 12 seconds, day and night. That means 300 people added every hour, 7,200 more people every day, 2,700,000 more to feed each year.

*now,* Stop to think what it will take to feed them. The Department of Agriculture itself has estimated that if we are to maintain our present standard of living in 1975, we will have to increase our pig crop, for example, by an amount equal to all of the pigs produced in 1950 in both Iowa and Nebraska. That's a lot of pigs. If we are to maintain our per capita beef consumption, the same report reveals we will have to add to

our national production an amount <sup>equal</sup> ~~equivalent~~ to the 1950<sup>Beef</sup> production of Texas, Oklahoma, and Minnesota combined. Where's all the feed coming

from? Is this time to talk about adjusting corn growers out of production?

SIMMS: That's certainly something to think about, Senator, in drafting a new farm program. ~~Aside from the weaknesses in the support level,~~ Was there anything you approved of in the President's farm message?

SENATOR: Yes, there was -- I was glad to see that the President has endorsed increasing the normal reserve for corn, and has asked for a

"set-aside" of surplus supplies to take them off normal markets and stockpile them for emergency use. You know, that's just what I have

been asking all last year -- and I have bills before the Senate Agriculture Committee to accomplish those objectives -- bills introduced last year.

*(A reserve of food is as important to our defense and security as trained reserves of men, and stockpiles of ammunition + equipment.)*  
I'm glad the President agrees with me. ~~Of course,~~ I was also interested

in seeing that the Administration -- after all of its name calling -- has

decided on a trial of the Brannan Plan for wool. However, generally I was disappointed in the lack of imagination of suggesting new and better means of price protection, and development of new outlets for use of our abundance.

*we need longrange farm program - not year to year*

*Food banks*

*Genl Eisenhower called it "Moral Bankruptcy" during his campaign.*

SIMMS: Senator, what will your position be on farm legislation?

SENATOR: For one thing, I shall vigorously oppose any sliding scale of price supports. I ~~always have~~ <sup>have in the past</sup> and ~~always will~~ <sup>again.</sup> I fought against lower price supports in 1949 and I'll keep on fighting. I feel we must keep what ~~protection~~ <sup>stability</sup> agriculture now has, and seek to improve it. Among the improvements I believe we should have are adding oats, rye, barley, soybeans and flax to the list of commodities given 90% price support; making support of dairy products mandatory at 90% of parity, and seeking new distribution programs to broaden the outlets for butter and milk; and including of both beef cattle and hogs under price protection.

∟ All of those objectives are contained in my price support bill introduced last February, S. 1159, a bill carrying out the recommendations of our own Minnesota legislature and -- as long as the President has seemingly forgotten them -- the slightly tarnished golden promises to the farmer in the 1952 campaign. That bill is still before the

Senate agriculture committee.

*If you any of our listeners  
Wish a copy - just drop a post card  
to Sen H. H. H. - 140 Sen. Office Bldg, Wash.  
ask for the Humphrey "Equality for Agric B. 11"  
S-1159*

On other farm issues, I think we must expand and improve conservation assistance to make sure our farms can stay productive enough to care for that growing population we talked about. We must have better flood control and upstream flood prevention work, and we must liberalize farm credit.

SIMMS: Senator, that sounds like a well-rounded program. I'm sure Minnesota's farm people will wish you luck in achieving just as much of it as possible.

You have been listening to Senator Hubert H. Humphrey of Minnesota in another of his series of weekly radio reports to the people of Minnesota, presented as a public service through the cooperation of this station. This is Washington, returning you to your station announcer.....

Radio Script for: Senator Hubert H. Humphrey  
Program No. 3, Week of January 25, 1954

Subject Matter:  
Foreign Policy

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H. Humphrey, with his weekly report from the nation's capitol. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey, as a member of the Senate Foreign Relations Committee, what can you report about the world situation as the new year gets under way?

SENATOR: I wish I could feel more optimistic, as I <sup>to</sup> share ~~deeply~~ the hopes for easing of world tensions that could bring a brighter era <sup>and</sup> of a more peaceful <sup>period</sup> ~~era~~ ahead. However, we have been giving a very sober appraisal of international developments in our Foreign Relations Committee during the past few weeks and the outlook certainly doesn't indicate any reason for complacency, or relaxing our efforts to strengthen the free world.

International communism has stepped up its efforts to undermine the governments of Southeastern Asia and the Near East. There are disturbing developments in Italy, where Communism has infiltrated the labor movement and even industrial management itself. Government instability in France and Italy causes us increasing concern. It is for this reason, plus the necessity of bringing German manpower into western defense system, that we must continue to push for the European Defense Community -- an integrated, unified Western European army. This will strengthen our NATO defense setup.

SIMMS: Senator Humphrey, I understand you have been getting some first-hand reports lately to back up your own observations and conclusions.

SENATOR: That's right, I have. I had the pleasure of a four-hour visit with Vice President Nixon recently, hearing a confidential report on his experiences and observations during his extended tour of Asia and the Pacific. Then, too, we had Secretary of State Dulles before our Foreign Relations Committee in executive session, for a very frank 2½-hour report. We also had a long session with General Ridgway, ~~Chairman of the Joint Chiefs of Staff~~ *Army Sect of Army Mr Stevens*.

SIMMS: Senator, can you tell us anything about your conclusions from these conferences?

SENATOR: Unfortunately, much of the information was given in confidence or behind the secrecy of executive sessions of the Foreign Relations Committee. However, I certainly can say that there is little to justify looking at the situation through rose-tinted glasses. Ordinarily, I'm an optimist -- I like to look at the bright side of things; I think most of us do. All of us are so anxious that the world situation get better, that it's hard to resist the temptation to grasp at any hope that might permit us to take the easy way out, just hoping we'll get along all right somehow. Right now, that's one of the western world's

troubles -- the danger of laxity from false optimism. That's just what the Communists hope we'll do. The Kremlin's new international line is to placate -- to buy time, both to solidify their own gains, and to hope and work for disintegration of the western world's unity. Unfortunately, that seems to be just what is happening. Whether we like it or not, the situation in both France and Italy today is far less favorable to the western cause. You know, I feel it's about time our responsible leaders let the American people in on more of the facts, so we'll all know what we face -- the facts they'll admit to us behind closed doors in secret sessions, but don't yet dare to make public. I'm afraid it's going to take more than unjustified optimism to match against Soviet realism if we are going to avoid another Munich, another Dunkirk, or another Pearl Harbor.

SIMMS: Senator, you mentioned your long visit with Vice President Nixon. Do you feel his trip accomplished a good purpose?

SENATOR: Yes, I do . . . Of course, I don't know just what the reaction has been in the countries visited, but I do feel that it has greatly broadened the Vice President's viewpoint, and given him a better understanding of some of our problems that should be helpful. For example, the feelings of some of us in the Senate that more attention should be paid to educational programs, the Point Four, and the exchange of students is now supported by Vice President Nixon.

Also, he has become greatly impressed with the effects in other lands of any examples of racial discrimination in our own country. *He said one Act of discrimination is*

SIMMS: Senator, how do you reconcile your feeling of Soviet gains with various public statements that the threat of war has lessened?

SENATOR: We're just not being told the full story. While it may be true that the danger of immediate open Soviet military aggression is diminishing, there are still greater danger signs of the Soviet's achieving many of their objectives without open military aggression. Remember, Soviet aggression take<sup>s</sup> more than one form, and it frequently shifts. Just as I repeatedly warned last spring and summer, experienced international observers and responsible government officials now report that Soviet aggression by diplomatic, economic, political and propaganda means is increasing.

The one thing to remember is that there has been absolutely no convincing evidence that their aim at world domination is changed. We must not be fooled by any temporary switch from heavy-handed threats to <sup>the</sup> more, dangerous, if more subtle indirect pursuit of that unchanging aim. If we believe some of the optimistic lullabys the Soviets are encouraging today, we'll probably do just what the Kremlin hopes: relax, and let down our guard.

SIMMS: Senator, do you think that is already happening?

SENATOR: I'm afraid so. I'm really concerned about some of the rather drastic cutbacks in our military manpower, and the putting of warships in mothballs. I was happy, however, to hear the President's promise of requests for expanding the Air Force, thus reversing the Administration's earlier decision and justifying the fight many of us made against the ill-advised reductions voted ~~earlier this~~ <sup>last</sup> year. The trouble is, you just don't <sup>"</sup> turn off and <sup>"</sup> turn on changes in defense planning that rapidly. Once contracts have been cancelled, it takes quite a while to shift back into production. And what's even worse, previous cutbacks led to slashes in pilot training programs that now leave us short of trained pilots to fully man the increased Air Force the President now sees necessary. I do approve the President's call for increased civilian defense efforts as a start in the right direction. We need to develop our continental defenses, and protect the lives of American citizens in case of attack.

SIMMS: Senator, what is developing on the President's proposal toward cooperation on peaceful uses of atomic energy?

SENATOR: Well, at least preliminary, exploratory conferences with Russia's Ambassador have been under way. What they will lead to I don't know. I want to reiterate my support for the President's

proposal to encourage action in this field of peaceful uses of atomic energy, but also call attention to the fact that we have a real chance to prove we mean what we say. As I wrote the President recently, our country should consider throwing its support behind the efforts already under way in this direction through UNESCO. For the past three years UNESCO has taken the leadership in this field, at the recommendation of the United States. Atomic scientists and the governments of twelve European nations have been working together to develop the world's most powerful laboratory for nuclear research to study the peaceful use of atomic energy, ~~but~~ the United States is not now participating even though it was our idea to start with. In view of the fact that this successful UNESCO program for nuclear research was begun at the recommendation of the United States, I have urged the President to explore the possibility of our government now joining in this project. It would be another demonstration of our nation's sincere desire to begin establishing a policy for the peaceful development of atomic energy without any unnecessary delay, a method by which we can begin carrying out the President's UN speech objectives without waiting for the Russians to accept the plan.

SIMMS: Senator, do you see any chance in the near future of any turning point in this world situation, one way or another?

SENATOR: Well, if it's coming it should be developing right now --

out of the "Big Four" Foreign Ministers' meeting. It's a chance for the Kremlin to show its real intentions. It may bring a realistic showdown. High on the agenda is the unification of Germany with free elections, and a treaty for Austria. Any sound solution to the end of a Europe divided by an Iron Curtain between the east and the west must be based on Russia's agreement to an honorable German settlement.

Out of conferences now under way should come our answer. ~~But nothing~~

*There can be no peace in Europe that keeps Germany*  
~~I've seen or heard so far supports much optimism about the outcome.~~

*divided - The Human People are determined to be united.*

SIMMS: Thank you, Senator Humphrey . . . You have been listening to Senator Hubert H. Humphrey of Minnesota, in another of his series of weekly reports from Washington presented by this station as a public service. This is Washington, returning you to your station announcer.

Radio Script for: Senator Hubert H. Humphrey

Subject:  
Taxes and Our Economy

No. 4, Week of Feb. 1, 1954

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H. Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey, taxation and trends in our country's economy seem to be among the foremost subjects around Washington these days. What is your attitude, Senator, toward tax reduction?

SENATOR: I'm convinced it's time for Congress to provide tax relief for middle income and low income families, and help <sup>for the</sup> the small businessman. Easing of tax burdens for these groups is needed today to stimulate purchasing power in the ~~consumer group~~ <sup>our economic system</sup> of our society. I have introduced some bills ~~of my own~~ for that purpose, and I'll support sound moves in that direction.

SIMMS: You mention the need for stimulating purchasing power, Senator. Do you feel that tax policies should be related to our economic situation as a whole?

SENATOR: I most certainly do. In my opinion, it is changing economic conditions that now make tax reductions most urgent and most advisable.

During previous tax debates, it was always my position that our national government's budget must be balanced. In a time of high defense spending, inflationary pressures, and greater demand for consumer goods than supply, it is essential that we do everything possible to balance the budget, and preserve our economy. With the growing signs of recession, however, the desire to balance the budget must be coupled with the equally vital national good of stimulating consumer purchasing power. That is why, even as we strenuously continue our efforts to balance the budget, we must introduce tax reduction devices to help the middle and low income families of America, and to help the small businessmen, farmers and workers.

*Doom  
mongers  
Prophets  
of  
Doom*

SIMMS: Senator, what about those growing signs of recession you mention? Are they enough to cause serious concern?

SENATOR: They most certainly are. The danger signs in the American economy call for positive action, and not just reassuring statements. It doesn't do any good to hide our heads in the sand. Call it whatever name you wish -- recession or readjustment -- the truth is that there are trouble signs in the American economy. The time to take action to remedy the situation is before it gets out of hand.

Let me mention just a few of these disturbing "danger signs":

Purchasing power of farm families is down -- too far down.

Unemployment in the month of December went up to 400,000, to a total officially announced as 1,800,000 -- and it has still been climbing.

The value of farm real estate has dropped 6% in one year.

The value of farm assets was down approximately \$9 billion for the year.

Overtime paychecks for workers are fewer and in less amount. Farm implement factories are laying off workers. The average work week is down to below 40 hours per week. The number of business failures in the third quarter of 1953 increased 27% over the same period the year before. Credit is tighter. Interest rates are higher. Loans are more difficult to obtain.

These, amongst others, are the disturbing signs. Merchants on Main street are feeling the pinch of reduced purchasing power. Economists are predicting a drop in the national gross income of over \$5 billion this year, which could result in unemployment of around 4 million. These are not just statistics, you know. This represents the welfare of families ... the solvency of business ... the income of farmers and workers. It should be obvious that we are in the midst of a mild economic recession. It is my fervent hope and prayer, of course, that this recession will not deepen into a depression. But hopes are not enough. We need some positive action.

SIMMS: And you think tax reduction is one of the remedies needed?

SENATOR: That's absolutely right -- if the reduction is in the right places. One way we can prevent the catastrophe of a depression is to stimulate purchasing power in the consumer group of our society. ~~The middle income and low income families of American are~~ *and provide investment capital for business.* The middle income and low income families of American are the great consumers of America. Our tax legislation should be designed, therefore, to provide benefits to those groups, thus increasing their real income and allowing them to spend more in the market place.

SIMMS: What are your tax reduction proposals, Senator Humphrey?

SENATOR: My tax program is designed to achieve the very objectives I have outlined. I have introduced a bill that would increase the personal income tax exemption of every American taxpayer from \$600 to \$800. That's for each dependent as well as the taxpayer, of course. It's the same for everybody, but of course it will mean more to the little taxpayer than to the big taxpayer. That's where the relief will do the most good in terms of consumer purchasing power. I have also publicly supported plans for increasing exemption allowances for medical expenses, and to permit the deduction from gross income of education expenses incurred by a taxpayer in providing for his children an education above the ~~secondary level.~~ *high school* I don't think a son or daughter earning more than \$600 a year to help pay their way through college should be lost as a dependent to their parents when they still have to provide for the bulk of their living expenses and probably tuition as well. Last

year, during the first half of the 83rd Congress, I introduced the first of the bills designed to provide tax relief to the needy in the form of a proposal to allow working mothers to deduct as legitimate business expenses the amounts that they pay to take care of their children while they are at work helping to provide for their families. I am delighted that the House Ways and Means Committee has seen fit to accept this proposal.

SIMMS: That House committee is now working on an over-all revision of our Internal Revenue Code, isn't it Senator?

SENATOR: That's right. I welcome that revision. It is long overdue. I serve notice, however, that I will not be a party to any revision which perpetuates inequities, widens tax loopholes and otherwise benefits high income groups at the expense of the middle and low income groups.

There is one other method by which we can reduce the burden on the American taxpayer. We should <sup>aim</sup> ~~aim~~ at eliminating excise taxes which are an unfair burden on the consumer, and place the merchants in the undesirable position of being tax collector for the government. I believe they also violate the wholesome, democratic tax principle that taxes should be levied on the ability to pay. In effect, they are just another form of a sales tax -- and I am certainly opposed to a national sales tax in any form.

(Repeat) - direct on manufactures

SIMMS: Senator Humphrey, I'm sure such reductions will certainly be welcomed by the taxpayers -- but what would the government do for the revenue it needs?

SENATOR: That, of course, is the real question Congress must face. During the 81st Congress, and again during the 82nd Congress, I proposed to the Senate a tax loophole closing program designed to raise more than \$4 billion in taxes, without adding any additional burdens on the bulk of American taxpayers -- but simply by removing inequities. The same program today would raise closer to \$5 billion in additional revenue. I am urging the House Ways and Means Committee, and the Senate Finance Committee, to give serious consideration to my proposals, for I shall certainly bring them to the attention of the Senate again when we act on tax legislation. By the way, my proposals have been published by the Public Affairs Institute in a pamphlet entitled, "Tax Loopholes", and I would be glad to send a copy to anyone interested. Just write a postcard addressed to Senator Hubert Humphrey, Senate Office Building, Washington, D. C., and ask for a copy of "Tax Loopholes". I'm convinced it offers a way to provide tax reduction where it is needed most without depriving us of needed revenue. ] Such a tax loophole closing program could help balance the budget, and at the same time provide tax reductions for most of the American people. In my judgment, we can ~~eliminate~~ *sharply reduce* excise taxes and raise the personal income tax exemptions both if we act courageously to eliminate tax loopholes, and remove tax inequities.

You know, when some groups get tax favoritism, that means more taxes must be paid by all the rest of us. So that's really where we should start in our tax reform -- getting rid of favoritism through tax loopholes.

SIMMS: Senator, you apparently feel that we can actually bolster our economy by having wise tax reductions now, averting some of the threats of depression?

SENATOR: I certainly do. We must keep the goal of an expanding and growing economy foremost. As long as our economy is growing, we can stand the cost burdens of defense. Progressive tax reduction can do much to stimulate business, by improving consumer purchasing. To be sure, there are trouble signs on the horizon. But government policy can correct these situations. If we have the will, we will have the results.

American must go forward. Tremendous opportunities still lie ahead. We need more new homes, new schools, new jobs for our greatly increasing population. We need to keep our economy expanding, and to permit all to share in the higher living standards that can result. We can and must continue our amazing progress. We cannot turn back. But we need confidence, and leadership that inspires such confidence. That's our real challenge today.

SIMS: Thank you, Senator Humphrey ... You have been listening to Senator Hubert H. Humphrey in another of his series of weekly radio reports to the people of Minnesota, presented as a public service through the cooperation of this station. This is Washington, returning you to your station announcer .....

Radio Script for: Senator Hubert H. Humphrey

Subject:  
Using our Abundance

No. 5, Week of February 8, 1954

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H. Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey, you seem to be making considerable headway with your campaign to get the government to make better use of our abundant reserves of food supplies. Would you like to tell us something about it?

SENATOR: I certainly would -- you know, this has been a battle cry of mine all last year, and I'm very happy to see that it is finally getting some real attention. Ever since I touched off quite a debate on the Senate floor a few weeks ago, the Senate Agricultural Committee has been pushing ahead with plans for some surplus disposal program that would make wise use of our abundance, both in feeding Americans and in supplementing our foreign policy, instead of just complaining about it piling up in storage.

I told the Senate what I have been saying over and over the past year: We should regard our abundance as a blessing, not a curse. It can be a blessing, not a headache, if only we have the imagination and the initiative to use it wisely for the benefit of human beings,

both at home and abroad. Yet I must deplore the fact that responsible officials of this administration have seemed more inclined to feed the flames of propaganda about the evils of abundance instead of showing real enterprise toward putting our abundance of food to good use for humanity.

SIMMS: Senator Humphrey, I noticed in your remarks to the Senate you expressed concern over the relation of our judgement in using our abundance to our foreign policy, our efforts for peace in the world. What about this?

SENATOR: Yes, I did. I am concerned over some of the unfair propaganda against America's great food supplies, because of its impact on international relations. You know, as a member of the Foreign Relations Committee that is part of my responsibility, and it is a very serious responsibility.

What must hungry people of other lands think when they hear responsible leaders in the United States, and a supposedly responsible press, bemoan the fact that we have too much food? As I told the Senate, one can sign alliances until he runs out of ink, and the Secretary of State can be sent to Berlin, Baghdad, and Tokyo, with round-trip tickets, but so long as we tell the rest of the world that we have more food than we know how to eat or use, we shall not make many friends in other countries -- no matter how <sup>able</sup> charming our Secretary of State may be, and I am sure he is trying to do a good job.

I'd like to repeat what I said in the Senate a full year ago, in calling for establishment of International Food Reserves: "As long as there are empty stomachs in the world, we shall have to keep our cartridge belts full. But full stomachs can replace full cartridge belts, as our greatest defender of democracy...In the struggle against Communism, a million dollars for food might equal \$10 million for ammunition."

SIMMS: What are your ideas about using food to fight Communism?

SENATOR: All that it needs is an application of Christian democracy, a little applied Christianity and a little commonsense. We saw what could be done with a <sup>small</sup> little shipment of food to East Berlin, to show our concern for the hungry people rebelling against Communist rule. If there ever was an act on the part of our Government that resulted in good dividends, it was the sending of that food to the hungry people of Germany. When we sent only 45, 000 tons of food to East Germany, the Soviet Union had to move into that area three divisions of troops and 300 tanks in order to put down the rebellion.

The President's authority for use of food in emergencies and to combat famine abroad -- which I successfully fought for last year -- expires March 31. I was pleased to note that the President is asking that it be extended and broadened, so as to make use of greater amounts of food for such worthy and humanitarian purposes. I shall support such efforts, along with whatever legislation is needed to make it

on CROP

possible for greater use of private agencies, such as CARE, in distributing food -- so that it becomes a real gift from the American people to the hungry people of other lands.

SIMMS: What about our own people here at home?

SENATOR: Now you are mentioning something closest to my heart. It just doesn't make sense to me to be complaining about too much food when many of our own people are still going hungry. As great as are the opportunities for making use of food as part of our policy in dealing with other lands, still greater opportunities confront us here at home, in the case of the use of this food. Even during the richest period in our history, there are millions of persons who are not well fed, through no fault of their own. Certainly it hardly makes sense to complain about 200 million pounds of butter stored in our country, yet do nothing about putting it into the hands of people who need it in their diets yet can't afford to buy it. That's why I have proposed a Dairy Diet Dividend plan to supplement the meager allowances to our people on the public assistance rolls -- the needy aged, the dependent children, the blind and the disabled -- with a stamp plan enabling them to acquire needed milk and butter at prices within their purchasing power. Of course, I have also joined Senator Aiken as co-sponsor of his domestic allotment plan for food stamps to stimulate consumption of all surplus farm commodities among all low-income families.

SIMMS: Haven't I read reports recently where the stamp plan is gaining more favorable support?

SENATOR: Yes, I'm glad to say that is true. When I brought this subject up on the Senate floor Senator Aiken concurred with the needs I expressed and reminded the Senate that I was the only other Senator to join him in co-sponsoring the food stamp plan. Since then, several other Senators have asked to join as co-sponsors, and Senator Aiken has said the question would be given serious consideration by his committee. Because of the complexities of undertaking the complete food-stamp plan, and the doubtful chances of getting the Congress to set up such a large new program at this time, I am urging that the plan be given a "trial run", in effect, on dairy products alone, and limited to persons already on public assistance rolls to eliminate the necessity of new administrative machinery. That's just about what I have asked in my Dairy Diet Dividend Proposal -- handling it through local welfare agencies, and normal channels of retail trade. At any rate I think if enough people speak up in favor of some such plan we can get one developed before the present Congress adjourns. It would not only be a tremendous health boon to needy people, but offer a vast new outlet for dairy products that would firm up prices without the necessity of heavy government purchases.

SIMMS: Senator Humphrey, during your recent Senate debate on farm policy you also protested rather vigorously against what you termed unfair propaganda about costs of farm programs. I understand you have some new information to add to those remarks.

SENATOR: That's right, I have. You know, some people toss big figures around rather recklessly these days without breaking them down so the public will have a fair chance to judge what they really mean. For example, the press has been headlining many stories about the vast cost of farm price supports. Let me see if I can't give our listeners a better understanding of what it really amounts to:

Actually, our farm price support programs have cost the American people an average of only 35 cents per person each year since 1933.

During that same period, these programs have helped agriculture add \$184 billion dollars in new wealth to our economy.

In other words, total losses on government price support operations over the past 20 years amount to only one-half of one percent of the increased net agricultural income to which they greatly contributed over that same period. I consider that a mighty good investment, one that has paid off solid dividends to our entire economy -- including increased tax revenue to the government more than offsetting the original cost.

But let me give you a few more figures. If the press insists on headlines about subsidies, they should give us something to compare them with. Here are a few such comparisons I would suggest for them to consider:

1. Government subsidies to business this year alone,

will equal the entire realized loss on price supports for the past 20 years.

2. Government subsidies to newspapers and magazines alone, through loss in handling second-class mail for the past 20 years, has been nearly  $2\frac{1}{2}$  times the entire loss on farm price supports.

3. Agriculture, made up of around 15 percent of the country's population, gets less than  $3\frac{1}{2}\%$  of the government's total outlay for subsidies in the form of expenses for aids and special services.

All those comparisons are based on official figures that are part of the public record. They present quite a different picture from some of the impressions being deliberately spread these days, even those spread, unfortunately, by the present Secretary of Agriculture.

SIMMS: Thank you, Senator Humphrey.... I'm sure those comparisons give us all something to think about. You have been listening to Senator Hubert H. Humphrey, in another of his series of weekly radio reports to the people of Minnesota, presented as a public service through the cooperation of this station. This is Washington, returning you to your station announcer....

Radio Script for: SENATOR HUBERT H. HUMPHREY

Subject:  
SOCIAL SECURITY  
AND  
HEALTH

Program No. 6: Week of February 15, 1954

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H. Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey, let's talk about social security and health programs. What did you think of the President's social security message.

SENATOR: I'm happy to say that the President has laid out a fine program for strengthening our social security system. His recommendations are all humane and constructive. The President deserves commendation and support for his progressive stand on this program. I haven't hesitated in criticizing the President when I felt he was wrong, such as in his farm recommendations -- but I certainly feel he is entitled to full credit when he is right.

This time, he is offering the country constructive leadership in the right direction. He can count on my full support on the improvements he asks in our social security program.

SIMMS: Senator, just what are the improvements he has proposed:

SENATOR: Let me just say first of all that I sincerely rejoiced in the President's emphatic acceptance of the principles upon which our great social security program was founded <sup>to date</sup> by ~~President Roosevelt~~. That

should serve to silence some of the harping critics <sup>of the</sup> who ~~have never~~

*social welfare measures of the Roosevelt Period*  
~~found anything good about former President Roosevelt's programs.~~

Now, as to the proposed improvements: ~~The President has~~

*most of these changes or improvements*  
~~really suggested nothing new, merely facing up to the changes many of~~  
*have been presented to the Congress*  
~~us have long felt were needed; and giving such changes the weight of~~  
*in form of amendments to the Social Security Act*  
~~his backing and support. Naturally, that means a great deal.~~

Generally, here is what the President suggests:

1. Broadening the coverage, to include many groups now

left out of social security protection.

2. Liberalizing the retirement test, to get away from the drastic limitations of \$75 per month now placed on the private earnings of a retired person in odd jobs or part time work, and allow instead up to \$1,000 per year. After all, the amount of benefits is still so low that most of the recipients NEED this extra earning capacity to eke out a living.

3. Increasing the benefits, instead of allowing them to be reduced as would happen without new legislation this year. Previous increases were only of a temporary nature. I think all of us recognize higher living costs make these increased benefits necessary. Minimum benefits would be raised from \$25 to \$30 per month and the maximum would be raised from \$168.75 to \$190 per month per family.

4. Providing additional benefit credits -- in other words, making it possible for workers themselves to build up a bigger investment in their retirement fund.

5. Providing additional protection for the disabled. While this proposal of the President does not go as far as provided in the bill which I am co-sponsoring with Senator Lehman, it certainly is a step in the right direction.

6. Increasing public old age assistance -- the amount the Federal government pays in grants to states for public assistance programs to the aged needy not protected by old age and survivors insurance under social security.

Incidentally, all of these suggested improvements are included in bills I have pending in the Senate. Naturally, I am extremely pleased at the President concurring so wholeheartedly with what I felt was necessary for our older citizens.

SIMMS: Senator, what do you feel the chances are for getting these improvements adopted?

SENATOR: Well, now that the President has added his endorsement of the improvements I think we can get them through the Congress at this session. Of course, I expect that those who have consistently tried to undermine our social security program won't give up easily, but with the President's influence and leadership thrown so forcefully behind those of us who have always fought to protect and improve our social security program the threat to its future should be eased, and we should come out with something <sup>much</sup> better.

I'm sure the President's program will be warmly received by the American people. It is statesmanlike acceptance of a great concept developed out of the hardships of the last depression. I certainly welcome his humanitarian cooperation toward bringing it up-to-date to meet modern conditions and needs.

SIMMS: Now, Senator Humphrey, what about the President's health program?

SENATOR: Well, I wish I could feel as enthusiastic about it as I am the social security program. I'm afraid I can't and I'd like to explain why. While I surely welcome the President's recognition and assessment of the nation's health problem, I'm afraid his actual proposals -- particularly his budget proposals -- have little relationship to his recognition. The President rightly tells us of the urgent need to do more about the medical research, building hospitals, and stamping out disease -- then recommends funds be cut for such work. I can't quite accept that position as being consistent with proper regard for the health of our nation.

Don't misunderstand. I'm not for socialized medicine any more than the President is. But the Federal government can and should take steps, consistent with private initiative, to expand medical facilities and assure adequate medical care to all American families, irrespective of income status.

SIMMS: What are some of the reductions the President has proposed in health programs, Senator?

SENATOR: Let's start with something that strikes Minnesotans right at home -- the amount of Federal grant-in-aid funds made available for the public health service to carry on work like stamping out tuberculosis. You know, we had to drastically curtail tuberculosis X-ray examinations in Minnesota last year, as a result of smaller allocations of Federal aid. Last year's budget for this work nationally was slashed by a million dollars. But now it's even worse -- the new budget calls for more than a fifty percent reduction in public health service funds for tuberculosis control -- cutting it down from \$4,275,000 to \$2,000,000.

It doesn't take much figuring to see what that will do to the amount to be allocated to Minnesota. I'm sure our public health people will be seriously concerned about such a slash.

You know, it's all well and good for the Federal government to talk about states assuming a bigger share of these programs -- but that usually just doesn't happen. For example, if Minnesota public health funds are cut more than fifty per cent from the Federal government, it is far more likely that the programs will be curtailed by that amount than it is that our state will make up the difference.

SIMMS: What about research work, Senator -- didn't I understand the President to say he was in favor of stepping up our research efforts to wipe out cancer, heart disease, and other major ailments?

SENATOR: Yes, that's what the President said, and that's the impression I'm sure the people of the country got out of his health message.

But again the deeds do not follow the words. I invite anyone interested to examine the budget. The amounts allocated for research and training grants for cancer, mental health, and heart troubles are all reduced -- a slash of nearly two and a half million dollars.

SIMMS: Well, at least the President asked that the Hospital Construction Act be extended and expanded, didn't he?

SENATOR: That's right, and he's absolutely right in pointing out the urgent need not only for expanded hospital facilities. As the President says, we not only need more general hospital beds, but in addition we have great need for additional facilities for the chronically ill, for nursing and convalescing homes, and for rehabilitation centers and diagnostic centers.

But the regrettable fact is that after pointing this all out, the President recommended that we provide less than at any time in the last five years for building these additional hospital facilities.

In 1953, the Congress provided \$75,000,000 for new hospital construction. Last year that was cut to only \$65,000,000. This year, the President proposes only \$50,000,000 -- and that is supposed to provide for the additional facilities for the chronically ill, for nursing homes, and for rehabilitation and diagnostic centers, in addition to general hospitals. Scattered over this entire country, it won't mean a drop in the bucket. It wouldn't even meet the needs for Minnesota alone. I just don't know how the President means to carry on what he calls an expanded program when he turns right around and orders reduction in funds available. We provided \$150,000 for hospital construction in 1950, and got off to a good start. But it's quite a comedown now, to try and develop community cost-sharing plans for such facilities when the Federal government has only \$50,000,000 available to offer on a matching basis for the entire country.

The more I study the new budget the more of these kind of things I find, I'm sorry to say. We hear fine statements outlining broad principles; yet it's like the fine print in the insurance policy. When we get down to looking at the budget, we find all these bright promises are just not provided for.

As a matter of fact, the new budget provides less money for social security, welfare, and health; it provides less for housing; it provides less for aid to education.

Now, I am as much in favor of government economy as the next taxpayer -- but I don't like to see us start out on the sick, the underprivileged, and the children. It seems to me there are better places to practice "economy". As a matter of fact, the amount of revenue oil companies alone are allowed to keep as a result of the taxes they escape through such loopholes as the oil depreciation allowance hidden in our tax laws would more than be enough to restore all these budget cuts at the expense of the American people -- and allow enough left over to give us real health, education, and welfare programs worthy of such a rich democracy.

SIMMS: Thank you, Senator Humphrey...You have been listening to Senator Hubert H. Humphrey, with his weekly report from Washington to the people of Minnesota, presented as a public service in cooperation with this station. This is Washington, returning you to your station announcer....

RADIO SCRIPT FOR: SENATOR HUBERT H. HUMPHREY

SUBJECT:

Program No. 7: Week of February 22, 1954 Defense Contracts

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H.

Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey, considerable concern has been expressed around the Twin Cities recently over increasing unemployment as a result of cancellation of defense contracts. I know you have been fighting to keep our Minnesota plants in full operation, so perhaps you'd like to tell us something about it.

SENATOR: I certainly would! I am seriously disturbed over the cut-backs making mass layoffs of workers necessary at the Twin Cities Arsenal at New Brighton, and I'm still trying to get some satisfactory explanations out of the Defense Department.

I want to see us achieve sound defense preparations just as efficiently and economically as we can, and I am not asking any favoritism for Minnesota. We don't need special consideration -- all we need is a fair break and equal consideration. The Twin City Arsenal produces quality ammunition at costs no higher than elsewhere, and lower than in many instances. I just feel if they are low bidders, they are entitled to the contracts. I'm afraid some of the current juggling in defense contracts is going to cost the taxpayers more in the long run, rather than save anything.

SIMMS: Senator Humphrey, have the layoffs been very heavy so far?

HUMPHREY: Yes, they have -- too heavy for the Twin Cities area to absorb. Already the Twin Cities Arsenal has had a sharp curtailment of its contracts, resulting in the unemployment of more than 2,000 workers, with still more likely to be let out soon.

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SIMMS: Yet while we are having these cutbacks in munitions work right at home, isn't it true that the government has been letting similar contracts in other countries as part of our offshore procurement program?

SENATOR: Unfortunately, that's true. For example, Iron Age Magazine in November revealed that the Defense Department had just signed a contract with a Canadian firm for \$8,258,922 for gilding metal rotating bands for 105 m.m. shells. As soon as there were first indications that contracts to our Minnesota plants might be cutback, I started an investigation through the Senate Foreign Relations Committee of which I am a member to find out exactly how much offshore procurement, in terms of small arms ammunition such as manufactured at the Twin Cities Arsenal, our country is obtaining.

What I have learned so far indicates we need a complete re-survey of our offshore procurement.

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I find that in both 1952 and 1953 offshore procurement contracts for small arms were awarded to plants in northern Italy, many of which were later discovered to employ workers from Communist-dominated unions. In some instances, there was Communist infiltration in the management itself. And I have learned that we are now in the process of letting new offshore armament contracts for small arms ammunition in Italy. I am sure the same situation pertains to other countries. At the same time, we are dismissing thousands of employees in our own country.

In other words, we are in the strange situation of having Americans deprived of employment while munitions contracts may be going to Communist-dominated plants in Italy. Such a situation needs immediate action. In view of some of the problems which now face us, it is my feeling, before we lay off American workers, the whole subject of offshore procurement should be thoroughly restudied in light of growing unemployment in our own country. American taxpayers' dollars should be used at home, when workers need jobs and plants need contracts.

SIMMS: Senator Humphrey, haven't you asked for such a study?

SENATOR: Yes, I have -- and I am going to keep on protesting about this situation until something is done. I first took it up with Mr. Wilson, the Secretary of Defense, more than a month ago. Since then I have both written and talked to General Laidlaw of the Army's Ordnance Office, to Assistant Secretary of the Army Slezek, in charge of manufacturing plants with Army contracts, and most recently to Secretary of the Army Robert T. Stevens. Then, of course, you know I brought this whole question out on the Senate floor early this month, to help force some action. And I'm going to keep right after it. At least enough concern has been stirred up so far for Senator Bridges, Republican Chairman of the Senate Appropriations Committee, and my good friend Senator Symington of Missouri, to take off on a trip to Europe to do some first hand checking about where our defense contracts are going -- particularly into the indications that some of the work may be falling into Communist hands.

SIMMS: Senator, where are these folks that are let out of defense plants going to turn for jobs? Isn't the labor market already rather depressed?

SENATOR: I'm sorry to say that it is worse than depressed, it's very rapidly deflating. Unless we have the foresight and initiative to push ahead vigorously with expanded housing, more schools and hospitals, slum clearance, and other public and private projects, I'm afraid we are going to be in for a serious unemployment problem. Now, I'm essentially an optimist and I'm sure we CAN avoid a real depression if we have the will and the determination to do what needs to be done, but I don't think we can just reverse present downward trends by hiding behind nice sounding words like "mild recession", or "normal adjustment". Nor do I think the answer is just such wishful thinking as sitting around saying day-by-day-in-every-way-things-are-going-to-get-better. I'm a realist, and I think now is the time for realism. I know some political phrasemaker has tried to tag the label "prophets of doom" on anybody who wants to face up to the facts, but they're not going to kid the man out of work with such talk. He wants to see some action, not name-calling.

SIMMS: Senator, don't you think people want to have the facts straight from the shoulder, even though they are not always pleasant?

SENATOR: Yes, I do -- and I think it is important that they do get the facts because it is the people we must rely on in the end to guide us to wise decision needed to prevent our economy from going into another tailspin. I suppose it is only natural for any political party to be inclined to boast when times are good, and try to gloss over the facts or hid them when times aren't so good. But there is a certain point beyond which that political approach can be dangerous, if it means leading the country blindly along to some future rude awakening when it is too late to correct the situation. Now, I hardly think I can be termed a "prophet of gloom" just because I point out that the Administration's own Bureau of Labor Statistics reported a decline of two million workers on the payrolls of industry, transportation, government and trade between December and January. And I think it only fair for the public to understand that even official government unemployment figures are far below the true totals, because they are based upon applicants for unemployment compensation. Now, many people

are not covered by unemployment compensation, and many who are deferring just as long as possible applying for such assistance because they know it will only be available for a limited time and they want to save it for the period of most dire need after their savings are exhausted. Rather reliable estimates now place the nation's total unemployed at around 3,800,000 -- and that's too many.

SIMMS: Senator, many of our listeners are rural people who may not feel as directly affected by unemployment in industry. But won't it add to the farmer's present problems in the long run?

SENATOR: It certainly will -- and very seriously. Just at the time we are trying to increase food consumption, we have millions of workers who are faced with the necessity of cutting down on their food purchases.

You know, we're beginning to see some of the same cycle that led to that terrible depression of the thirties, and taught us all how interdependent our economy is. Then, as now, the farmers were the first to suffer a sizeable drop in income, and had to cut down on their purchases

of farm equipment and household appliances. That in turn meant less business, less orders for industry. And then that meant less jobs and smaller paychecks, that in turn meant less demand for farm products in the grocery store.

I think farmers have learned that high employment at good wages is one of their best assurances of expanded markets; and city workers are learning more all the time that depressed farm prices drag down the rest of the economy sooner or later. For that reason each of us must be concerned about the other fellow, and want to see him have a decent standard of living as well as ourselves.

We keep hearing promises that government action will be taken to head off this recession -- and it is a recession. For the sake of city workers, however, I just hope that the Administration comes up with something more positive and constructive than it is offering to stem the farm recession. If they don't, I'm afraid we are in for trouble. Actually, there is no need for trouble because we can make the transition from smaller defense expenditures to greater peacetime progress if we will really tackle the many challenging jobs that confront us. I've mentioned just a few

that need attention: housing, schools, hospitals, roads, slum clearance -- all of them can mean jobs, and payrolls. We've put aside much of this kind of work during our period of concentrating on heavy defense expenditures. Now seems the time to be thinking about such projects again.

SIMMS: Thank you, Senator Humphrey....You have been listening to Senator Hubert H. Humphrey, with his weekly report from Washington to the people of Minnesota, presented as a public service in cooperation with this station. This is Washington, returning you to your station announcer....

RADIO SCRIPT FOR: SENATOR HUBERT H. HUMPHREY

SUBJECT:

Program No. 8: For Week of March 1, 1954

Security for the Aged

SIMMS: Again we bring you Senator Hubert H. Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey is going to turn the tables today, and do the interviewing instead of being interviewed. Senator Humphrey has as his guest a man known to millions of Americans because of his leadership in efforts to obtain more equitable treatment for the nation's senior citizens.

I'm sure, Senator, you'd like to introduce your guest personally.

SENATOR: Yes, I would -- it really is a pleasure for me to have with me today a man who has made an outstanding contribution toward social progress -- Dr. Francis E. Townsend. I doubt if we would have made as much progress as we have today toward improved social security and

better care for our Senior Citizens if it had not been for the persistent work, the vision and courage, and the devotion to humanity of Dr. Townsend. True, he has not achieved all the goals he set out to achieve -- probably none of us do in a lifetime. Yet the concerted, continued efforts of Dr. Townsend and his loyal followers have helped awaken America's conscience and stir up its inherent sense of human justice. For that reason I am proud to present him as my guest on this program, to get his views about legislation concerning aid to the aged, and in particular about the President's recommendations for improving our present social security program. Dr. Townsend, it's good to have you with us for a brief visit in Washington.

DR. TOWNSEND: (Informal greetings to people of Minnesota.)

SENATOR: Now, Dr. Townsend, why don't you tell us what you think about the President's suggested changes in our social security program?

DR. TOWNSEND:

SENATOR: Regardless of any of the shortcomings in the recommendations, Dr. Townsend, don't you feel the proposed improvements in social security are a partial step in the right direction -- that at least they are better than what we have now?

DR. TOWNSEND:

SENATOR: Thank you very much, Dr. Townsend -- I am sure your many friends in Townsend Clubs in Minnesota are going to be happy to hear from you, and know that you are in good health and still going strong. I was happy to have you as my guest.

Now, I'd like to wind up this program on another subject -- but one equally concerned with the well being of humanity.

This month marks the start of the annual campaign of the American National Red Cross, both for funds and for volunteer workers.

The work of the Red Cross is for the benefit of all the people. Because much of what it does is based on responsibilities assigned by the Congress of the United States, it is in some important respects work done

in behalf of the government and its departments. Yet it is work in which we all can and should share, and share to the best of our ability. It is highly desirable that the greatest number of people possible participate in Red Cross activities. Such voluntary service for public causes is an important responsibility in the democratic way of life.

Let's all pitch in and help. Let's all share in extending the helping hand in behalf of people who need the assistance of their neighbors, through the Red Cross. Servicemen, veterans, disaster victims, and those who need blood are all depending on the Red Cross staying on the job. It's up to us to make sure such services are maintained.

If each of us helps, the load is light. Do your part, both as a volunteer worker and contributor, during Minnesota's annual "Roll Call" campaign for the American Red Cross.

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RADIO SCRIPT FOR: SENATOR HUBERT H. HUMPHREY

SUBJECT:

PROGRAM NO. 9: WEEK OF MARCH 8, 1954

DAIRY CRISIS

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H.

Humphrey, with his weekly report from the nation's capital. This program is brought to you as a public service, in cooperation with this station.

Senator Humphrey, the dairy situation seems to be one of the critical problems confronting Minnesota and other farm states these days, and I know you have been most active in the Senate in seeking to protect dairymen.

Perhaps today you would discuss the situation now facing the dairy industry, and what you are endeavoring to do about it.

SENATOR: I am delighted to have the opportunity to discuss this important subject. What is happening to the dairy industry in our country today is of concern to everyone -- not just dairy farmers. It is of especially serious concern in our state, where dairying is the leading source of farm income.

On February 15, Secretary of Agriculture Benson announced his intention of lowering the support prices on dairy products as of April 1, from the present 90% of parity to the lowest level permitted by existing law -- 75% of parity.

Some idea of what <sup>this</sup> ~~that~~ means to the dairy industry, and our entire economy, can be gained from the estimates of the National Milk Producers Federation that the change will wipe out at least \$600,000,000 in dairy income this year. Coupled with the decline in value of dairy farm assets as a result of the lower prices, the same Federation says the real loss will likely reach as high as a billion dollars.

Now, a <sup>This is far</sup> ~~great many of us feel that~~ ~~is~~ too drastic a blow for our economy to stand at this time, and <sup>it could well be a</sup> ~~too discriminatory a blow to aim~~ at the dairy industry.

*Disastrous blow*

SIMMS: Senator, what will the loss amount to for Minnesota?

SENATOR: Estimates vary, of course, but we will be one of the hardest hit states in the Union because of our big dairy production, and the large amount of our dairy output that goes into manufactured or processed dairy products, such as butter, cheese, and dried milk. But even if we accept the very conservative estimate of the Minneapolis Tribune, the *cash* ~~loss~~ *farm income* loss to Minnesota will be more than \$2,500,000 a month. Is it any wonder that I am fighting against this blow to the economy of our state?

SIMMS: It is certainly understandable, Senator, and I am sure Minnesota's dairy farmers appreciate it. Could you tell us something about the course your efforts have taken?

SENATOR: The day after Secretary Benson made his announcement, I led a determined protest on the Senate floor. My remarks touched off a four-hour debate, but <sup>it</sup> certainly served notice that this drastic blow to the dairy industry would not be accepted without a determined fight. As I pointed out in that debate, regardless of any differences of opinion on eventual level of price supports on farm products, it should be rather obvious that

it was unfair to single out the dairy industry for such an extreme drop  
of price supports, and that the maximum change to 75% of parity in one order  
was directly contrary both to President Eisenhower's pledges during the  
last campaign, and his more modified views expressed in his farm message  
to the Congress. I called <sup>to the</sup> attention of the Senate ~~to~~ a proposal advanced  
by the National Milk Producers Federation for an amendment to the agricultural  
act limiting any reduction in dairy support to 5% a year, and providing *further*  
that ~~in any event~~ <sup>prices</sup> support for dairy products should not be lower than  
*price* support for the basic commodities, such as the feed grains the dairyman  
has to buy.

I read the language of that amendment into the official record  
of the Senate, and called upon members of the Senate's agricultural  
committee to take the leadership that is their responsibility and do  
something about it. I warned them that if the Committee itself did not  
act, I would lead a fight on the floor to add that amendment to any  
agricultural bill coming before us.

I am very happy that my opening debate touched off favorable action. My Minnesota colleague, Senator Ed Thye, as a member of the Senate Agricultural Committee, introduced in bill form the next day the word-for-word measure I had proposed. I commended him for his action, and joined him as co-sponsor of the bill -- now designated as S. 2962. By such a course we demonstrated not only Minnesota's unity on this issue, but bi-partisan unity as well.

SIMMS: Senator Humphrey, does there look like any chance of action on the bill before the price drop for dairy products goes into effect?

SENATOR: That is what I am working on in the Senate right now. When word got around that even though the bill was introduced it might be "bottled up" in committee until some decision was reached on general farm legislation, I again took the Senate floor to voice a vigorous plea for S. 2962 to be given priority so that it could be voted upon before the April 1st "deadline" as at least a stop-gap measure to protect the dairy industry until the appropriate agricultural committees of the Senate and the House

have completed action on some new farm legislation. ~~I am realistic~~  
~~enough to see that~~ <sup>W</sup> We are not going to get any over-all farm bill out

on the floor for action before April 1st, so I am pushing for the dairy  
bill ahead of other legislation, ~~as much as~~ <sup>In the meantime every effort will be made</sup> a general bill for improving  
<sup>to</sup>

and strengthening our entire price support program is needed. I have  
<sup>been instrumental in lining up fourteen additional co-sponsors for the</sup>

bill, and Ed Thye has obtained ten more, so we now have 24 sponsors for  
S. 2692. ~~I do not think~~ <sup>8</sup> such evidence of bi-partisan support can be

ignored by the agricultural committee, so I am extremely hopeful of  
favorable action before April 1, unless the Administration's  
leadership finds some way to block it.

SIMMS: Senator Humphrey, hadn't you urged Secretary Benson earlier to  
avoid the necessity for such action by not changing dairy support levels  
until Congress had made some decision on new farm legislation?

*In the meantime every effort will be made to secure passage of*

SENATOR: Yes, I had, and I am very sorry he would not accept what many believe would have been the wiser course of action. In view of the fact Congress is now in session and considering bills affecting the future of farm price supports, Secretary Benson could have deferred making any change and left the decision to the Congress. That is what I asked him to do, and that is what would have been the fair thing to do. It would have been far less costly to the government, too -- because his advance announcement of lower support levels on April 1st is leading to mass dumping of private inventories onto the government. You cannot expect butter producers to hold stocks on their hands when the price is going to be deliberately depressed April 1st. So they are selling butter to the government now for prices based on 90% of parity, and will be able to buy it back at lower prices after April 1st if Secretary Benson's plan goes through.

SIMMS: Senator, I understand you have urged Secretary Benson and the Congress to look in other directions for the answer to this dairy problem, and to put efforts toward developing new uses and outlets ahead of cutting prices.

SENATOR: Yes, I have repeatedly taken that position -- all last year and so far this year. Regardless of the increased production last year due to favorable climatic conditions, we do not have over-production in terms of nutritional needs for the American people. What we have is under-consumption. I have repeatedly urged that instead of trying to make it unprofitable to produce and force dairy farmers out of business, we should be developing ways and means of getting dairy products on the tables of American citizens who need them, but cannot afford to buy them.

And I have not just talked about it, either -- I ~~have had~~ <sup>have been</sup> independent studies made and <sup>presented</sup> ~~presented~~ the findings to the Congress last year with recommendations for what I have termed "Dairy Diet Dividends" -- making the minimum dietary requirements of dairy products available to our less fortunate citizens on old age assistance, to our dependent children, to the blind and physically handicapped, and to the unemployed.

Last July I urged the agricultural committee and the labor and public welfare committee of the Senate to take the initiative in developing such a plan. The Department of Agriculture has repeatedly called for constructive recommendations, so I urged that Department to study my proposal.

However, because the Department of Agriculture has seemed to lack the imagination or initiative to try anything new besides cutting prices to the producer, I have had to move ahead on my own. I have had ~~the Dairy Diet Dividend prepared in bill form~~ and introduced in the Senate. I am happy to report that widespread interest has been shown in the measure by my colleagues, and <sup>we hope</sup> ~~I hope~~ we can get favorable consideration from the appropriate committees of the Congress.

SIMMS: Such a plan would actually be more for the consumers than the farmers wouldn't it Senator?

SENATOR: Fortunately, it would help both. The objective of the Dairy Diet Dividend Act is to improve the nation's health standards through the issuance of Dairy Diet Dividend certificates entitling individuals already certified to be on some form of public assistance to purchase at discount prices of the minimum amount of dairy products deemed essential to a healthy diet.

Under the provisions of the act, some 12,000,000 people would be eligible for assistance in purchasing dairy products through their normal retail channels of trade. It would not be any outright gift, but the Dividend Certificates would raise their purchasing power for dairy products to a comparable level with the average income bracket. In other words, they would be able to get milk and other dairy products at around half price. It would be a public investment in the nation's health, for those now on very meager public assistance allowances too low to afford them such important foods. Of course, it could mean a tremendous increase in dairy consumption, thereby lessening the need for government purchases of dairy products to support prices to the producer.

SIMMS: Thank you, Senator Humphrey...you have been listening to Senator Hubert H. Humphrey, with his weekly radio report from the nation's capital...This is a public service program, presented in cooperation with this station. This is Washington, returning you to your station announcer.

RADIO SCRIPT: SENATOR HUBERT H. HUMPHREY

SUBJECT:

PROGRAM NO. 10: WEEK OF MARCH 15, 1954

TAXES

SIMMS: REPORT FROM WASHINGTON! Again we bring you Senator Hubert H.

Humphrey, with his weekly report from the nation's capital. This program

is brought to you as a public service, in cooperation with this station.

Senator Humphrey, what's to the forefront in behind-the-scenes discussions

around Washington this week?

SENATOR: Well, you could hardly expect much else to be in the ~~forefront~~ <sup>headlines</sup>

around the middle of March except taxes -- and that is what is on the minds

of many Senators and Congressmen these days. ~~And~~ I am happy to be able to

predict some good news for our taxpayers -- the outlook is really improving

for tax reduction where it is really needed, in the lower and middle income

brackets, <sup>and small business.</sup> Despite the opposition from the Administration, the signs are

now favorable for the present Congress to offer considerable tax relief

to individual taxpayers as well as to business generally.

SIMMS: What form do you expect the tax relief to take, Senator?

SENATOR: Most of the support seems to be centering around doing the very thing I proposed more than a month ago -- raising the exemptions of the individual taxpayer. As you may recall, I introduced legislation calling for raising exemption <sup>forecast dependent</sup> of each taxpayer from \$600 to \$800. <sup>forecast</sup> Since then,

similar legislation has been introduced by the veteran Senator Walter

George of Georgia, dean of the Democrats on the Senate Finance Committee

<sup>the committee that</sup> ~~which~~ handles tax matters, <sup>Sen. George is</sup> and recognized as one of the Senate's foremost

experts in fiscal and tax policies. Such support is really significant,

and has rallied many Senators from both the majority and the minority

parties to his side. Senator George has asked that exemptions be raised

from \$600 to \$800 as a first step now, and later boosted even further to

\$1,000 for each individual.

Such action would be a break to all taxpayers -- but would give the greatest benefit to those that need it most -- those in the lower and middle income tax brackets.

SIMMS: Senator, to what do you credit the growing shift in favor of such tax reduction for the average citizen?

SENATOR: Primarily the changing conditions in our economy. Regardless of whether you want to call it recession or adjustment, our economy is slipping backward. There are signs on the horizon that must be faced if we are to avoid more serious consequences. The purchasing power of the American people is falling off, *The economy needs* and needs some kind of a boost to reverse the present trend in our economy.

Most experts now agree that tax reduction is the *most effective* ~~soundest~~ first step in trying to ward off a depression. They say that reduced taxes -- reduced in the right places, and to the people who will spend the money in *the consumer market* ~~other ways~~ -- will increase the country's purchasing power and help stabilize the economy. For example, the raised exemptions Senator George and I have proposed would release 4½ billion dollars this year from tax payments for consumer spending. It is easy to see what a lift that money could give to our economy, at a time when it badly needs such a lift. Of course, we

need other tax adjustments, too. Taxes on non-luxury items should be eliminated to spur business, and all excise taxes should be lowered or eliminated for the same purpose.

SIMMS: Senator Humphrey, hasn't the Administration approached this tax reduction in a different way, proposing the major reductions through dividend tax credit instead of raising individual exemptions?

SENATOR: That's right, but I don't think they are going to fool many people with a proposal that gives tax relief to the few who need it the least, and ignore the many who need it most. - *See Humphrey +*

The dividend tax proposal already recommended by the House Ways and Means Committee means a tax reduction of \$850 million dollars, but let's just see who benefits by it. It only helps those stockholders receiving dividend income from corporations. Only 8% of America's families own any stock at all -- 92% own none. And the bulk of stock is held in far fewer hands, for 6/10 of 1% of American families own 80% of all the publicly held stock.

Let's see what portion of low and high income groups report dividend income: According to the 1950 volume of Statistics of Income, only 4.5% of taxpayers with incomes under \$5000 reported any dividend income at all, and only 16.6% of taxpayers with incomes between \$5000 and \$10,000 reported any dividend income at all. Yet 73.7% of taxpayers with incomes over \$25,000 reported dividend income -- and they would be the ones primarily benefited by the Administration's plan.

I have a little chart here that shows some examples of how the dividend tax credit affects various income groups. It is compiled on a basis of tax savings to married couples with two dependents, assuming all their income is from dividends. For those with a dividend income of \$3,000, there would be a tax saving of \$40 or an increase of 1.4% in "take home pay". Even for \$10,000 in dividend income, the saving would only mean an increase of 7.8% in "take home pay". But what happens as we go on up in higher brackets? For \$100,000 in dividend income, an increase of 16% is provided in "take home pay". For \$500,000 in dividend income, the increase in tax relief is 31%. And for our millionaires, an increase of 38.5% is provided in "take home pay". This gives investment income an enormous advantage over earned income, contrary to most tax philosophies

and systems.

SIMMS: Senator, wouldn't tax relief in those higher brackets have far less anti-recession effect as far as purchasing power in our economy is concerned?

SENATOR: Of course, it would, and that is why support is shifting to the idea of spreading tax relief over the broad base of taxpayers, with the greatest benefit to those in the lower income brackets needing it for living expenses. If we are going to use tax adjustments to combat the recession, the place tax relief is needed is with the average taxpayer, the lower and middle income tax groups.

SIMMS: Senator, under the proposals advanced by you and Senator George, when would the tax reduction take effect?

SENATOR: Immediately on passage. We need the stimulant to our economy right now. The tax reduction we propose is for the current year. If the bill is adopted, it would mean less withholding taxes out of average paychecks immediately. And for many taxpayers, it would mean a rebate at tax time next year, instead of additional charges.

SIMMS: Senator, you have mentioned your support for tax reduction primarily as a means of combatting downward trends in our economy. Are there other steps which you feel should be taken for the same purpose:

SENATOR: Yes, there are, and I think it would be wise for us to be taking them without further delay. Our growing unemployment cannot be ignored. We must be thinking about ways and means of giving these people a chance to do productive work, if private employment is not available for them. We do not want to see another era of dependence on relief rolls.

I feel we should be undertaking expanded public works programs right now.

Now I want to make clear that I am not talking about just  
make-work projects -- I am talking about bonafide construction work  
that must be undertaken sooner or later. All of us know how urgently  
we need new schools. All of us know we need more housing. All of us  
know our hospital facilities are inadequate. | ~~Certainly we can be~~  
~~killing two birds at the same time if we meet part of our unemployment~~  
~~problem by getting busy on building schools, building houses, and~~  
~~building hospitals.~~ *and the way*

*immediate*  
For example, much of our Twin Cities unemployment would likely  
be absorbed if we could speed up slum clearance and development, *Urban -*  
start building the new schools we need, and step up rather than hold back on  
our hospital expansion program.

We have quite a national work-shelf of plans for such projects;  
all we need is the push from the Administration to get a green light from *for the*  
~~Congress for going ahead~~ *to get it* Unfortunately, even though the President has  
talked favorably about such objectives, the actual appropriation proposals  
submitted to the Congress by this Administration make no provision for

stepping up such work. Instead, it actually calls for cutting down on the rate of assistance for hospital and school construction. I think we should do an about face, and get some of this work under way. It has to be done sooner or later, and it would seem wise to start it now while employment is slack and our economy is weakening.

Of course, I cannot discuss the over-all conditions in our economy without coming back to where much of the present trouble started -- in agriculture. When farm income first started falling, many refused to be alarmed because the rest of the economy seemed so healthy. Many of us warned, however, <sup>that</sup> ~~that you would not go very long~~ with falling farm purchasing power <sup>would soon</sup> ~~until~~ the rest of the economy <sup>1</sup> ~~begin~~ to suffer. Now, we are seeing that happen. ~~I think~~ <sup>one</sup> of the foundations of any program to combat a depression must be assurances of continued economic protection for agriculture, and averting any further drop in farm income.

That was one of the sound warnings given the Congress last week by the Joint Committee on the Economic Report, after exhaustive hearings during which the leading economists of the country were called in to help in studying the President's economic message. The Joint Committee is

~~composed of fourteen members of Congress, Republicans and Democrats.~~

~~Yet that group, serving as a watchdog for our economy, went on record~~  
~~12 to 2 against the President's farm recommendations as being too much~~  
~~of a disruptive blow to our agricultural economy. These men were weighing~~  
~~the farm program not just from the standpoint of what was good for~~  
~~farmers, or what would be a wise political course. They were examining~~  
~~it in relation to what it might do to the rest of our economy. ~~And they~~~~  
~~came to the sound conclusion that we better not start lowering support~~  
~~prices, and plunge agriculture further toward a depression.~~

SIMMS: Thank you, Senator Humphrey ... you have been listening to  
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