

From the Office of
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Farmers will be in trouble regardless of what farm program is adopted by the Congress "unless we act quickly to halt the spread of recessionary trends throughout our entire economy", Senator Hubert H. Humphrey warned yesterday in address before the annual meeting of the Lyon-Lincoln Electric Cooperative at Tyler, Minnesota.

"Rising unemployment and falling purchasing power throughout the country will mean dwindling markets and even further falling prices for farmers unless positive steps are taken now to check and reverse the downward trends", Senator Humphrey declared.

Steps he urged to counteract the recession included:

1. Tax reduction "where it is needed most" to increase purchasing power among the broad base of American taxpayers, along with tax policies providing incentives for business and industrial expansion.
2. A stepped-up public works program of school construction, hospital construction, and road building to take up the unemployment slack.
3. Continued effective price supports at not less than 90% of parity to restore stability to agriculture, coupled with constructive new efforts to make wiser use of the nation's agricultural abundance both domestically and abroad.

Senator Humphrey said the first step to halt the economy's decline must be "tax reduction spread out over the broad base of taxpayers, through raising personal exemptions from \$600 to \$800" thereby freeing some four billion dollars for consumer spending.

Taking issue with President Eisenhower's tax policies, Senator Humphrey said:

"While opposing increased exemptions from taxes on earned income, the Administration is perfectly willing to cut taxes on dividends for the benefit of big stockholders. And make no mistake about it -- the Administration's tax program is designed to benefit the wealthy. Increasing exemptions would treat every taxpayer alike.

"Why should the benefit of tax reduction go to a comparative few, instead of being shared by all?

"If tax reduction is going to have any useful effect in combatting the present recession, it should be where it is needed most -- spread over the broad base of American taxpayers, where its effect will be increased consumer spending that will in turn stimulate production and mean more jobs."

In reply to the President's claim that Democratic proposals for tax reduction to the average taxpayer were just "bait for voters", Senator Humphrey added:

"If it is 'bait' to devote our constructive efforts toward halting the recession, stimulating purchasing power, restoring full employment, and protecting agriculture's stability, then it is mighty good 'bait' and something the Administration should be using instead of trying to hide the economic facts behind advertising slogans and pep talks while dangling tax favoritism before coupon-clippers under a 'trickle-down' theory of whatever helps the upper brackets in our economy should eventually help the little fellow to some lesser degree".



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