

mike
✓ Mr Chase
✓ Rabbi Rose

Mr Isaacs - *Officers Directors*
Mr Barringer of the *Institute of Scrap Iron*
TIME TO PULL UP OUR OWN SOCKS

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Abstract of remarks prepared for delivery by Senator Hubert H. Humphrey (D., Minn.) before the Institute of Scrap Iron and Steel, Tuesday night, January 13, at the Waldorf Astoria Hotel, New York City, New York.

I realize that this past year has not been a good one for the scrap iron industry. This fact has been brought home to me *not only by you but by* ~~because~~ the iron ore miners of Minnesota and Michigan have been in the same boat.

With the steel industry operating at as low as 50 per- cent of capacity, there was bound to be *trouble, recession and* inconvenience all around.

But the domestic scrap dealers and the domestic iron ore pro- ducers took the brunt of the recession.

While domestic iron ore production was off 40 percent in the year, imported iron ore from the steel companies substantial overseas holdings actually increased a bit -- about 5 percent.

These foreign ores also replaced some of the scrap used by the industry. I understand that consumption of purchased

scrap in the first nine months of 1958 was 40 percent below the like period in the previous year.

(X) ~~new~~ scrap has proved itself to be very important in our economy -- in war and peace.

Because of its importance, it seems to me that steps should be taken by the steel industry to prevent the kind of hardship you and the domestic iron ore producers have experienced

in the past year. It simply does not make good economic sense ^{or sound}

National Security Policy

~~to me~~ for the steel producers, when production goes down, to

take it all out on the domestic miners and scrap dealers.

We

You could, of course, call on the government to step

in and stockpile domestic output. But I do not think this

either wise or necessary. ^{at least its not the} ~~It seems to me to be both inefficient~~

~~and unjust to ask all the taxpayers to share the special burdens~~

~~of one segment of industry, even though it is an important seg-~~

~~ment like scrap.~~

yes, / I would rather ask the steel industry if ~~they~~^{it is} do not have the duty, in cases like this, to spread the inconvenience more equitably.

Is it not up to the steel producers to see that imports share in any reduction caused by a recession? Instead of domestic production going down 40 percent and imports up 5 percent, should it not be the steel industry's task to see that each type of supplier takes his proportionate share *of the reduction.*

This kind of cooperation between domestic and foreign suppliers works tolerably well in other industries. Why should it not work in this case? *(Pause)*

Of course, cooperative endeavors like this require something from all parties. In the case of the scrap industry, it seems obvious to me it would require a set of ground rules to bring some order into your own household.

What we need is a healthy scrap industry, which can

supply scrap to the steel industry at reasonable prices and of a

quality on which the steel producers can rely. - (my purchase, your President, so says)

Right now I get the impression that much of your industry is ~~ruled by laws which would not be accepted in the~~ *plagued by practices which add to your woes.*

Jim Gold ^{too} ~~there is much~~ cut-throat pricing; on the other hand, when

demand is strong, prices go sky-high, while quality becomes less

than reliable. Price fluctuations of over 100 percent for the

identical product do not make much economic sense.

An appeal to the steel industry for an equitable sharing

of the burden should be accompanied by a willingness on your

part to adopt modern ground rules of pricing and quality control.

I believe this can be done without running afoul of the anti-trust

laws; it has been done in other industries. (Pause)

But of course the real trouble last year was the fact that steel was operating between 50 and 60 percent of capacity.

This is ^a much bigger problem and one which leads into what I want

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Total Soviet Challenge

to say this evening.

The fact that vital sectors of our economy have been lagging so far behind their potential for ten long months gives

me great concern. For as some of you may know I have recently

returned from a part of the world where the people are pulling

out all the production stops, pushing ever harder against their

present productive capacity and making great sacrifices to in-

crease that capacity. I have returned from a part of the world

where optimism rivals that of America's most inveterate optimists.

Soviet economic competition is the big challenge of the

day.

~~Watch M. Kagan - He's full of Confidence!~~

Premier Khrushchev has said that he has declared war

on us in production. His aim: to "catch up and surpass America".

The Soviet countryside is strewn with signs bearing these words.

Khrushchev is looking ahead 10 to 20 years and using the

vast powers of Russia's state machinery to plan and program the

Trade =
not Economic
Trade is
Power

great resources of his empire. He has called his first Seven

Year Plan, "Russia's Offensive Opens", and under this plan he

has programmed vast increases in the capacity of Russia's heavy

industries. — and plans to build up Siberia!!
(Defense Against Asia-China)

By 1965, he aims at adding nearly 30 million tons

of steel capacity; more than 100 million tons of oil pro-

duction; nearly 300 billion kilowatt hours of electricity.

And while the emphasis is clearly on capital goods

to add to Soviet military and economic power, there are also

important planned increases in consumer goods. Meat production

is to more than double by 1965; butter production, already

almost equal to ours, is to increase by almost 400,000 tons.

There are to be more shoes and clothes and the gadgets of life

for the Russian people, who, you must remember, know nothing of

the rich material life we live here.

(Told K - his Consumer Service Sausage - H. Agard)

We know now that we can not underestimate these plans

Capital Good

Trade - We should have good!

and programs.

It is not just that ^{they} we have the world's first (LUNAR) artificial planet in our solar system labelled "made in Russia"; that's one kind of testimony. — USSR January 1959

But we also have the testimony of our eyes. We can go to Russia and see the progress that is being made.

If the statistics still show a wide gap between our wealth and their's, between our production and their's, their production figures are rising much faster than ours -- five times as fast in the last few years, and the gap is narrowing.

They have the momentum, while we are resting on our laurels.

This need not be. We have everything in our economy needed for victory -- all except, for the moment, a sense of urgency of direction, goals, and leadership.

It would be a rash man, indeed, who decided to discount

Russia's chances of achieving its own economic goals. For as far as production goes, if you look at the communist economic system, you can see most of the essential features of our own, plus the state's unique ability to mobilize its resources for whatever purposes it wants.

Capital, Investment, Profit & Reinvest.

Communist Character

There is a rate of investment in plant and equipment in Russia that currently ~~far~~ exceeds ours.

There are profits in Russia which are used increasingly to separate the inefficient boys from the more efficient men.

There is growing management talent in Russia spurred on by the same quality of worry which spurs on business executives here; if they worry more in Russia about meeting the planned targets of the State and less about earning dividends for the stockholders, the result is the same in terms of production.

Within the Soviet state's all-powerful planning authority, there is increasing decentralization of operational authority making

for the same kinds of productivity gains which decentralization
 brings in this country. Yes, and there is growing competition,
 too, among the industrial units, if not competition for a share
 of the market, at least competition for a share of the glory.

On top of these common features is a central government
 with clearcut goals and willingness to follow them ruthlessly.

There are no "inquiring Congressmen" or "militant free labor
 unions". Within the dictates of Communist party policy the
 professionals -- the scientists, engineers, economicists, production
 specialists and the like -- have great autonomy to push ever forward
 to more production. In Russia, you might say, is State Capitalism
 developed to its ultimate end.!!

Do not underestimate ^{the Soviets} ~~their~~ efficiency. or capacity!

And don't underestimate, either, the effect all this is
 bound to have outside the borders of Russia.

Khrushchev's Seven Year Plan is not just an economic

document; it is a political and psychological document, too.

The Russians are using it as a major weapon of foreign policy, and they are getting an interested audience in all those teeming underdeveloped countries of Asia, the Middle East, Africa and even Latin America where people are searching desperately for an escape from a life of abject poverty.

Many leaders in India, Burma, Indonesia, Egypt, Iraq and elsewhere are fascinated with what is going on in Russia, and it is hardly surprising. These leaders are not blind to the hideous cost to humanity which the industrial revolution under communism has entailed; but they hope to avoid paying this cost.

At the same time, they know their people will have to make sacrifices if they are to grow in economic strength.

Before these people, the Russians flaunt their Seven Year Plan, and they get an interested audience.

For what alternative is offered in its place?

What in the experience of the affluent west can be made relevant to their dire problems? What, they ask us, do you have to offer?

Yes, the increasing Soviet economic competition is

the big challenge today; it is a real force and it permeates every corner of the globe. It certainly is felt in world trade.

The Soviets continue to enter into more and more trade agreements -- from Japan to Egypt to Argentina. The Soviet continues to extend credits.

To meet the goals of their ambitious industrialization program the Soviets want goods from the non-communist world -- including petro-chemical and electronic equipment. They have surplus commodities to sell and, after the fashion of their here-today-and-gone tomorrow trading tactics, they offer attractive one-shot bargains to get what they want.

The Soviets State Monopoly in foreign trade, makes it

possible for Russia to take from underdeveloped countries
price depressing surpluses and absorb them in their empire
while diverting more home-grown production for export.

But It is what is going on inside Soviet Russia that is
so important, both as an example to other aspiring nations
and as a challenge to the West.

The Soviets at home don't talk about yesterday,
except to compare today. They then talk about today only
to get a chance to really work on tomorrow.

The leaders are constantly saying to their younger
generation that tomorrow things will be better.

To the Soviets the promise of the better life is the ful-
fillment of the Seven Year Plan. Soviet production has as its
incentive both the carrot and the stick -- reward and discipline.

Now what of our own goals? What of our own optimism?
The fact that these questions are asked so often by so many people

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suggests to me that there is a growing awareness of the real challenge put up by the Soviets.

What is missing is any real attempt by leaders -- in politics and out -- to articulate a detailed and persuasive answer.

We go on with a sort of ostrich optimism, closing our eyes to facts we do not like to look at and tuning our ears to soothing generalities while we wait for somebody to come along and give us the answers we are looking for.

This is a dangerous and rather ignominious kind of self hypnosis.

It is high time that thoughtful people spoke out against it. Throughout the length and breadth of our land there are men and women who are not in the slightest confused about what our goals should be nor are they vague about how we can mobilize our resources to meet those goals.

Let me offer in conclusion *a few suggestions* ~~this evening~~ a four point

~~program~~ to illustrate the kind of planning I think we need --
and need now -- to answer effectively the great challenge of
our day.

It is a program designed not just to make use of our
reservoir of idle resources; it is a program designed to generate
rapid and sustained economic growth in support of the goals we
need to achieve.

*This is a program that enriches
our democratic way of life.*

① First, ~~we need most obviously a new goal in foreign~~
policy.

We have become the prime "reactionaries" in world
politics, confining ourselves simply to an endless series of
reactions to Soviet initiatives.

We should set for ourselves the goal of trying to make
~~relevant~~ our own tremendously successful experience with economic
development to the difficult problems of growth in the free
countries of Asia, Africa, and Latin America. We should adopt

Private business ✓ corporations
NEA'S ✓
Coops ✓
Govt
~~~~~

U.S. too!

000016

this goal as part of our vocation in the world and set about,  
region by region, planning specific targets with our allies  
and the other free nations.

*This job requires the cooperation of all free Nations (N.Y. time)*

*Latin America  
Bolivia??  
Uruguay.*

We should take the lead in the Organization of American States for example, in mounting a five or seven year development

plan for Latin America. We should spell it out in terms of miles of roads, kilowatts of electricity and tons of steel. We should

help mobilize the resources of the several Latin American countries together with those of interested American and European

businesses plus a share of our foreign aid budget. Then we should infuse into the plan the kind of energy and inspiration

which has been so lacking recently in our policies towards our neighbors to the South.

*(An increase in the standard of living is a new market)*

I would repeat this formula in Asia, perhaps through the Colombo Plan, and certainly with the full cooperation and leadership of Japan. I would repeat this formula in the Middle

*Paul*

East with its tremendous resources of capital from oil. And I would repeat the formula in Africa.

I see each of these regional organizations performing the kind of planning and programming functions which the organization for European Economic Cooperation performed so successfully under the Marshall Plan.

*out*

The Marshall Plan was our most successful act of foreign policy since World War II ~~because~~ it had a goal, and because the participating nations, with considerable leadership from the United States, set targets for themselves and mobilize their resources to meet them. The whole job was conducted on a voluntary, cooperative basis yet proved to be very efficient and successful. ~~Free nations can plan and organize with even greater efficiency and results, than the~~

*well*

~~totalitarian regimes.~~ *U.S. & Western Europe must*

*March together*

I firmly believe that some such goal as this ~~would~~ *is needed*

*U.S. & West - Joint Effort*

to reduce to man-size many of the titanic problems in present day international politics. But even more some such goal is necessary to salvage our self-respect here at home. We could then turn around and thank the Russians for shaking us up a bit, and getting us back to doing the things we should have been doing all along.

Second -- we need economic and social goals worthy of the American spirit. Yes, I mean goals that test our strength and challenge our ingenuity and imagination. We should not hesitate to plan for a minimum growth and expansion in gross national product of at least 5 percent per year.

To plan for less is to underestimate our capacity and our needs.

Only through such expansion can we provide jobs for our expanding labor force and to truly realize our declared national goal of maximum employment.

To be sure most Americans enjoy a high standard of living.

*out*  
It is equally certain that many Americans do not.

We have before us in our own country the greatest  
untapped and underdeveloped market in the world. There are  
millions of Americans, who with better training and better  
job opportunities could and would produce and consume vast  
quantities of goods from both factory and farm.

Just as our foreign policy should seek to strengthen  
and develop the economic structure of the new and under-  
developed areas, so our domestic policy should be designed  
and directed to encouraging and developing the great under-  
developed and neglected areas of America. (*Big markets?*)

Yes, we should ask our economists and our sociologists  
to take a good look at the economic and social strength of our  
country, to single out those areas in which there is need for  
economic development and rehabilitation.

Our ability to undertake for the long pull the responsibility

*5/1*

of world leadership will be determined by our economic and social health. We must recognize that for years to come we will be faced with the terrible burden of <sup>heavy</sup> armaments.

Defense 11/80

The cost of national security, yes even an increased cost -- can be sustained without weakening our economy if our goal and objective is to expand and grow.

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Third, we need intellectual and scientific goals.

Today we must have a national educational program, offering educational standards to guide the states, <sup>We need</sup> federal and state scholarships in the key sciences, and a school building program to overcome the shamefully inadequate facilities now available in so many areas. Communities should be encouraged to regard the teacher as worthy of a material reward at least equal to that of the brick-layer. ~~Thus we can respond better to the~~ challenge of the Soviet ~~which~~, despite its denial of individual freedom, has managed to mobilize its scientific brain power.

+Educational

Yes

We need an intellectual goal just as badly as we need foreign policy objectives. We should ask our educators to design one and to program its achievement over a period of years down to each dollar of teachers' pay and each brick for school construction.

4th

Fourth -- we need food and medical goals. Yes, I refer to a long range food and nutrition program designed to meet the needs of a growing population at home and the dietary needs of many nations in other parts of the world.

The so-called surplus of food which has become a burdensome economic problem on the domestic scene can be converted into an asset on the foreign scene.

Food

Food can and should be an instrument of our foreign policy. It can and should be used to bolster and strengthen the new and rising nations. It can be our greatest secret weapon.

Medicine

In the field of medical research and medical science we lead the world. Our goal should be that of the healer. We should seek to alleviate pain and suffering and to walk among the children of the earth in the image of the Good Samaritan. (*Intern Health*)

Now these are just a few goals. They could be formulated differently or expanded. But taking these I am struck by how much we are going to have to do anyway under these headings just as a matter of survival. (*Remember the Communists are out to conquer the world.*)

*Now let's look at it from any angle*

We must have more scientists, even without any plan, simply to maintain our military defenses and to join in the exploration of the great new dimension of outer space. We are going to shoot the moon and move toward interplanetary travel even without elaborate programs to those ends. It is part of the problem of survival today.

And we are going to share our wealth in order to assist the growth of other free people in the world for the same reason. We may let ourselves be tumbled from crisis to crisis, simply reacting to the initiatives of others, but we are not going to fail to act when the chips are down. We are in this world to stay and everybody knows it, even if it is a very expensive business.

*oh yes!*  
The alternative is to muddle through. We can wait until we get into a jam at home or abroad and then buy our way out of it by paying more taxes and adopting inefficient, jerry-rigged policies. Our cake is big today and we can suffer through a lot simply by making the pieces a little smaller.

Yes, foreign and domestic obligations are going to be with this country for as far ahead as anybody can see.

The question is, are we going to lower our standard

of living to meet these obligations, or are we going to maintain,

yes, increase that standard -- by economic expansion -- while

still meeting the demands of <sup>national</sup> security *and world leadership.*

↳ We cannot afford to have less security, even if we  
have to take less on the table.

↳ We either cut our cake into smaller pieces, or we bake  
a bigger cake.

↳ We are never going to bake a bigger cake, however,  
if we remain confused and lethargic about setting goals for  
ourselves, and mobilizing our resources to meet those goals.

↳ We cannot possibly be efficient in the use of our  
resources, if we remain so hopelessly confused about what  
it is we are trying to be efficient about.

↳ It is the challenge of formulating new goals for  
ourselves which is the real meaning of what is going on in  
Russia today.

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*the challenge*

If we accept, I fully expect to live long enough to

*mean the Society -*

thank them for getting us to do what we ought to have been

doing all the time.

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LET'S BUY UP OUR OWN SOCKS

Abstract of remarks prepared for delivery by Senator Hubert H. Humphrey (D., Minn.) before the Institute of Scrap Iron and Steel, Tuesday night, January 13, at the Waldorf Astoria Hotel, New York City, New York.

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Because of its importance, it seems to me that steps should be taken by the steel industry to prevent the kind of hardship you and the domestic iron ore producers have experienced in the past year. It simply does not make good economic sense to me for the steel producers, when production goes down, to take it all out on the domestic miners and scrap dealers.

You could, of course, call on the government to step in and stockpile domestic output. But I do not think this either wise or necessary. It seems to me to be both inefficient and unjust to ask all the taxpayers to share the special burdens of one segment of industry, even though it is an important segment like scrap.

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I would rather ask the steel industry if they do not have the duty, in cases like this, to spread the inconvenience more equitably.

It is not up to the steel producers to see that imports share in any reduction caused by a recession? Instead of domestic production going down 40 percent and imports up 5 percent, should it not be the steel industry's task to see that each type of supplier takes his proportionate share?

This kind of cooperation between domestic and foreign suppliers works tolerably well in other industries. Why should it not work in this case?

Of course, cooperative endeavors like this require something from all parties. In the case of the scrap industry, it seems obvious to me it would require a set of ground rules to bring some order into your own household.

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supply scrap to the steel industry at reasonable prices and of a quality on which the steel producers can rely.

Right now I get the impression that much of your industry is ruled by laws which would not be accepted in the jungle. There is much cut-throat pricing; on the other hand, when demand is strong, prices go sky-high, while quality becomes less than reliable. Price fluctuations of over 100 percent for the identical product do not make much economic sense.

An appeal to the steel industry for an equitable sharing of the burden should be accompanied by a willingness on your part to adopt modern ground rules of pricing and quality control. I believe this can be done without running afoul of the anti-trust laws; it has been done in other industries.

But of course the real trouble last year was the fact that steel was operating between 50 and 60 percent of capacity. This is <sup>a</sup> much bigger problem and one which leads into what I want

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to say this evening.

The fact that vital sectors of our economy have been lagging so far behind their potential for ten long months gives me great concern. For as some of you may know I have recently returned from a part of the world where the people are pulling out all the production stops, pushing ever harder against their present productive capacity and making great sacrifices to increase that capacity. I have returned from a part of the world where optimism rivals that of America's most inveterate optimists.

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great resources of his empire. He has called his first Seven Year Plan, "Russia's Offensive Opens", and under this plan he has programmed vast increases in the capacity of Russia's heavy industries.

By 1965, he aims at adding nearly 30 million tons of steel capacity; more than 100 million tons of oil production; nearly 300 billion kilowatt hours of electricity.

And while the emphasis is clearly on capital goods to add to Soviet military and economic power, there are also important planned increases in consumer goods. Meat production is to more than double by 1965; butter production, already almost equal to ours, is to increase by almost 400,000 tons. There are to be more shoes and clothes and the gadgets of life for the Russian people, who, you must remember, know nothing of the rich material life we live here.

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and programs.

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for the same kinds of productivity gains which decentralization brings in this country. Yes, and there is growing competition, too, among the industrial units, if not competition for a share of the market, at least competition for a share of the glory.

On top of these common features is a central government with clearcut goals and willingness to follow them ruthlessly. There are no "inquiring Congressmen" or "militant free labor unions". Within the dictates of Communist party policy the professionals -- the scientists, engineers, economists, production specialists and the like -- have great autonomy to push ever forward to more production. In Russia, you might say, is State Capitalism developed to its ultimate end.

Do not underestimate their efficiency.

And don't underestimate, either, the effect all this is bound to have outside the borders of Russia.

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document; it is a political and psychological document, too.

The Russians are using it as a major weapon of foreign policy, and they are getting an interested audience in all those teeming underdeveloped countries of Asia, the Middle East, Africa and even Latin America where people are searching desperately for an escape from a life of abject poverty.

Many leaders in India, Burma, Indonesia, Egypt, Iraq and elsewhere are fascinated with what is going on in Russia, and it is hardly surprising. These leaders are not blind to the hideous cost to humanity which the industrial revolution under communism has entailed; but they hope to avoid paying this cost.

At the same time, they know their people will have to make sacrifices if they are to grow in economic strength.

Before these people, the Russians flaunt their Seven Year Plan, and they get an interested audience.

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For what alternative is offered in its place?

What is the experience of the affluent west can be made relevant to their dire problems? What, they ask us, do you have to offer?

Yes, the increasing Soviet economic competition is the big challenge today; it is a real force and it permeates every corner of the globe. It certainly is felt in world trade. The Soviets continue to enter into more and more trade agreements -- from Japan to Egypt to Argentina. The Soviet continues to extend credits.

To meet the goals of their ambitious industrialization program the Soviets want goods from the non-communist world -- including petro-chemical and electronic equipment. They have surplus commodities to sell and, after the fashion of their here-today-and-gone tomorrow trading tactics, they offer attractive one-shot bargains to get what they want.

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possible for Russia to take from underdeveloped countries price depressing surpluses and absorb them in their empire while diverting more home-grown production for export.

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The leaders are constantly saying to their younger generation that tomorrow things will be better.

To the Soviets the promise of the better life is the fulfillment of the Seven Year Plan. Soviet production has as its incentive both the carrot and the stick -- reward and discipline.

Now what of our own goals? What of our own optimism? The fact that these questions are asked so often by so many people

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suggests to me that there is a growing awareness of the real challenge put up by the Soviets.

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It is high time that thoughtful people spoke out against it. Throughout the length and breadth of our land there are men and women who are not in the slightest confused about what our goals should be nor are they vague about how we can mobilize our resources to meet those goals.

Let me offer in conclusion this evening a four point

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program to illustrate the kind of planning I think we need -- and need now -- to answer effectively the great challenge of our day.

It is a program designed not just to make use of our reservoir of idle resources; it is a program designed to generate rapid and sustained economic growth in support of the goals we need to achieve.

First, we need most obviously a new goal in foreign policy.

We have become the prime "reactionaries" in world politics, confining ourselves simply to an endless series of reactions to Soviet initiatives.

We should set for ourselves the goal of trying to make relevant our own tremendously successful experience with economic development to the difficult problems of growth in the free countries of Asia, Africa, and Latin America. We should adopt

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this goal as part of our vocation in the world and set about, region by region, planning specific targets with our allies and the other free nations.

We should take the lead in the Organization of American States for example, in mounting a five or seven year development plan for Latin America. We should spell it out in terms of miles of roads, kilowatts of electricity and tons of steel. We should help mobilize the resources of the several Latin American countries together with those of interested American and European businesses plus a share of our foreign aid budget. Then we should infuse into the plan the kind of energy and inspiration which has been so lacking recently in our policies towards our neighbors to the South.

I would repeat this formula in Asia, perhaps through the Colombo Plan, and certainly with the full cooperation and leadership of Japan. I would repeat this formula in the Middle

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East with its tremendous resources of capital from oil. And

I would repeat the formula in Africa.

I see each of these regional organizations performing the kind of planning and programming functions which the organization for European Economic Cooperation performed so successfully under the Marshall Plan.

The Marshall Plan was our most successful act of foreign policy since World War II because it had a goal, and because the participating nations, with considerable leadership from the United States, set targets for themselves and mobilize their resources to meet them. The whole job was conducted on a voluntary, cooperative basis yet proved to be very efficient and successful. Free nations can plan and organize with even greater efficiency and results, than the totalitarian regimes.

I firmly believe that some such goal as this would

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reduce to man-size many of the titanic problems in present day international politics. But even more some such goal is necessary to salvage our self-respect here at home. We could then turn around and thank the Russians for shaking us up a bit, and getting us back to doing the things we should have been doing all along.

Second -- we need economic and social goals worthy of the American spirit. Yes, I mean goals that test our strength and challenge our ingenuity and imagination. We should not hesitate to plan for a minimum growth and expansion in gross national product of at least 5 percent per year. To plan for less is to underestimate our capacity and our needs. Only through such expansion can we provide jobs for our expanding labor force and to truly realize our declared national goal of maximum employment.

To be sure most Americans enjoy a high standard of living.

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It is equally certain that many Americans do not.

We have before us in our own country the greatest untapped and underdeveloped market in the world. There are millions of Americans, who with better training and better job opportunities could and would produce and consume vast quantities of goods from both factory and farm.

Just as our foreign policy should seek to strengthen and develop the economic structure of the new and underdeveloped areas, so our domestic policy should be designed and directed to encouraging and developing the great underdeveloped and neglected areas of America.

Yes, we should ask our economists and our sociologists to take a good look at the economic and social strength of our country, to single out those areas in which there is need for economic development and rehabilitation.

Our ability to undertake for the long pull the responsibility

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of world leadership will be determined by our economic and social health. We must recognize that for years to come we will be faced with the terrible burden of armaments.

The cost of national security, yes even an increased cost -- can be sustained without weakening our economy if our goal and objective is to expand and grow.

Third, we need intellectual and scientific goals.

Today we must have a national educational program, offering educational standards to guide the states, federal and state scholarships in the key sciences, and a school building program to overcome the shamefully inadequate facilities now available in so many areas. Communities should be encouraged to regard the teacher as worthy of a material reward at least equal to that of the brick-layer. Thus we can respond better to the challenge of the Soviet which, despite its denial of individual freedom, has managed to mobilize its scientific brain power.

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We need an intellectual goal just as badly as we need

foreign policy objectives. We should ask our educators to design one and to program its achievement over a period of years down to each dollar of teachers' pay and each brick for school construction.

Fourth -- we need food and medical goals. Yes, I refer to a long range food and nutrition program designed to meet the needs of a growing population at home and the dietary needs of many nations in other parts of the world.

The so-called surplus of food which has become a burdensome economic problem on the domestic scene can be converted into an asset on the foreign scene.

Food can and should be an instrument of our foreign policy. It can and should be used to bolster and strengthen the new and rising nations. It can be our greatest secret weapon.

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In the field of medical research and medical science we lead the world. Our goal should be that of the healer. We should seek to alleviate pain and suffering and to walk among the children of the earth in the image of the Good Samaritan.

Now these are just a few goals. They could be formulated differently or expanded. But taking these I am struck by how much we are going to have to do anyway under these headings just as a matter of survival.

We must have more scientists, even without any plan, simply to maintain our military defenses and to join in the exploration of the great new dimension of outer space. We are going to shoot the moon and move toward interplanetary travel even without elaborate programs to those ends. It is part of the problem of survival today.

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And we are going to share our wealth in order to assist the growth of other free people in the world for the same reason. We may let ourselves be tumbled from crisis to crisis, simply reacting to the initiatives of others, but we are not going to fail to act when the chips are down. We are in this world to stay and everybody knows it, even if it is a very expensive business.

The alternative is to muddle through. We can wait until we get into a jam at home or abroad and then buy our way out of it by paying more taxes and adopting inefficient, jerry-rigged policies. Our cake is big today and we can suffer through a lot simply by making the pieces a little smaller.

Yes, foreign and domestic obligations are going to be with this country for as far ahead as anybody can see.

The question is, are we going to lower our standard

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of living to meet these obligations, or are we going to maintain, yes, increase that standard -- by economic expansion.-- while still meeting the demands of security?

We cannot afford to have less security, even if we have to take less on the table.

We either cut our cake into smaller pieces, or we bake a bigger cake.

We are never going to bake a bigger cake, however, if we remain confused and lethargic about setting goals for ourselves, and mobilizing our resources to meet those goals.

We cannot possibly be efficient in the use of our resources, if we remain so hopelessly confused about what it is we are trying to be efficient about.

It is the challenge of formulating new goals for ourselves which is the real meaning of what is going on in Russia today.

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If we accept, I fully expect to live long enough to  
thank them for getting us to do what we ought to have been  
doing all the time.



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