

THE CHALLENGE OF LEADERSHIP

Remarks by Senator Hubert H. Humphrey
at the
Young Democrats State Convention
Stamford, Connecticut
May 3, 1958

John W. Orabel
Stanton
Kennedy

Gov. R. B. Griffith

75th Annual Conv
John Bailey
John Golden
John Grosso
N. C. Newman

It is good to be here with you in Connecticut

-- in a Democratic Connecticut. You have contributed

some great Democratic leaders from your state, and I

know you are going to provide more.

As Young Democrats you have a great opportunity
to make a personal contribution of your time, energy, and
spirit toward new Democratic gains -- because the Demo-
cratic Party, while old in years and rich in the liberal
tradition and heritage, is still the party of youthful
spirit.

We are on the threshold of new Democratic victories
this fall -- in Connecticut, and elsewhere throughout the
United States. And it is becoming increasingly evident

1 (a)

that the burdens and responsibilities of guiding the
nation's destiny may well pass into Democratic hands
in 1960.

As American citizens, as well as political
partisans,

we must face the sobering responsibility of making sure we
are adequately prepared to assume that mantle of leadership.

[It is not enough to be critical of the weaknesses
and failures of ~~existing leadership~~ ^{Republicans} *]* It is not enough to
decry the collapse of our prestige abroad, and the wavering
confidence in our economy at home, as necessary as it may be

to alert the American people to the dangerous price we are
paying for ~~our failures~~ ^{Republican meddling & ineptitude}.

(V) *[* Pericles, the great Greek statesman, once said:
"I am more worried about our own failures than the plans
of our enemy". *X*

L We can well heed his advice today. For that is
just another way of saying that what we Democrats need to
do is to better prepare ourselves for the responsibility of
leadership -- and find in our midst men sharing our convictions
who are best qualified for leadership -- rather than just

spending our time pointing out the shortcomings of Republicans.

Actually, the American people know those shortcomings without us having to constantly remind them.

They see those shortcomings (almost daily) in a foreign policy that is ever more based upon expediency and reaction, rather than on principle and positive goals,

They see those shortcomings daily ~~also~~ ^{Costly} in an economy that is now in the throes of a recession.

They see those shortcomings in the failure ^{of our country} to keep pace with the needs of our educational system, knowing the danger that such neglect entails for our entire future.

yes, ^{The American people} ~~They~~ hardly need us to remind them any more of the weaknesses of Republican leadership. ~~However~~, the

American people are never long satisfied with commiserating

about mistakes of the past or the present. Rather, they are

looking + searching ~~craving~~ for leadership for the future.

As Democrats, then, let us meet that challenge.

Let us talk about what we want to do -- and what we can do for our country.



Knute Rockne, the famous Notre Dame coach, when he saw Army backs running for big gains through the center of the Notre Dame line, once turned to two substitutes on the bench and said, "Can you Stop them?" The substitute guards replied, "We will try!".

But that was not enough for Rockne. He gave this classical reply to the eager subs: "Go sit down. I have two boys in there now who are trying. What I want is two men who can do it!"

Now, what we Democrats need to do is not merely just try.



We need to design a program for America that will do the job that needs to be done -- and we must have the will.

and the majority, to carry it out.

Continue to
We must ~~start asserting~~ positive leadership ourselves,

and come forward with constructive alternatives to counteract

the drift and indecision hamstringing our national ~~leadership~~ *administration*

today.

↳ We must be true to our American heritage in international relations, and walk boldly with heads high toward constructive objectives for the good of all humanity. We must act with pride in ourselves, and confidence in the rightfulness of our cause -- instead of timid and wavering reaction to increasing Communist initiative.

↳ We must be willing to face the economic challenges now confronting us with the same boldness of determination, and the same faith in democracy's ability to put its house in order. We cannot retreat into timidity and hesitancy hiding behind a reluctancy to face the facts, refusing to come to grips with reality.

These are the challenges we face, and that
all Americans face.

We as responsible Democrats can best meet them
by asserting a constructive influence in our society,
in every walk of life, as good citizens and as patriotic
Americans.

More is at stake for all of us, than just personal
political victories -- ~~and I am sure your Governor would~~
~~be the first to agree.~~

~~Congressman would be the first to agree.~~

If we are to be true to ourselves and the political party in which we believe, we must dedicate our lives to

winning more than elections, as important as they are.

We must dedicate our lives, our energies, ~~and yes, our~~

~~fortunes~~, to winning for our country the all-out struggle

which we face for the survival of freedom.

Vital to that struggle is immediately rebuilding our own economy to full productive capacity.

It is time we take off our blinders, and see what is happening. The Soviet Union's Sputniks, if nothing else, should have made us realize that we are facing a foreign power with tremendous scientific knowledge, productive capacity, and know-how.

We can no longer afford to remain complacent. In the past year alone, it is reported that the Soviet economy

expanded by ten percent. If the present trend continues, the Soviet Union will match us in the entire economic field within a generation.

✓ We cannot afford to permit this recession to continue to risk the very real threat of a depression, for a depression here can amount to a major Communist victory.

It could be more important than winning the missile race.

✓ We cannot let this recession undermine and weaken our position of world leadership, as it is already threatening to do. We cannot let it weaken our capacity to maintain a program of strength in the field of national security and foreign policy.

✓ The American people want immediate leadership in halting this recession, before it is too late. They want preventive action now, rather than more costly cures later.

They want action for the sake of our own jobless and financially distressed; but they know even bigger stakes are involved. We cannot have our economy faltering at a time it is on trial before the world, in a competitive contest with Soviet state capitalism.

Actually, we need to do more than just stop this recession. We need to plan for economic growth, development, and expansion -- because we have an expanding population, and we have great world-wide commitments of long duration.

We are engaged in a struggle with worldwide Communism that will not be over in a short period of time. We are going to be tested for possibly decades to come.

2 Under such circumstances, we cannot long afford the mammoth waste of our human and material resources going unused as a result of this tragic recession.

For a nation as wealthy as ours, in a world where countless millions live in utter poverty, not to be utilizing to the fullest its industrial facilities and trained work force is shameful. And yet the Administration continues to sit on its collective hands.

Time is rapidly running out for the Administration and the Congress to take actions to stem the business decline. The American people want and need more than 'chins up' statements, and assurances that action will be taken if and when necessary.

Is the Administration's planned shelf of programs to combat the recession a military secret? Is there some security reason why American people are being kept in the dark as to the Administration's program -- or could it be that there is, in fact, no real shelf of projects ready to be used?

Just as we do not wait until a fire breaks out to start thinking about setting up a fire department, so we cannot wait until the recession spreads and fans out before we draw up the blueprints and get our machinery in order to get the economy back on the track.

Just what are the Administration's plans? We have a right to know, and if there are not real plans, we should know this too. To have a shelf of programs ready to use can certainly do no harm. If the economy does shortly right itself -- as the Republican leaders tell us it will -- no damage will have been caused by having a recession program set up. If the recession continues to gain momentum, however, we will then be in a position to move in quickly and in a coordinated and intelligent manner to deal with it.

Respectfully, I suggest that both the President and the Congress would do well to heed the advice of the editor of

Business Week, that we "take the risk of doing more than is needed than the chance of doing too little too late".

Here insert press release on public investment which follows.

From the Office of
Senator Hubert H. Humphrey
140 Senate Office Building
Washington 6, D.C.
Capitol 4 3121, Ext. 2425

For Release: Sunday a.m.
May 4, 1958

NEGLECT OF ADEQUATE PUBLIC INVESTMENT HELPED CREATE ECONOMIC SETBACK

The nation's neglect of the need for greater public investment in schools, hospitals, roads and recreation facilities is partially responsible for the current economic setback, Senator Hubert H. Humphrey (D., Minn.) declared last night in an address before the Connecticut State Young Democrats Convention at Stamford, Connecticut.

"There is a lesson to be learned from this recession by those who think private investment is invariably productive, while public investment is not," Senator Humphrey warned.

"Few economists will dispute the contention that the present recession is to a large extent due to over-investment in private industry from 1955 to 1957. Reports by industrial leaders and economic writers over the past year have been full of examples for the fact that such over-investment has created surplus capacities. In Detroit, everybody was planning and building for a 10-million-car year that is still a long way off. In general, consumer demand for current goods and services such as private industry has to offer has fallen short of industry's expectations, and of actual investment decisions.

"However, it is also true that the total size of the actual net investment that did take place in our economy from 1955 to 1957 was fully needed, to assure the then current level of income and employment.

"Now if there was nothing wrong with the total size of investment, while he had over-investment in industrial plant and equipment, it follows that there was not enough investment diverted into other projects.

"What are such 'other projects'? They are either investment for defense, or investment for housing and for civilian collective use. Investment for defense must more prominently be determined by needs other than the need for assuring a steady and substantial growth of the economy.

"As a result, we may properly reach the conclusion that it was over-expansion of unneeded industrial capacity to the neglect of investment for civilian collective use -- of investment for education, health, welfare, and housing, for which there is a crying need -- that accounts for our present setbacks.

"We should have been devoting a greater share of our economic wealth to clearing out slums, and providing decent housing. We should have devoted more of our total national investment to building the long-needed classrooms for our school children, instead of quibbling whether that investment should come from federal or local sources. We should have devoted more of our wealth into proper facilities for health care, and more of it into protecting and preserving our national resources. Both would have been sound investments, in the public's interest.

"We cannot afford to disregard now the lesson the past few years should have taught us. It suggests that such investment for collective consumption should play a key role in overcoming the present recession, and in giving well-organized protection for the future.

"That is the objective of legislation recently enacted by the Senate, and now before the House, aimed at providing funds for an immediate expansion of needed community facilities, and to encourage the development and maintenance of an adequate reserve of planned future construction of such facilities.

"If the idea were to be carried out in the full spirit of this proposed legislation, all over the country, federal, state, and local authorities would go all out in putting into operation their readied plans for the construction of schools, hospitals, roads, and recreation facilities. And they would ready an additional program for these types of public investment to make up existing deficiencies and to cover generously needs for five years ahead -- plan in detail, and set up a shadow organization to swing into action on a few weeks notice.

"In this manner, we would be better prepared to have an immediate, desirable, and highly productive substitute for possible future deficiencies in private investment -- whether due to previous over-investment, or to a more permanent change in the nation's consumption function no longer, perhaps, supporting recent propensities for gadgetry, immature outdo-your-neighbor demand, and relentless pursuit of the "bigger-hence-better" principle for material welfare.

"A program of this kind should be an integral part of any policy of combatting the present recession, and of preparing to eliminate or lessen future difficulties of this nature.

"It might best be thought of as a risk-less, commonsense corollary of more drastic and more quickly effective action needed now to lift back, and thereafter maintain, buying power on a trend line of income growth commensurate with America's mission and responsibilities in a troubled world," Senator Humphrey declared.

I was pleased that the President met with the executive committee of the Governors' Conference to discuss supplementary unemployment compensation payments. Such a meeting is a step in the right direction.

Yet it is hardly enough. If we are to deal realistically with the recession, we need to have real teamwork at the Federal, State, and local levels. Such teamwork needs direction and leadership. There is only one place from which such leadership can come, and that is from the President himself.

Therefore, I propose that the President immediately call a conference of the Governors of all 48 states -- not merely a meeting of the executive committee, but a meeting of all the governors of all 48 states -- for the purpose of finding out the problems, at the state level which have

arisen because of the recession, and ways in which the Federal Government may be of maximum assistance.

Such a conference of governors could be most helpful in giving guidance to the President, and to the Congress. It should be done while Congress is in session in Washington, so that the members of Congress and the executive branch can meet with the governors of the respective states and work together on a positive drive to reverse the business downturn.

The President needs to broaden his circle of advisors. It would be well for him to call in representatives of small business, of labor, and of the great farm organizations, to listen to their advice and counsel. It would be well for him to seek the guidance of responsible economists in our great universities.

Out of such conferences could be created a coordinating

committee made up of officials representing federal, state, and local governments, to draw up recommendations for a coordinated program designed to utilize in the best possible ways the machinery of government at all levels to end the recession.

Whatever is done, timing is all important. If the Administration holds back while the recession picks up speed, even the most costly measures may prove insufficient to turn the tide.

These are not intended as words of alarm. I have
faith in our country, and its economy. Yet that faith rests in the willingness of our people to do whatever is necessary, if they are given the kind of leadership they need.

That leadership will soon be given another severe test, as Congress faces extension of Reciprocal Trade Legislation.

We need foreign trade, for our own economy's sake as well as for the sake of strengthening the free world.

In my opinion, it is absolutely essential that the Reciprocal Trade extension be passed without crippling amendments. If we present to the world a mutilated trade program, we will have taken a step to discourage free world unity at the very time when the Soviet Union is in the midst of a trade offensive, however phony it may be.

Obviously, the closer our economic relations with our allies the more stable our political and military ties will be; contrariwise, the weaker our economic relations, the less effective our political and military unity against Soviet imperialism.

I shall vote for extension of the reciprocal trade act, as I have in the past -- yet I shall also endeavor to see to it that American industry and workers and American

communities that may suffer injury because of a national foreign trade policy be given protection and assistance.

There are compelling domestic reasons for a liberal trade policy, since American ingenuity in most fields easily competes in world markets.

However, there are certain selected and very limited industries which might be temporarily adversely affected by changes in our trade policy. It is my opinion that the federal government should assist industries, workers and communities so affected to readjust to more competitive lines. In past Congresses I have introduced a comprehensive trade adjustment program, for that purpose. I intend to offer the Trade Adjustment Program as an amendment to the reciprocal trade bill when it comes before the Senate for consideration. Together they will provide a strong, imaginative trade package which the Congress should endorse and the Administration

should support in the interest of a strong free world and of a rising living standard for us all.

Our current domestic economic relapse renders the challenge in the field of foreign trade even more critical.

One way to keep American workers at work is to maintain our export markets abroad. Obviously since the United States exports far more than it imports, there are more workers employed in our export trade than could possibly be adversely affected by import competition.

One of the grandiose fallacies of the High Tariff - protectionist argument has always been that higher tariffs protected American jobs. For every possible job they ostensibly protect, two or three are lost through retaliatory tariff restrictions abroad against our exports. It is shocking indeed to realize that our good neighbor and best

customer, Canada, has recently moved to boycott American goods because we have set up so many barriers to Canadian exports.

Not only will an expanded reciprocal trade program help America recover from the recession, but it is required by the international political facts of life. Trade is now a primary weapon in the arsenal of the Communist economic offensive. Trade missions from the Soviet Union, Communist China, and the satellite countries have been busy, especially in the uncommitted countries of Asia and the Middle East. The number of trade agreements negotiated between the Communist bloc and other countries has more than doubled since 1953.

In the face of common sense economics at home and the Communist offensive abroad, let us not respond with an inconsistent, ostrich-like/^{trade} policy of high tariffs

and threats of higher ones. To help those American industries which have a legitimate grievance against low-cost foreign competition, the Trade Adjustment Act which I have sponsored in Congress would be an effective temporary cushion during the adjustment period. That Act would not be a permanent subsidy, but justifiable temporary assistance to help industries over the hump of accommodation to a new period of economic life.

Along with immediate action to combat the recession at home and a willingness to liberalize and broaden our foreign trade policies, it is time we recast our whole foreign aid program so that it goes to the people who need it most, and goes to increase liberty and strengthen the forces of freedom in crucial areas of the world.

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