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Senator Hubert H. Humphrey, speaking before the American Pharmaceutical Mfgs. Assn. in Boca Raton, Florida, today called upon American business to abandon a "business as usual" attitude and wholeheartedly lead the nation in support of an "effective mobilization and anti-inflation program". He criticized those irresponsible segments of American business now "using the defense effort as a way of getting rich quick at the expense of the American consumer and the American society".

"The profit motive", he said, "must be subordinated to our national self-interest if it is to survive at all. Unless our country mobilizes effectively to resist the aggression from without and the inflation invasion from within, our country is in serious danger. The fabulous earnings of American industry, despite higher taxes and higher costs, are in my judgment proof of the fact that American industry is not yet seriously facing up to its responsibilities in this common effort." Senator Humphrey called for "a national crusade against inflation".

He pointed to a recent report in the Wall Street Journal which showed that increases in profits after taxes in 1950 ranged up to 90.2% and averaged 33%. "A survey of 730 companies in 31 industry groupings," he continued, found that "rubber profits went up 90.2%, railroad profits 82.2%, airline profits 72.6%, pulp and paper 63.2%,

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mining and metals 67.7%, textiles 56.5%, electrical and radio 42.6%, iron and steel 43.3%, and chemicals 35.1%. Interestingly enough, the profits of drug retailers went down 11.3%."

"Earnings in 1951", he continued, "were increasing at an even faster rate". The Senator from Minnesota then compared the favorable profit picture facing American industry with the "strains being placed on the American consumer. The wholesale food price index compiled by Dun & Bradstreet", he said, "was 21% above the pre-Korea level and 24.5% higher than it was a year ago. While corporate profits in the fourth quarter of 1950 increased to more than 113% over the peak World War II years and net profits after taxes have skyrocketed to more than 165% above the war years, our national income has increased by only 50% and our wages by only 48%."

Senator Humphrey's program called for an immediate tax program of \$10 billion "designed to place our economy on a pay-as-you-go basis". He called for an immediate "dollars and cents retail price ceiling" to clear up the present confusion in price control. "This price ceiling", he urged, "should be accompanied by a general rollback of consumer prices, which will indicate to the American people that our anti-inflation program means business".

"Unless effective price control is instituted, our government's bond purchasing program will fail, our nation's defense needs will become more expensive, our national budget figures will zoom,

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businessmen will continue to stockpile and buy frantically, and neither labor nor agriculture can be expected to stop their demands for higher money incomes."

Senator Humphrey also called for tighter credit controls, strengthened rent control, and the abolition of speculation in foods and scarce commodities in the new Defense Production Act coming up for consideration in Congress in the next few weeks.

Senator Humphrey concluded by making a plea in behalf of "small business participation in the defense effort". He cited evidence before the Senate Select Committee on Small Business, of which he is a member, "proving that many of the present policies in our government are shutting down scores of small business establishments and causing untold temporary hardships to small businessmen and their employees. We must now allow our defense effort to strengthen big business at the expense of the American farmer, wage earner, and small businessman. To preserve the free competitive market, we must guard against growing concentration of wealth in the hands of a few."



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