

STATEMENT

VICE PRESIDENT HUBERT HUMPHREY

SALT LAKE CITY, UTAH

OCTOBER 21, 1966

Beehive State

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Today we are in our 68th straight month of uninterrupted economic expansion.

Over the past year, total household income after taxes has risen by 6 and a half per cent.

Our Gross National Product is today almost 750 billion dollars -- a rise of 13.7 billion over the second quarter of this year.

We are pleased by our continued growth. We are equally pleased that the overall price index for GNP has begun to show improvement.

A slowing-down of price increases from the 4 per cent annual rate of the first quarter to a 3 per cent annual rate in the third quarter certainly does not mean the inflationary forces in our economy have been overcome.

But it does show that we are moving in the right direction. And we are doing so without stunting the real growth of our economy, which is estimated at a 4 and a half per cent annual rate for the quarter.

The pattern of expenditures by sectors in the third quarter shows that:

- consumer spending is vigorous;
- business spending on machinery and equipment has been continuing to grow at too rapid a rate;
- homebuilding has fallen off; and
- our defense needs have expanded.

We shall continue to pursue policies designed to maintain stable and healthy growth.

At the same time, we shall continue to combat inflationary forces.

You know of the actions taken by President Johnson during the past weeks to keep federal expenditures in check...

to temporarily suspend the tax credit on investment in plant and equipment and accelerated depreciation provisions for commercial and industrial construction. You also know about his actions on behalf of people hurt by the squeeze on credit -- small business men, home buyers, states and municipalities, students, and little people generally.

The President has asked business to restrain its use of credit ... to keep inventories at reasonable levels ... to postpone investments where possible ... to set prices on the basis of real costs ... and to limit profits.

He has asked banks to handle loans fairly and without excessive profit.

And he has asked labor to avoid wage demands that would raise the average level of costs and prices ... to permit new people into its trades ... and to work with business to raise productivity.

None of these things will be easy for any of the people involved. But I know we can do it if we keep our tempers and our perspective.

We have come a long way in these past five years in building a strong and growing American economy able to sustain our responsibilities both at home and in the world.

We have learned that all of us can gain far more by devoting our energies to baking a larger economic pie, in which all may share, than in jealously guarding separate, smaller pieces of a much smaller pie. And, both through our economic growth and investments in our human resources -- investments in education, in health, in training -- we have created not only an economy of prosperity and increasing productivity but one of increasing social justice.

In the past five years and seven months, per capita income, after taxes, adjusted for price increases, has risen by 22 per cent, as compared to a 3 per cent increase in the previous five years.

In the period 1956-61, the cost of living increased by 11 per cent while wages increased by 29 per cent.

Since 1961, the cost of living has risen only 9 per cent while wages have increased 47 per cent.

Yet we must not believe that we have any written guarantee of a golden, never-ending prosperity.

As we have worked together to build prosperity, we must work together so that we will not lose our gains to inflation. And that is the job we face in the months ahead.

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