

THE HIGHEST TAX: UNEMPLOYMENT

Excerpts from Remarks
of
(Senator Hubert H. Humphrey (D., Minn.))

York County Democratic Committee Dinner
York, Pennsylvania
Thursday, May 7, 1959

I want to talk about a subject that is supposed to be forbidden to politicians: taxes. (Did I hear a groan in the back row?)

Now before you begin heading for the exits, let me make it clear that I am not going to talk about the taxes that you pay to your county or your state or the Federal Government. The memory of that April 15th deadline is, no doubt, all too vivid in your minds to require any refreshing from me.

But there are other kinds of taxes -- taxes the Republicans don't talk about, and don't want you to think about.

Let me tell you what I mean.

Here in York County, I am told that about one out of every ten job-seekers is out of work. Now I consider that a tax of the worst kind, for it deprives the people of this county of things they ought to have.

It deprives the breadwinner of an honest means of earning a living for himself and his family.

It deprives the businessmen of purchasing power that is needed to keep Main Street prosperous.

It deprives York County of badly needed revenues to help conduct the public's business: roads and schools and teachers' salaries and sewers and clean streets.

Yes, unemployment -- needless unemployment -- is a terrible tax on the people of this county. It is a foolish, wasteful tax.

Pennsylvania is paying the tax of unemployment, too. I am told that almost a half million Pennsylvanians are out of work.

I am also told of the vigorous efforts being made to improve the economic well-being of this state by your fine Governor, Dave Lawrence. I know he will do everything -- and I mean everything -- within his power to reduce unemployment in the State.

But there is only so much a Governor can do. For unemployment is not just a State problem: it is a national problem.

No state can do well when the nation is not doing its best.

Unhappily, this particular kind of tax -- this tax of unemployment -- is not just being paid by the people of York County or Pennsylvania. It is being paid in hundreds of counties across the nation. It is being paid by much more than four million Americans.

Now I hope that no one will breathe a word of what I have just told you about all this unemployment. I'm afraid I have just divulged one of official Washington's best-kept secrets.

You know, I sometimes get the impression that the Republicans honestly believe that if they ignore unemployment long enough, and refuse to recognize its existence, that somehow, by some miracle, it will go away.

Every month, the leaders of this Republican Administration breathlessly await the latest unemployment figures to be worked up by the Labor Department. If the

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figures are encouraging, they release them a little earlier than usual -- but not before the President, and the Secretary of Commerce and the Secretary of Labor have all issued separate glowing statements telling the country how great the new statistics are going to be.

Now I join with the leaders of this Administration in rejoicing at every gain in employment and every drop in unemployment. But when I look at these glowing statements issued by the Republican leaders, I look in vain for some expression of compassion for the millions of families who have no breadwinner. I look in vain for some sign of concern for the hundreds of thousands of families who have exhausted their unemployment benefits and have nowhere to turn.

And I am filled with misgivings and mistrust when I see these Republican leaders juggling with these figures as if there were no human lives involved.

The Secretary of Labor tells us that there will be only three million Americans unemployed by next October. Of course, to the man who's out of a job, "prosperity-around-the-corner" doesn't go very far toward paying the bills or feeding the family.

But no matter -- what's important to the Republicans is that the slogan sounds good. Prosperity by fall. Prosperity by October.

What the Republicans don't tell you is that October is traditionally a month of very low unemployment -- a month when the figures look the best. But when you take into account the seasonal swings in unemployment, three million in October is actually almost no improvement over what we have now.

But that's not what this Republican Administration would have you believe.

Maybe you don't believe me when I tell you that national unemployment is a tax. Well, let me put it in dollars and cents.

Since this Republican Administration took office, the American economy has grown only half as fast as it did in the previous eight years.

That "half-growth" has cost the average American family \$3,000 in real income since 1953.

It cost the nation more than 150 billion dollars in lost production -- goods that should have been produced and bought and put in every American home.

It cost the American farmers \$30 billion in income.

It cost American businessmen some \$40 billion in investment opportunity.

And it deprived state and local governments as well as the U. S. Treasury between 25 and 30 billion dollars in badly needed revenues -- money that could have been put to use in building better roads and better schools and more hospitals -- and a stronger defense against the Communists!

Now maybe you begin to understand what I mean when I call unemployment a tax.

Let me tell you about some other Republican taxes.

Let me tell you about the tax of Republican inflation. Now in a sense, this is the most remarkable tax of all, for the Republicans have achieved the impossible. They have brought on rising prices in the midst of high unemployment.

As they say on the radio these days, "They said it couldn't be done!"

But Humphrey did it -- and not the Humphrey you're looking at, either. It was a Humphrey named George who preferred a stable dollar to a vigorous economy and got neither.

The Republicans are fond of talking about the "sound dollar." It may surprise you to know that the Republican inflation since 1955 has been the most rapid we have ever experienced except under conditions created by war.

How did they do it?

How did they cause record-breaking inflation during recession?

More

Well, they did it partly with economic slack -- for idle plants and idle men breed inefficiency, and inefficiency means high prices.

But they also did it with some costly economic policies -- costly to every American man, woman and child.

Perhaps the most high-priced of these is the so-called "tight money" policy. In case you don't know what the "tight money" policy is, it's what makes it cost so much to borrow money for a car or a house.

Before that "tight money" policy has run its course, it will have taken about \$20 billion out of the pockets of the American people -- an average of about \$400 per family.

If that's not a tax, I don't know what is.

It's the Republicans who are the taxers of this nation, for they tax America with unemployment; they tax it with tight money; they tax it with inflation. If you want to go on paying that kind of tax, it can be easily arranged: just vote Republican in 1960.

Personally, that is a prescription I do not commend to my own family, so I hardly feel it fair to recommend it to you. In fact, I am tempted to slip in a suggestion that you vote Democratic!

Now let me tell you about the taxes we can all avoid paying -- if we are able to achieve once again the same economic growth we had under President Truman.

If we do that instead of allowing our growth to lag at its present pace, America will gain some \$400 billion in total output in the seven year period from 1958 through 1964.

The average American family will enjoy about \$6000 more in real buying power during that same period.

Federal, state and local governments will have the use of about \$70 billion more in revenues.

Which way will America choose? The way of stagnation? Or the way of growth?

This question is not just important to America. It is important to the entire free world.

America today is challenged -- but not merely by Communist growth and expansion. Even if that threat were to disappear -- and it will not -- we would still be challenged by the knowledge and aspirations of millions of people all around the world.

For the first time in human history, these people know that there exists the means, the know-how to stamp out starvation and to create plenty. They know that the economic and political means can be devised to harness this technology to the service of mankind.

Because of our unrivaled potentials here in the United States, these people's eyes are fastened upon what we do.

To the extent that we do what we can and should, we shall provide an example for others to follow. To the extent that we fail or falter, many will be drawn by the blandishments or yield to the threats of the totalitarian states.

Our influence abroad depends in large measure upon our policies at home. There is no such thing as a forward-looking international policy and a backward-looking domestic policy. A nation which is not in tune with the second half of the 20th century at home, cannot hear the impelling cry of the second half of the 20th century all around the globe.

Nations and peoples overseas, struggling despite pitifully scarce resources to provide full employment, cannot maintain high respect for a nation which tolerates or even cultivates high unemployment.

Poor nations and primitive peoples who cannot afford to do what they need, cannot greatly respect a nation which says that it cannot afford the essentials

which its idle resources would easily provide if put to use.

Free nations growing several times faster than we and watching the totalitarian states grow even faster, cannot greatly respect a nation which confuses economic stagnation with economic stability.

Other nations cannot greatly respect a nation which refuses to join them in using some of our surpluses of foods and other materials to help erase a small portion of their staggering deficits.

Nor is our world prestige enhanced when, preponderantly through their own hard efforts, other peoples improve their economic condition, only to have America begin to fear that they will take markets away from us or impair our world trade. Can it do us any good to pretend that we want the rest of the free world to become stronger, if our leadership regards their weakness as the source of our strength?

For international as well as domestic reasons, therefore, America must return to the road of full prosperity, full employment.

One of the great legislative milestones of the post-war era was the enactment of the Full Employment Act of 1946. That law pledged the government of the United States to devote every resource at its command to assure maximum employment and production for America. It called on the government to plan for that purpose.

If the present Republican Administration has not flagrantly violated that law, it has totally disregarded its spirit. For it has now sat through two great economic recessions, devoting most of its energies to a desperate search for signs of better times, and seeming to place its faith in the song, "Wishing Will Make It So."

There has been no government thrust for full employment because our government has lacked that essential ingredient: presidential leadership.

Fortunately, this has not always been the case. Presidential leadership was not lacking when America heard the words, "We have nothing to fear but fear itself" -- words that came from the magic voice of Franklin Delano Roosevelt.

Nor was presidential leadership lacking when the White House was occupied by that man of Independence, who tomorrow celebrates his 75th birthday -- Harry S. Truman.

Before the war, Franklin Roosevelt devoted his energies to banishing the scourge of a Republican depression and seeing to it that there was a job for every American.

After the war, Harry Truman devoted his energies to banishing a time-honored economic axiom: that every war must be followed by a recession.

Under Harry Truman, America adjusted from war to peace, without faltering.

Under Harry Truman, the Congress enacted the Full Employment Act.

Seven years later, as he was leaving office, President Truman told Congress of the true meaning of that Act. Let me recall his words for you:

"Full employment means more than jobs. It means full utilization of our natural resources, our technology and science, our farms and factories, our business brains, and our labor skills. The concept of full employment values ends as well as means: it values leisure as well as work: it values self-development as well as dedication to a common purpose: it values individual initiative as well as group cooperation. In the broadest sense, full employment means maximum opportunity under the American system of responsible freedom.

* * * * *

"We cannot afford to be complacent. We cannot assume that henceforth what needs to be done to promote the maintenance of full employment will be done. None of us -- regardless of party -- should let the idea of full employment generate into a slogan bandied about for narrow political advantage. Like freedom, it needs to be guarded zealously and translated into action on a continuing basis." Those words of Harry S. Truman ring true today. Let every American take them to heart.

① You told these Republicans that if they didn't quit lying about us, we'd start to tell the truth about them!

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1 out of 10

the worst kind, for it deprives the people of this county of things they ought to have. — *Income, production, business.*

↳ It deprives the breadwinner of an honest means of earning a living for himself and his family.

↳ It deprives the businessmen of purchasing power that is needed to keep Main Street prosperous.

↳ It deprives York County of badly needed revenues to help conduct the public's business: roads and schools and teachers' salaries and sewers and clean streets.

↳ Yes, unemployment -- needless unemployment -- is a terrible tax on the people of this county. It is a foolish, wasteful tax.

↳ Pennsylvania is paying the tax of unemployment, too. I am told that almost a half million Pennsylvanians are out of work.

I am also told of the vigorous efforts being made to improve the economic well-being of this state by your fine Governor, Dave Lawrence. I know he will do everything -- and I mean

everything -- within his power to reduce unemployment ^{and to} ~~in the~~

stimulate jobs & industry -- also the good
State
Work of Gov - George Leader!

But there is only so much a Governor can do. For unemployment

is not just a State problem; it is a national problem.

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honestly believe that if they ignore unemployment long enough, and
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~~Now~~ I join with the leaders of this Administration in rejoicing at every gain in employment and every drop in unemployment. But when I look at these glowing statements issued by the Republican leaders, I look in vain for some expression of compassion for the millions of families who have no breadwinner.

I look in vain for some sign of concern for the hundreds of thousands of families who have exhausted their unemployment benefits and have nowhere to turn. —

FOOD STAMP Plan

✓ Depressed Areas Bill

✓ Housing - Urban Renewal, Airports

✓ Community Facilities (Logro for Formore)
but not (Journey)

And I am filled with misgivings and mistrust when I see these Republican leaders juggling with these figures as if there were no human lives involved.

But The Secretary of Labor tells us that there will be only three million Americans unemployed by next October. Of course, to the man who's out of a job, "prosperity-around-the-corner" doesn't go very far toward paying the bills or feeding the family.

But no matter -- what's important to the Republicans is that the slogan sounds good. Prosperity by fall. Prosperity by October.

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Cost of Republican "Unemployment Tax"

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It cost the nation more than 150 billion dollars in lost production -- goods that should have been produced and bought and put in every American home.

It cost the American farmers \$30 billion in income.

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And it deprived state and local governments as well as the U. S. Treasury between 25 and 30 billion dollars in badly needed revenues -- money that could have been put to use in building better roads and better schools and more hospitals -- and a stronger defense against the Communists!

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dollar to a vigorous economy and got neither.

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It may surprise you to know that the Republican inflation since 1955 has been the most rapid we have ever experienced except under conditions created by war.

How did they do it?

How did they cause record-breaking inflation during recession?

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But they also did it with some costly economic policies -- costly to every American man, woman and child.

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Now let me tell you about the taxes we can all avoid paying -- if we are able to achieve once again the same economic growth we had under President Truman.

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*Same Rate of Growth
as 1948-1952*

If we do that instead of allowing our growth to lag at its present pace, America will gain some \$400 billion in total output in the seven year period from 1958 through 1964.

The average American family will enjoy about \$6,000 more in real buying power during that same period.

Federal, state and local governments will have the use of about \$70 billion more in revenues.

Which way will America choose? The way of stagnation? Or the way of growth?

This question is not just important to America. It is important to the entire free world.

Challenged
America today is challenged -- but not merely by Communist growth and expansion. Even if that threat were to disappear -- and it will not -- we would still be challenged by the ~~knowledge~~ *hopes* and aspirations of millions of people all around the world.

For the first time in human history, these people know that there exists the means, the know-how to stamp out starvation and to create plenty. They know that the economic and political means can be devised to harness this ^{modern} technology to the service of mankind.

~~Because of our unparalleled potential here in the United States, these people's eyes are fastened upon what we do.~~
The eyes of the world

To the extent that we do what we can and should, we shall provide an example for others to follow. To the extent that we fail or falter, many will be drawn by the blandishments or yield to the threats of the totalitarian states.

Our influence abroad depends in large measure upon our policies at home. There is no such thing as a forward-looking international policy and a backward-looking domestic policy. A nation which is not in tune with the second half of the 20th century

at home, cannot hear the impelling cry of the second half of the
20th century all around the globe.

↳ Nations and peoples overseas, struggling despite pitifully
scarce resources to provide full employment, ~~cannot~~ ^{will not} maintain
high respect for a nation which tolerates or even cultivates high
unemployment.

Poor nations and primitive peoples who cannot afford to do
what they need, ~~cannot~~ ^{will not} greatly respect a nation which says that
it cannot afford the essentials which its idle resources would
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↳ Free nations growing several times faster than we and watching
the totalitarian states grow even faster, cannot greatly respect
a nation which confuses economic stagnation with economic stability.

↳ Other nations cannot greatly respect a nation which refuses
to join them in using some of our surpluses of foods and other
materials to help erase a small portion of their staggering
deficits.

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Nor is our world prestige enhanced when, preponderantly through their own hard efforts, other peoples improve their economic condition, only to have America begin to fear that they will take markets away from us or impair our world trade. ~~can it~~

Better Conditions for Better

~~do us any good to pretend that we want the rest of the free world to become stronger, if our leadership regards their weakness as the source of our strength?~~

TO help others, is to help self.
Food, medicine, Education, Science, Capital!
 For international as well as domestic reasons, therefore,

America must return to the road of full prosperity, full

employment.

TO win the cold war, we need Action!

One of the great legislative milestones of the post-war era

was the enactment of the Full Employment Act of 1946. That law

pledged the government of the United States to devote every

resource at its command to assure maximum employment and production

for America. It called on the government to plan for that purpose.

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L If the present Republican Administration has not flagrantly violated that law, it has totally disregarded its spirit. For it has now sat through two great economic recessions, devoting most of its energies to a desperate search for signs of better times, and seeming to place its faith in the song, "Wishing Will Make It So."

NO GOALS, NO DIRECTION

L There has been no government ^{push} ~~thrust~~ for full employment because our government has lacked that essential ingredient:
presidential leadership.

Fortunately, this has not always been the case. ~~Presidential~~ leadership was not lacking when America heard the words, "We have nothing to fear but fear itself" -- words that came from the magic voice of Franklin Delano Roosevelt.

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Under Harry Truman, America adjusted from war to peace, without faltering.

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* * * * *

"We cannot afford to be complacent. We cannot assume
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American take them to heart.

Roosevelt Dinner -

- (1) Keep the Democ Party Liberal-Progressive
- (2) Be Dedicated to the Welfare of People
 - Young - their Education
 - Old - their Security & Health
 - the Disabled, the needy - their well being -
- (3) Conserve & Develop our Resources
- (4) Extend the Protection and Application
of Equal Rts + Equality of Opportunity
to all.

May 7, 1959

Build Record! 1960

Friday, May 8, 1959

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~~Well,~~ It may surprise you to know that the Republican inflation

since 195⁵ has been the most rapid we have ever experienced except under conditions created by war, ~~and this is especially true of the cost of living.~~

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The average American family will enjoy about \$6000 more in real buying power during that same period.

Federal, state and local governments will have the use of about \$70 billion more in revenues.

Which way will America choose? The way of stagnation? Or the way of growth?

This question is not just important to America. It is important to the entire free world.

America today is challenged -- but not merely by Communist growth and expansion. Even if that threat were to disappear -- and it will not -- we would still be challenged by the knowledge and aspirations of millions of people all around the world.

For the first time in human history, these people know that there exists the means, the know-how to stamp out starvation and to create plenty. They know that the economic and political means can be devised to harness this technology to the service of mankind.

Because of our unrivaled potentials here in the United States, these people's eyes are fastened upon what we do.

To the extent that we do what we can and should, we shall provide an example for others to follow. To the extent that we fail or falter, many will be drawn by the blandishments or yield to the threats of the totalitarian states.

Our influence abroad depends in large measure upon our policies at home. There is no such thing as a forward-looking international policy and a backward-looking domestic policy. A nation which is not in tune with the second half of the 20th century at home, cannot hear the impelling cry of the second half of the 20th century all around the globe.

Nations and people^s overseas, struggling despite pitifully scarce resources to provide full employment, cannot maintain high respect for a nation which tolerates or even cultivates high unemployment.

Poor nations and primitive peoples who cannot afford to do what they need, cannot greatly respect a nation which says that it cannot afford the essentials which its idle resources would easily provide if put to use.

Free nations growing several times faster than we and watching the totalitarian states grow even faster, cannot greatly respect a nation which confuses economic stagnation with economic stability.

Other nations cannot greatly respect a nation which refuses to join them in using some of our surpluses of foods and other materials to help erase a small portion of their staggering deficits.

Nor is our world prestige enhanced when, preponderantly through their own hard efforts, other peoples improve their economic condition, only to have America begin to fear that they will take markets away from us or impair our world trade. Can it do us any good to pretend that we want the rest of the free world to become stronger, if our leadership regards their weakness as the source of our strength?

For international as well as domestic reasons, therefore, America must return to the road of full prosperity, full employment.

One of the great legislative milestones of the post-war era was the enactment of the Full Employment Act of 1946. That law pledged the government of the United States to devote every resource at its command to assure maximum employment and production for America. It called on the government to plan for that purpose.

If the present Republican Administration has not flagrantly violated that law, it has totally disregarded its spirit. For it has now sat through two great economic recessions, devoting most of its energies to a desperate search for signs of better times, and

seeming to place its faith in the song, "Wishing Will Make It So."

There has been no government thrust for full employment because our government has lacked that essential ingredient: presidential leadership.

Fortunately, this has not always been the case. Presidential leadership was not lacking when America heard the words, "We have nothing to fear but fear itself" -- words that came from the magic voice of Franklin Delano Roosevelt.

Nor was presidential leadership lacking when the White House was occupied by that man of Independence, who tomorrow celebrates his 75th birthday -- Harry S. Truman.

Before the war, Franklin Roosevelt devoted his energies to banishing the scourge of a Republican depression and seeing to it that there was a job for every American.

After the war, Harry Truman devoted his energies to banishing a time-honored economic axiom: that every war must be followed by a recession.

Under Harry Truman, America adjusted from war to peace, without faltering.

Under Harry Truman, the Congress enacted the Full Employment Act.

Seven years later, as he was leaving office, President Truman told Congress of the true meaning of that Act. Let me recall his words for you:

"Full employment means more than jobs. It means full utilization of our natural resources, our technology and science, our farms and factories, our business brains, and our labor skills. The concept of full employment values ends as well as means; it values leisure as well as work; it values self-development as well as dedication to a common purpose; it values individual initiative as well as group cooperation. In the broadest sense, full employment means maximum opportunity under the American system of responsible freedom.

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"We cannot afford to be complacent. We cannot assume that henceforth what needs to be done to promote the maintenance of full employment will be done. None of us -- regardless of party -- should let the idea of full employment generate into a slogan bandied about for narrow political advantage. Like freedom, it needs to be guarded zealously and translated into action on a continuing basis."

Those words of Harry S. Truman ring true today. Let every American take them to heart.



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