

~~THE RECESSION~~ **COPY** ~~A REPORT AND A PROGRAM~~

Address by Senator Hubert H. Humphrey (D., Minn.) before the bargaining conference of the Communication Workers of America, Chicago, Illinois, on February 27, 1958.

It is a privilege to address the collective bargaining conference of the Communication Workers of America. You have an outstanding union -- and you have elected outstanding leaders in your President Joe Beirne and Secretary-Treasurer William Smallwood.

It has been my privilege to meet and know a good many men and women who make up the CWA -- both rank-and-filers, and leaders at the local, district, and international level. I know from first hand knowledge what a fine union you have -- one that is serving the best interests of all its members, and of the community at large.

The CWA is first of all an honest and democratic union blessed with dedicated leadership. But the CWA is more than that. It is built upon the basic principle of alleviating

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social injustices and striving for a better world for all to live in and enjoy. The CWA is not a special interest group concerned only with the welfare of its particular members regardless of the effects upon the country at large.

In my years in the Senate I have yet to have anyone come to me from the CWA to propose or ask support for legislation which would aid your Union at the expense of others. Instead the CWA has fought, and fought hard and effectively, to improve the standards of living for all Americans. The members of CWA have a right to be proud of their leadership, and I know that such leadership would not exist if it were not for the enthusiastic interest taken in the affairs of the CWA by so many thousands of devoted members.

The concern of the CWA for the welfare of all Americans was demonstrated only recently when it proposed to Secretary of Labor James Mitchell that he appoint a board of eminent Americans to study your Union's collective bargaining proposals to determine

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if they were in the best interest of the American people. If such a panel determined that your Union's demands were unreasonable, then the CWA was prepared to pare its demands accordingly.

I was impressed with this intelligent and statesman-like approach. And I think that the American public was too. The CWA is taking a broad and thoughtful approach to back up its wage demands. Your President Joe Beirne put it this way: "We want no part in giving aid and comfort to the enemy that confronts us in the shape of a spreading recession. There is just one effective weapon to fight this sort of fight, and that is money -- money in the pocket of the consumer."

In making your Union's case for wage increases, Joe Beirne has placed his finger on the number one problem we face today: how to stop this recession. It is certainly not going to be stopped by increased layoffs and shrinking paychecks.

Many people have been asking me in recent weeks just why we are in such a serious recession. They are disturbed and troubled

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that the most wealthy and highly industrialized country in the history of the world should be in economic difficulty. And I do not blame anyone for being disturbed. I am disturbed too.

CAUSE OF RECESSION

When one analyzes this recession, it becomes apparent that it came about largely as a result of the programs and economic policies of the present Administration in Washington. This at first glance might appear as a harsh and unfair charge to make, but I assure you that it is the actual fact of the matter. Permit me to explain.

First, I call attention to the July, 1957, monthly letter of the First National City Bank of New York. I might mention that former Under Secretary of the Treasury, W. Randolph Burgess, presently serving as an Ambassador, was Chairman of the Executive Committee of this bank prior to joining the Administration in 1953. In this monthly letter it is argued that

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that the inflation is due to excessive wage demands forced upon business due to the "labor shortage". The real culprit, according to the First National City Bank of New York, is "over-employment" which "builds up payroll costs and consumer demands beyond the productive capacity of the economy and price inflation results."

Not wishing to appear callous, the letter states:

"Certainly, no central bank would set out to 'deliberately' create unemployment. On the other hand, it is the duty of the central bank to exercise its best efforts toward ironing out the peaks and valleys of economic fluctation."

The First National City Bank of New York proposed a very simple solution to solve the alleged "labor shortage" which I quote: "The way to hold back the pressure of excessive wage advances on prices is to relieve the labor shortage created by attempting too many projects at one time. This can be done by making money harder to borrow and by curtailing public expenditures."

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That a powerful and influential bank should make

such proposals is not amazing. But it is a matter of concern to the country when such policies are adopted in toto by the Administration charged with promoting the welfare of all the people. And such policies were adopted by this Administration.

In August of last year, W. Randolph Burgess, who was then still Under Secretary of the Treasury, appeared before the Senate Finance Committee and he was asked for his comments on this bank's statement by the distinguished Senior Senator from Oklahoma (Mr. Kerr). Dr. Burgess replied, "I think it is a pretty good statement".

TIGHT MONEY

And the Antire Administration, from the President on down, obviously agreed as tight money became even tighter, interest rates soared to new heights and budget cuts were secretly ordered.

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Yes, the Administration has been successful in its plan to bring about a recession. Its tight money policy has brought about the rising unemployment the Republican Party desired. Even TIME magazine admitted this when it reported: "Many businessmen received the dip at year's end without alarm because they regarded it as a 'recession as planned'." The planned recession, says TIME, grew out of the "tight money" policies which "worked with grim determination to keep the economy from growing too big, too fast."

BUDGET CUTS

But, as I have indicated, tight money was only one-half of the plan to assure a recession and increased unemployment. The other half, as contained in the July blueprint of the First National City Bank of New York, was to slash the budget. And the Administration did just that when the Director of the Budget Percival F. Brundage sent out secret orders to agency heads last summer to hold

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spending in line with fiscal 1957. This order, which came to light despite the efforts of the Administration to keep it quiet, meant a cut in spending of over \$2 billion from what the President in January had recommended. Although the President told the American people that his budget of \$71.8 billion for 1958 provided "funds for all necessary Government activities on a reasonable scale", his Budget Director secretly directed agency heads to start cutting.

Thus we see that the wheels were set in motion for a planned recession many months ago. Through manipulation of fiscal and monetary controls the Administration by deliberate design brought about the mounting unemployment and declining business activity of today.

RECESSION BLUEPRINT

The Administration's recession blueprint was reported in the Journal of Commerce on July 15 in an article entitled

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"To Tell or Not to Tell". The lead paragraph read: "The evidence now points strongly to the conclusion that both the Administration and the Federal Reserve authorities believe that a 'moderate recession now' would be a small price to pay for the avoidance of another boom-and-bust later on."

That same day, July 15, there appeared a column by David Lawrence headed: "Preparing for Readjustment - President's Order to Curtail Spending Hinting Planned Recession in '58." Mr. Lawrence wrote:

"There is more than meets the eye in President Eisenhower's recent directive to all Government bureaus to hold down spending....

"...it is certain that as Government spending is substantially cut, the wheels of the Nation's economy will be slowed down, some unemployment will be created and wage and price levels will be held steady....

"Only one thing is going to stop the inflation and stabilize the purchasing power of the dollar

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for a while and that's a recession. This means
some unemployment....

"So the outlook now is for a 'readjustment'
sometime in 1958...."

The Administration's recession blueprint has come into
full flower. The mounting unemployment and drop in production
which the Administration desired is now a reality. I trust
that the Republican Party is pleased at its success, but it
comes with poor grace for GOP leaders to now cry "foul play"
when we Democrats call attention to the very recession with
they -- the Republicans -- planned for and wanted!

But despite the evident seriousness of the recession
the Republicans only give us Pollyannish speeches. The GOP
is again singing a song distressingly similar to one we all
remember as being so popular under the last Republican Adminis-
tration - "Prosperity Is Just Around the Corner." The tune's
the same -- only the words have been changed. The modern 1958
version goes -- "Things Will Be Better This March."

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That is what the President confidently said on

February 12:

"We have had most of our bad news on the unemployment front. I am convinced that we are not facing a prolonged downswing in activity. Every indication is that March will commence to see the start of a pickup in job opportunities."

Joining in the Republican chorus of optimism is former President Herbert Hoover who in February, in a speech at Valley Forge, Pennsylvania, assured his listeners that there was nothing to worry about and that the economy would soon be much better. He went on to tell the press that he gave the very same speech -- word for word -- back in 1931 in the midst of a rather famous depression!

If Mr. Hoover's replay of his 1931 "pep talk" coupled with President Eisenhower's variation of the same theme doesn't give us cause for alarm, I don't know what will.

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RECESSION GROWS

But while the Administration tells us everything will be just fine, the recession grows wider and deeper with each passing day.

Unemployment is steadily increasing. In January it rose by over one million. In February it increased by another 700,000. And in March it is estimated that unemployment rose another 200,000. From January to March unemployment rose in four-fifths of the 149 areas surveyed by the Department of Labor. And the number of surplus labor areas increased from 45 to 70! And still there is no sign of improvement.

Industrial production since Last August has fallen by more than 10 percent. Steel production is now at less than 50% of capacity and still falling. Auto production is off by more than 30% from last year and with declining sales production is to be further cut. Freight car loadings are off by more than

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22% from a year ago.

Business activity continues to decline -- it is now at the lowest point since 1949 and then the nation was feeling the effects of a prolonged steel strike.

Construction contracts are off so far this year 10% from a year ago. And the number of private homes built in 1958 is now not expected to be any higher than last year's dismal showing.

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TRAGIC WASTE

One of the most tragic aspects of this recession is the mammoth waste of our human and material resources.

Let us pause for a moment to reflect that the manhours lost due to mounting unemployment can never be recovered. Plants and machinery -- costing billions of dollars -- are being used far short of their capacity.

Our country has never had as great a pool of trained and

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skilled labor as it has now. We have the greatest industrial plants and facilities in the world's history. And yet such precious resources are not being used at anywhere near the possible maximum. Such waste is a national scandal.

Consider for a moment the drop of \$7.4 billion (annual rate) in the gross national product in the 4th quarter of 1957.

This is twice the amount being spent for our mutual security program.

It equals the interest payments on the national debt which is the second largest single expense of the Federal Government.

\$7.4 billion is enough money to meet almost half our school construction needs. It would meet half of the backlog in hospital construction. It is enough to replace 700,000 slum houses with decent homes.

For a nation as wealthy as ours, in a world where countless millions live in utter poverty, not to be utilizing to the

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fullest its industrial facilities and trained work force is to
me shameful.

BUDGET MESSAGE

In his economic statement of February 12, the President
stated that "the firm policy of the Government is to foster this
recovery in every sound way."

These are fine, high-sounding words, but like so many
words that we have heard from the White House they are not
backed up by deeds.

The truth of the matter is that the Administration is
not fostering recovery, it is not even standing still, it is
actually moving backwards.

This is clearly apparent from the budget message which
the President presented to Congress on January 13.

Looking behind the fine sounding words of the President's
budget message one finds that he is actually requesting less in the

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way of new obligational authority for 1959 -- \$72.5 billion as compared to \$73.3 billion asked for last year, and taking into account supplemental requests made for 1958, the total decrease amounts to almost \$2 billion.

Even in the field of protection the President has cut his request from \$46.1 billion to \$45.9 billion. Civil benefits are slashed from \$17.9 billion to \$16.0. And interestingly enough funds for interest payments on the national debt are increased by \$500 million dollars, the only category in which there is an increase.

While the President requests \$698 million more for major national security, he cuts \$845 million off international affairs and finance, \$46 million cut in veterans' services and benefits, \$183 million cut in labor and welfare, the staggering total of \$943 million slashed in agriculture, \$113 million cut in natural resources, \$730 million cut in commerce and housing, and \$76 million cut in general government.

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DEFENSE

I do not pretend to be an expert on the subject of national defense, but when I read in the President's budget message that "The progress of the Soviets in long range missiles and other offensive weapons, together with their continuing rejection of a workable disarmament, compels us to increase certain of our defense activities," and then I see that his requests for major national security are increased from last year by less than two percent, I am somewhat dismayed. Such a meager increase does not even cover the cost of inflation that has taken place this past year and it ignores completely the urgent recommendations of both the Gaither Report and Rockefeller Report that we are losing our position of military leadership.

Under the category of major national defense the President speaks of the Administration's "determination both to increase the

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tempo of progress in achieving a greater nuclear military capability and to press ahead in our successful development of the peaceful applications of atomic energy". Here, again, we read lofty words only to discover that the President actually has cut his authorization request for the atomic energy program by \$102 million from last year.

Discussing international affairs and finance, the President states:

"The major objective of our international economic policies and programs is to help build the free world's strength in the interest of mutual well-being and the maintenance of peace."

The President goes on to emphasize that -

"...it is critically necessary to carry forward our development loans, technical assistance, and other special types of assistance under the mutual security program."

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Fine words, indeed, but again, not backed by requests

for funds necessary to carry out the avowed purpose. The non-military security program is in fact slashed by \$777 million -- more than 37% from last year's request.

CIVIL BENEFITS

But it is in the field of civil benefits that we see the Administration really whet its budget-cutting ax and proceed with a vengeance to chop away at the welfare program instituted under Democratic Administrations -- programs which the present Administration would not dare attack frontally by asking for their outright appeal.

The President tells us his budget message reflects "concern for human well being" and 22 pages later we learn that this "concern" is shown by recommendations that authorizations for civil benefits be slashed from an estimated \$20.4 billion in 1958 to \$16 billion in 1959 -- more than a 20% cut!

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EDUCATION CUTS

In his budget message the President states: "The national needs require the development through a strong general educational system of a vast number of aptitudes and skills." He then proceeds to recommend cuts in educational programs totaling \$278 million -- a 40% slash from last year's budget requests. Entirely omitted is last year's recommendation for a federally-aided school construction program. And funds for schools in federally impacted areas are cut by \$38 million although the President tells us "the Federal Government has a responsibility for aiding school districts when it creates serious financial problems for them".

PUBLIC HEALTH CUTS

In the field of public health the President calls for cuts of \$50 million. Hardest hit is the hospital construction program under the Hill-Burton Act which the President wants

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slashed by \$46 million -- a cut of 38% -- "in view of the progress already made toward community hospital requirements for general beds....". The President ignores completely the report of the Public Health Service made July 1, 1957, that there exists a shortage of close to 900,000 hospital beds. Even the National Institutes of Health which has done so much to fight disease is cut back by \$9 million.

URBAN RENEWAL

The President refers to "the rapid growth of our population and its increasing concentration in urban and sub-urban areas" and then proceeds to request \$48 million less than last year for urban renewal -- a decrease of 20%.

HOUSING SLASHED

The President speaks of "the goal of a decent home and a suitable living environment for every American family" and then proposes cuts in housing amounting to \$507 million -- a slash of 5%.

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REDEVELOPMENT OUT

Concerning area redevelopment which is of growing importance in view of the recession, the President states:

"I repeat my recommendation of last year for the prompt enactment of appropriate authority under which communities with basic problems of persistent unemployment can be assisted in their solution". But when we look in the fine print for his authorization requests to carry out such programs we find not one penny as compared to last year's request for \$52 million. The President asks for a redevelopment program and at the same time says "don't give me any money though to carry it out."

AGRICULTURE

I turn now to agriculture which under this Administration has seen farmer's income drop by 23% and costs rise by 6%. What does the President propose to help this important segment of society? He proposes that agricultural authorizations be reduced for 1959 by \$943 million from what he requested last year. This

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amounts to a cut of almost 20%.

For stabilization of farm prices and farm income the President asks \$663 million less than last year and states:

"Our system of price supports has tended to price key farm commodities as if they were scarce, stimulating continued production in excess of the quantities that existing markets can take at these prices." What a far cry from the words of candidate Eisenhower when he was campaigning for President in 1952. Then he told the farmers of America that he supported 90% parity price supports and he made no bones about it.

For conservation of agricultural land and water resources, the importance of which cannot be overemphasized, the President also calls a retreat by requesting \$144 million less than last year -- a decrease of 23%.

For financing of rural electrification and telephones, requests are cut by \$34 million.

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And for the Farmers' Home Administration, which makes and insures loans to farmers unable to secure credit from other sources at reasonable rates, he asks \$92 million less than last year -- a cut amounting to 31%.

NATURAL RESOURCES

The President calls for \$30 million less for civil functions of the Corps of Engineers. He asks \$44 million less for programs of the Department of Interior. For our program in the field of forest resources, fish and wildlife, recreation, and minerals, the President requests \$98 million less than he did last year.

DISMANTLE NEW DEAL PROGRAMS

The drastic cutbacks in appropriation requests for domestic programs which I have outlined, are, however, but one-half of this story. Even more important are the President's proposals to dismantle many New Deal and Fair Deal programs.

As a starter the President recommends that Federal

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grants to the states for vocational education and the construction of waste treatment facilities be completely terminated and that certain revenues be transferred to the states, to carry out these programs.

The President further proposes that federal grants be gradually reduced for hospital construction, public assistance, school construction in federally affected areas, and natural disaster relief.

In the vital area of housing, the President proposes a further retreat. And at a time when interest rates are declining, he asks that the interest rate ceilings on GI and FHA loans be increased and that discount controls be removed. The President also proposes that the Federal National Mortgage Association no longer be required to purchase mortgages at par. He would push on to the states and local communities a heavier share of the cost of urban renewal and slum clearance. On Federal loans for college housing the President asks that interest rates be increased.

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The President proposes that conservation payments be whittled down in 1960. He further asks that interest rates on REA loans be boosted. I might add that he comes up with no alternative programs to aid the farmers in their present plight.

Concerning public works, the President not only recommends no new starts, but he furthermore proposes that more of the cost for such programs be foisted upon the states and local agencies and private interests.

This, very briefly, is the President's program to meet the mounting recession. In his own words it is the program "to foster this recovery in every sound way".

A PROGRAM OF RETRENCHMENT

It is actually, however, a program of retrenchment not only meaning less expenditures by the Federal Government, but a reduction in the role of the Federal Government. The philosophy behind such proposals is in my opinion completely

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out of keeping with the times when practical men are talking seriously of trips to the moon and of space warfare.

This is not a time for policies and programs of economic scarcity as embodied in the President's message. Our nation can only meet the threats and challenges of the age -- both internal and external -- by bold and imaginative programs.

DANGER IN RECESSION

We cannot afford to permit this recession to continue and to risk the very real threat of a depression. I agree with Business Week's recent comment that "a U.S. depression, which could breed economic collapse and political instability throughout the free world, might be as ruinous to our national security as a lagging missile program."

The world-wide implications of a depression in our country cannot be over emphasized. As the leader of the free world against the totalitarian forces of the Soviet Union, it

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would be an utter catastrophe if our economy should collapse or even appreciably weaken.

SOVIET THREAT

It is time that we take off our blinders and see what is happening. The Soviet Union's Sputniks, if nothing else, should have made us realize that we are facing a foreign power with tremendous scientific knowledge, productive capacity and know-how. We can no longer afford to remain complacent. In the past year alone it is reported that the Soviet economy expanded by ten percent and if the present trend continues the Soviet Union will match us in the entire economic field within a generation!

And while the Soviets make powerful strides forward, the United States is actually moving backwards! The present recession is but a culmination of Administration actions which first slowed our economic growth down to a walk, then to a dead stop and now the economy is in retreat.

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Nothing could give greater aid and comfort to the Soviets than to see America plunged into a depression. The Communist leaders know full well that our stature as leaders of the free world will be destroyed if our economy does not stand up to the test.

If our economy falters, our allies and the neutral nations will have little choice but also to make closer economic ties with the Soviet Union. The political repercussions which would follow should give us all concern.

It is time for this Administration to realize that there are worse things in life than an unbalanced budget -- and one of them is the loss of our fight against Soviet totalitarianism. This concept might be difficult for the Administration to grasp, but for the sake of the nation and the cause of freedom I sincerely hope and pray that it soon begins to put first things first. And freedom must take priority over balanced budgets and reduced expenditures.

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Freedom is never cheap. It does not come easily and

it is not retained without great effort. And if the Administration thinks it can preserve freedom by cutting budgets and relinquishing responsibility, the nation is in serious peril.

I believe we should heed the advice of Elliott V. Bell, Business Week editor and publisher, who in a recent speech stated that "once a spiral of deflation gets momentum, it is well nigh impossible to halt it". Mr. Bell went on to advise that we "take the risk of doing more than is needed than the chance of doing too little and too late."

I believe that time is rapidly running out for the Administration to take actions to stem the business decline. The American people want and need more than "chins up" statements and assurances that action will be taken if and when necessary.

ANTI-RECESSION PROGRAM

Just as we do not wait until a fire breaks out to start thinking about setting up a fire department, so we cannot wait

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until the recession spreads and fans out before we draw up the blueprints and get our machinery in order to get the economy back on the track.

There are many things which can be done to cope with this recession. Some programs should be put into effect immediately while others should be held in ready reserve to be put into operation if and when needed.

EASIER MONEY POLICY

On the monetary front it is important that the Federal Reserve Board ease credit. The lowering of discount rates in the past few months and the Board's recent reduction of reserve requirements, although belated and overly cautious actions, are nevertheless steps in the right direction. Further reductions are in order. The Federal Reserve should also purchase Government securities in the open market in sufficient quantities to sizeably increase the lending capacity of the banks and to bring about a reduction in interest rates.

³² COPY TAX CUT

The situation is serious enough to also warrant a prompt and meaningful tax cut designed to increase purchasing power. Such tax reductions should go in particular to low-and-middle-income people, whose declining income has been reflected in declining sales by businessmen throughout the country.

Our economy needs a good shot of increased purchasing power and nothing will bring this about faster than tax cuts to the great mass of the nation's wage earners.

UNEMPLOYMENT BENEFITS

In view of mounting unemployment, action should be taken immediately to increase unemployment compensation benefits. Such benefits are at present sorely inadequate. Federal standards as to benefit payments are necessary in order to bring unemployment compensation payments up to a decent level. I am proud to be a co-sponsor of the Kennedy-McCarthy bill which would increase and extend unemployment compensation benefits.

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We need also to increase social security benefits -- at

the very minimum to keep pace with rising living costs.

FARM PRICE SUPPORTS

On the agenda for urgency in any anti-recession program must be the determination to see that the decline in farm income is halted and turned upward once more -- both by legislative action and by Administrative policies showing more concern for the plight of our rural population who have been suffering from recession far longer than the rest of the country. Unfortunately, the President has vetoed a bill we in Congress recently passed to prevent further lowering of farm price supports.

HOUSING PROGRAM

Due to the important role which housing plays in our economy, a meaningful housing program is sorely needed. The housing bill Congress recently passed should help to increase private home construction.

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For the millions of low income Americans who still live in squalor and for whom decent private housing is simply not available, our public housing program and urban renewal programs must be expanded rather than cut back. No one should be living in inadequate dwellings in a country with the resources and wealth which we possess.

And with a growing number of elder citizens we must provide a housing program designed for their special needs along the lines of S. 1694 introduced by Senator Clark, which I co-sponsored along with others.*

EDUCATION

Education demands top priority and in view of the shortage of class rooms a meaningful federally-aided school construction program is in order. We also need additional laboratory and other facilities for our crowded colleges and universities as provided for in my bill S. 869.

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HOSPITAL CONSTRUCTION

Hospital construction, under the Hill-Burton Act, rather than being whittled down as the Administration proposes should be increased to help fill the large shortage of hospital beds. There is a need for more health facilities and my bill S. 1667 would encourage their being built.

HIGHWAY PROGRAM

A powerful stimulus to the economy is provided in the multi-billion dollar interstate highway program enacted by Congress in 1956. This program should not be stretched out as the Administration plans, but rather it should be promptly stepped up.

PUBLIC WORKS

Our public works programs for development of land and water resources should be geared to bolster the sagging economy. We should give particular attention to forest conservation programs, water power development and the expansion of our federal recreational

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facilities so that more and more Americans may enjoy the wonders of nature in our country.

More than ever it is important that consideration be given to the bill (S.964) offered by Senator Douglas, which I joined in sponsoring, to provide assistance to economically distressed areas.

ADMINISTRATION HOLDS TIGHT

These proposals can do much to turn the economic tide and return our nation to prosperity. Unfortunately, the Administration still refuses to act. It holds stubbornly to the idea that vigorous government action is unnecessary.

I know full well that there are always some who welcome a recession.

They see a business decline as a method to throttle smaller competitors and to hold down wages due to sizeable unemployment.

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I recall the testimony in 1949 of Dr. John D. Clark,

who was Vice Chairman of the President's Council of Economic

Advisers under President Truman:

"We have had presented to us repeatedly in our conferences with representatives of business that very proposal! That the best thing that could happen would be to have a larger degree of unemployment in order that there might be at the factory gate each morning a list of job hunters... because that would make labor more eager and more productive."

History has shown us that in a period of recession the larger firms tend to fare considerably better than do small ones. And this recession to date is proving no exception.

I am also aware that the large financial institutions are desirous of policies designed to assure high interest rates even if this means monetary policies which cause the economy to lag.

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Let us not forget that the Administration's tight money policies have directly resulted in the highest bank profits in our country's history.

Also note that as our economy has slowed down the number of small business failures has risen, mergers have increased, the gap between small and large corporation profits has widened, and fewer and fewer firms control more and more of the market.

The same is true in agriculture. Under the Administration's "economy of scarcity" philosophy family size farms are vanishing and we see more of the huge and impersonal corporation farms take their place.

PRESIDENT'S ADVISERS

Could it be possible that the reason the President is refusing to take effective steps to halt the recession is because he is still listening to and being guided by the same people who

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advocated tight money policies, who wanted reduced price supports for agriculture, who perhaps convinced him that some unemployment would be good for the country, persuaded him that we were spending too much on national defense, and who convinced him that the Government was spending too much on the great programs of social welfare initiated under the New Deal and the Fair Deal?

I think that the American people have the right to know who their President is listening to, and why those people are advising him to do nothing about the mounting unemployment, the continued depression in agriculture, the chain reaction of bankruptcies and mergers in small business -- except to make "chins up" speeches. It is time that the President began to listen to the counsels of men who are not necessarily financiers and industrialists. I would suggest that he pay serious attention to the counsel of those who have warned that action must be taken before we find ourselves in utter economic disaster.

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I would suggest that the President call upon representatives of labor, of the great farm organizations and of small business to listen to their advice and counsel. I would urge that he ask the advice of responsible economists in our great universities.

As I said at the beginning of this speech, this recession is not going to be ended by mere talk. It is going to take vigorous positive action/^{such}as I have proposed today. If the Administration holds back while the recession picks up speed even the most costly measures may prove insufficient to turn the tide.

This Administration will be judged not by its words but by its actions and the American people will not accept excuses if this recession continues. I hope and pray that steps will be taken, and taken soon, to restore confidence and prosperity.



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