

Centennial

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THE CHALLENGE TO THE AMERICAN ECONOMY

Remarks of  
Senator Hubert H. Humphrey (D.-Minn)  
before  
Democratic Dinner Meeting  
Portland, Oregon  
Wednesday, April 22, 1959

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Portland

Liberal-Ideals!

Economy

I want to talk to you tonight about the great challenge  
to the American economy -- about my deep concern over its  
domestic aspects and my even deeper preoccupation with its  
implications in the field of world affairs.

There could be no more fitting place to probe this  
challenge than here in the great Pacific Northwest. Those  
who first opened this area breasted an immense challenge to  
their courage and strength, their practical ability, their  
imaginative faith. They persisted when the going was most  
severe.

But today, the past seems less inspiring than the eternal,  
forward-looking thrust of the people of this area. The very

000662

air here is quick with a sense of unmet needs, restless aspiration, determination to press ahead and to excel.

∟ And those are the very qualities that are needed to meet today's challenge.

∟ This challenge to the American economy can be simply stated: <sup>or</sup> it is to live up to our full potential. <sup>el</sup>

∟ If we achieve this goal, our position as a world leader will be the stronger and our capacity to do the domestic jobs at hand will be the greater.

*But,* If we continue to fall short of that goal -- as we have in the past half decade -- the world will hold us in less esteem. And, more important, we will be less able to carry out those programs, both here and abroad, that go with world leadership.

∟ A nation that aspires to world leadership -- a nation that must lead to survive -- must set its standards high and

its goals higher.

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↳ Think, for a moment, of the image we now present to the world.

↳ Twice in five years our economy has been ravaged by recession.

↳ Today, four and a half million Americans are without jobs -- and yet our government glows with satisfaction that the number is four and a half instead of five million.

↳ For more than half a decade, our economy has been crawling forward, while other nations have been speeding ahead.

↳ We lack the schools and hospitals and roads and health services that we could and should have. We, (the richest nation on earth) assert that we cannot "afford" to raise our sights or our standards in these fields. Our government

000664  
even tells us that we cannot "afford" the national defense

that our military leaders say we need.

↳ We alone of all nations stand on the very threshold  
of realization of the prophets' dreams of unlimited abundance.

Our troubles arise from our failure to call forth this  
abundance fully, and to use it wisely.

↳ Others suffer because they cannot yet do what they need.

We suffer only because we are not yet doing what we can.

↳ This has not always been true of America. We have risen  
to challenges and attained our full potential in times past.

But more recently, we have been dozing, and even the  
Lilliputians could tie up Gulliver when he fell asleep.

↳ What are some of our major defaults today?

Let's look first at the greatest economic resource of  
any nation -- its people, and especially its young people.

Millions of our youngsters are in overcrowded classrooms,  
*in many areas*  
with insufficient and inadequately paid teachers. Hundreds

of thousands, with both ambition and ability, are denied  
higher education, either because they cannot afford it, or

because the schools of higher learning have no room for

them. *This present problem will become ever  
worse in the years ahead.*

In the underdeveloped countries, only a tiny fraction  
of the children obtain even the rudiments of formal education.

This, however, is not by any fault of theirs; they simply lack  
the resources to do more now.

But our own educational deficiencies exist while we have  
idle resources begging to be used. We have or can easily  
produce the steel and cement and lumber to build schools. We  
have idle manpower, waiting to be put to work. And what's more,  
if we were able to keep our economy running at full capacity,  
there would be ample public revenues to pay for the schools --

and the teachers too!

And yet we are told that we cannot "afford" more schools.

Our people also need good housing and health services.

But isn't it tragic that almost a quarter of the richest

nation on earth is still living in urban and rural slums?

Isn't it tragic, too, that health services for a ~~majority~~ <sup>many</sup>

of the people have not begun to keep up with the amazing

progress of medical science? Doctors and nurses, hospitals

and other health facilities, are in nationwide short supply, — *yes,*  
acute short supply in some areas, because of uneven distribution.

Here again, we do not lack the basic means to do better; we

simply have not marshalled the determination.

What of our older citizens? We now have more than

15 million senior citizens, 65 years of age and over, and the

number is increasing very rapidly. Despite some recent progress

in social security programs, a large majority of these people

000667

still live in genuine deprivation. Their incomes have not kept up with the rising cost of living and have fallen even more seriously behind ~~advances in technology which should mean better living standards for all~~. A vast expansion of social security is imperative.

(X)

Two million American families and individuals still have incomes below \$1,000 a year. More than six million American families and individuals have incomes below \$2,000.

Of course, poverty is infinitely worse in many other lands, where tools and skills are not available. But it seems hard to believe that so many millions of citizens of the richest nation on earth live in poverty or close to it, only because our <sup>abundance of</sup> tools and skills are not being fully used.

After human resources, the second great source of the wealth of nations is natural resources. Some countries lack these resources. Others have them under the ground or in the

*and means 668*

water, but do not yet have the techniques to call them forth.

But we in America lack neither resources nor know-how. — *we have Both!*

↳ We need a tremendous lift along the whole front of resource development and conservation. The magnitude of the job, the high costs, the interstate character of much of the work, and above all the national interest, demand that the Federal Government -- in cooperation with states and localities -- resume its historic responsibility for resource development. In fact, the programs need to be bigger and better than ever before, responsive to the new needs and economic capabilities of our country.

↳ Why are we falling so tragically short in the development of our human and natural resources? *Why?* Because we are saddled with an administration that believes in living off our inheritance rather than adding to our substance.

↳ The Republican Administration has allowed our economy to limp along over the past half decade, faltering badly at

*and consistently*

times, falling far short of the growth it should enjoy.

1

During the past five years, the economy has grown less

than half as fast as it grew in the first half of the Twentieth

Century -- and only about one fourth as fast as it needs to

grow if we are to prevent new technology and automation from

becoming an economic Frankenstein that we cannot control.

The losses from this economic slow-down are staggering.

In the past five years, our low growth rate caused us to lose

an estimated \$150 billion dollars in production. It forced

upon us 10 million man years of needless unemployment. It

cost the average American family almost \$3,000 in <sup>lost</sup> income.

And it has cost the government billions of dollars in

lost revenues -- dollars that could have been put to work

building schools and hospitals and broadening social security

and building natural resources -- and, at the same time, giving

jobs to millions who sought but could not find them.

*Automation*

000670

*you know,*

The Republicans decry spending and waste. But they are the greatest wasters of all! For how could there be greater waste than men without jobs, factories and mills without production, children without proper schools, families without proper shelter?

↳ The Republicans also decry deficit spending. But under whose Administration, I ask, are we suffering a \$13 billion deficit -- the largest in peacetime history? We <sup>living</sup> are under a Republican Administration which has sat through two economic recessions hoping America would come through on a "wing and a prayer!"

Interest!

↳ The Republicans decry big spending. But it doesn't seem to bother them that the interest payments on our national debt have risen nearly two billion dollars a year since they took office. And this is the direct result of their high interest, hard money, tight credit policy which bears the

000671  
trademark of a man named Humphrey. But I can assure you, it is  
not the Humphrey you see before you now. I can also assure you,  
we are not even remotely related -- either biologically or  
politically -- a fact that pleases both of us.

By the time this tight-money policy has run its course,  
*an additional* ~~nearly~~ 20 billion dollars will have been taken from those  
*murder*  
who have little *to* embroider the earnings of those who already  
have much.

I leave it to your own imagination as to what could have  
been done with that 20 billion dollars -- in schools and roads  
and hospitals and higher unemployment benefits and social  
security, not to mention the defenses we need but supposedly  
cannot "afford".

The financial policies of this Administration are not  
only wrong in detail; they are wrong in philosophy. They  
assert that we can meet larger and larger problems by doing  
less and less.

*Apparently, the Republicans,*  
-12-

They do not understand the ultimate source of the wealth  
of nations: the improvement of human resources, the conserva-  
tion and expansion of natural resources, the building of plant  
and tools to the full limits of technology -- and, most  
important, the full employment of the people.

What could the attainment of these goals mean to America  
in the next five years?

↳ If we brought our economic growth up to proper rates,  
and avoided a repetition of our limping progress over the last  
five years, we would, in the next half decade, produce an  
extra \$400 billion in goods and services.

↳ We will have the benefit of more than 16 million man-  
years of productive employment.

↳ The average family would enjoy \$6,000 more in income.

↳ And local and state governments, together with the Federal  
government, would have the use of an added \$70 billion in

000673

revenues with which to meet the needs of a growing population.

↳ We cannot attain these goals without looking ahead and planning for the future, setting targets for ourselves and devising programs to meet them.

↳ So far as I can see, this Republican Administration has only one goal: to balance this year's budget. That one shining goal seems to blind our national leaders to any grander goals for future years.

↳ Mr. Khrushchev must be mighty happy <sup>to see</sup> to view this nation devoid of any long-range goals or aspirations, to hear America's leaders assert that a free people cannot look ahead as a nation, cannot translate their aspirations into bold targets, and cannot call upon their <sup>Government and</sup> unique combination of free enterprise to meet these targets.

↳ I do not believe in an all-powerful centralized government. But I do know that our Federal government is, or should be, a

↳ great instrument of the whole American people. I do know

that it is, or should be, an effective single mirror of

<sup>yearnings</sup>  
their ~~yearnings~~ and servant of their needs.

(Pause)

↳ The thirteen American colonies recognized that they

could survive only as one nation. Lincoln put the holding

<sup>the Reservation</sup>  
together of the Union above all other objectives. And

Franklin D. Roosevelt, in the time of the Great Depression,

was able to bring home to the whole American people that the

Federal government was their Government, and that it bore

a bed-rock responsibility for their well-being in times of

stress.

↳ I cannot believe that we have now come to a time when

the Federal government should become a silent junior partner

in the saga of America, or take a vacation.

000675

✓ But that's just what this Republican Administration seems to want. They want a caretaker government -- not a positive force for progress. They want a custodial government -- to keep books and records, not to help make records of social progress.

✓ My friends, the farmer must cultivate his farm well; <sup>alone</sup> but he cannot solve the problem of world food prices.

✓ The small businessman must watch his expenditures and his sales and improve his methods; but he <sup>alone</sup> cannot protect himself against monopolistic threats, nor survive in a sluggish national economy.

✓ The worker must do his own job faithfully; but he cannot create job opportunity when it is not there.

✓ The average family must try to live within its means; but it cannot do this if its breadwinner is unemployed, and it cannot prosper and advance against a powerful headwind of

000676

unfavorable nationwide conditions.

L The states and localities have much to do; but they cannot be solvent if their industries and workers are on part-time.

L In these times, families and localities and states can be strong only in a strong nation. But a strong nation needs strong leadership. A national Administration which tells the people only what they "cannot afford", can never fulfill the role of a leadership which realizes what the American people can do. A national Administration which believes in scarcity and stagnation, can never achieve the results of a leadership dedicated to abundance and economic growth.

L To resume the progressive evolution in our national life which has been the hallmark of American achievement, we need a new spirit in Washington.

000677

h This Administration appeals to the people's timidity and their caution.

h The times call for a government which appeals to men's confidence in themselves, which challenges them to meet higher goals, and which dares men to dream great dreams.

As the Bible tells us, "If the trumpet gives an uncertain sound, who shall prepare himself to the battle?"

h Our responsibility to ourselves and to the world is such that we must act with greatness. No people has ever risen to greatness without being called to greatness.

h The tragedy of these years is that the voice that should summon us is silent.

4/16/59

*Must go back to Washington to save Kennedy Bill!*



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