

President Eisenhower's State of the Union Message.-Ending of "Neutralization" of Formosa.-U.S. Seventh Fleet not to protect Chinese Mainland from Chinese Nationalist Attacks.-Principles of U.S Foreign and Internal Policy.

President Eisenhower delivered his first State of the Union Message the U.S. Congress on Feb. 2. His most important announcement was that instructions were being issued that the U.S. 7th Fleet was no longer to be employed "to shield Communist China," thus ending the "neutralization" of Formosa which had been ordered by President Truman on the outbreak of the Korean war (see 10805 A). President Eisenhower's message was worded as follows (cross-headings inserted):

Introduction. "I welcome the honour of appearing before you to deliver my first message to Congress. It is manifestly the joint purpose of the Congressional leadership and of this Administration to justify the summons to governmental responsibility issued last November by the American people. The grand labours of this leadership will involve the application of America's influence in world affairs with such fortitude and foresight that it will deter aggression and eventually secure peace; the establishment of a national Administration of such integrity und efficiency that its honour at home will ensure respect abroad; the encouragement of those incentives that inspire creative initiative in our economy, so that its productivity may fortify freedom everywhere; and dedication to the well-being of all our citizens and to the attainment of equality of opportunity for all, so that our nation will ever act with the strength of unity in every task to which it is called.

The purpose of this Message is to suggest certain lines along which our joint efforts may immediately be directed towards realization of these four ruling purposes. The time that this Administration has been in office has been too brief to permit preparation of a detailed and comprehensive programme of recommended action to cover all phases of the responsibilities that devolve upon our country's new leaders. Such a programme will be filled out in the weeks ahead as, after appropriate study, I shall submit additional recommendations for your consideration. Today can provide only a sure and substantial beginning."

Principles of Foreign Policy. "Our country has come through a painful period of trial and disillusionment since the victory of 1945. We anticipated a world of peace and

co-operation. The calculated pressures of aggressive Communism have forced us, instead, to live in a world of turmoil. From this costly experience we have learned one clear lesson. We have learned that the free world cannot indefinitely remain in a posture of paralyzed tension, leaving forever to the aggressor the choice of time, place, and means to cause the greatest hurt to us at least cost to himself. This Administration has, therefore, begun the definition of a new, positive foreign policy. This policy will be governed by certain fixed ideas. They are these:

- (1) Our foreign policy must be clear, consistent, and confident. This means that it must be the product of genuine, continuous co-operation between the Executive and Legislative branches of this Government. It must be developed and directed in the spirit of true bipartisanship...
- (2) The policy we embrace must be a coherent global policy. The freedom we cherish and defend in Europe and in the Americas is no different from the freedom that is imperilled in Asia.
- (3) Our policy, dedicated to making the free world secure, will envision all peaceful methods and devices---except breaking faith with our friends. We shall never acquiesce in the enslavement of any people in order to purchase fancied gain for ourselves. I shall ask Congress at a later date to join in an appropriate resolution making clear that this Government recognizes no kind of commitment contained in secret understandings of the past with foreign Governments which permit this kind of enslavement.
- (4) The policy we pursue will recognize the truth that no single country, even one so powerful as ours, can alone defend the liberty of all nations threatened by Communist aggression from without or by subversion within. Mutual security means effective mutual co-operation. For the United States this means that, as a matter of common sense and national interest, we shall give help to other nations in the measure that they strive earnestly to do their full share of the common task. No wealth of aid could compensate for poverty of spirit. The heart of every free nation must be honestly dedicated to the preserving of its own independence and security.
- (5) Our policy will be designed to foster the advent of practical unity in Western Europe. The nations of that region have, contributed, notably to the effort of sustaining the security of the free world. From the jungles of Indo-China and Malaya to the northern shores of Europe they have vastly improved their defensive strength. Where called upon to do so, they have made costly and bitter sacrifices to hold the line of freedom."

American Encouragement for European Integration. "But the problem of security demands closer co-operation among the nations of Europe than has been known up to date. Only a more closely integrated economic and political system can provide the

greatly increased economic strength needed to maintain both necessary military readiness and respectable living standards. Europe's enlightened leaders have long been aware of those facts. All the devoted work that has gone into the Schuman Plan, the European army, and the Strasbourg conference has testified to their vision and determination. These achievements are the more remarkable when we realize that each of them has marked a victory---for France and for Germany alike---over the divisions that in the past have brought such tragedy to these two great Nations and to the world.

The needed unity of Western Europe manifestly cannot be manufactured from without. It can only be created from within. But it is right and necessary that we encourage Europe's leaders by informing them of the high value we place upon the earnestness of their efforts towards this goal. Real progress will be conclusive evidence to the American people that our material sacrifices in the cause of collective security are matched by essential political, economic, and military accomplishments in Western Europe."

Principles of Trade Policy. "Our foreign policy will recognize the importance of profitable and equitable world trade. A substantial beginning can and should be made by our friends themselves. Europe, for example, is now marked by chequered areas of labour surplus and labour shortage of agricultural areas needing machines and industrial areas needing food. Here and elsewhere we can hope that our friends will take the initiative in treating broader markets and more dependable currencies, to allow greater exchange of goods and services among themselves.

Action along these lines can create an economic environment that will invite vital help from us. This help includes:

First: revising our Customs regulations to remove procedural obstacles to profitable trade. I further recommend that Congress take the Reciprocal Trade Agreements Act under immediate study and extend it by appropriate legislation. This objective must not ignore the legitimate safeguarding of domestic industries, agriculture, and labour standards. In all Executive study and recommendations on this problem, labour, management, and farmers alike will be earnestly consulted.

Second: doing whatever Government properly can to encourage the flow of private American investment abroad. This involves, as a serious and explicit purpose of our foreign policy, the encouragement of a hospitable climate for such investment in foreign nations.

Third: availing ourselves of facilities oversea for the economical production of manufactured articles which are needed for mutual defence, and which are not seriously competitive with our own normal peace-time production.

Fourth: receiving from the rest of the world, to equitable exchange for what we supply, greater amounts of important raw materials which we do not ourselves possess in adequate quantities."

The Korean War. "In this general discussion of our foreign policy I must make special mention of the war in Korea. This war is, for Americans, the most painful phase of Communist aggression throughout the world. It is a part of the same calculated assault that the aggressor is simultaneously pressing in Indo-China and Malaya, and of the strategic situation that manifestly embraces the island of Formosa and the Chinese Nationalist forces there. The working out of any military solution to the Korean war will inevitably affect all these areas.

The Administration is giving immediate increased attention to the development of additional Republic of Korea forces. The citizens of that country have proved their capacity as fighting men and their eagerness to take a greater share in the defence of their homeland. Organization, equipment, and training will allow them to do so. Increased assistance to Korea for this purpose conforms fully to our global policies."

Ending of Neutralization of Formosa. "In June, 1950, following the aggressive attack on the Republic of Korea, the U.S. Seventh Fleet was instructed both to prevent attack upon Formosa and also to ensure that Formosa should not be used as a base of operation against the Chinese Communist mainland. This has meant, in effect, that the U.S. Navy was required to serve as a defensive arm of Communist China... Since the date of that order the Chinese Communists have invaded Korea to attack the United Nations' forces there. They have consistently rejected the proposals of the U.N. Command for an armistice. They recently joined with Soviet Russia in rejecting the armistice proposal sponsored in the United Nations by the Government of India. This proposal had been accepted by the United States and 53 other nations.

Consequently there is no longer any logic or sense in a condition that required the U.S. Navy to assume defensive responsibilities on behalf of the Chinese Communists, thus permitting those Communists, with greater immunity, to kill our soldiers and those of our U.N. allies in Korea.

I am therefore issuing instructions that the Seventh Fleet no longer be employed to shield Communist China... The order implies no aggressive intent on our part. But we certainly have no obligation to protect a nation fighting us in Korea."

American Defence Policy. "Our labour for peace in Korea and in the world imperatively demands the maintenance by the United States of a strong fighting service ready for any contingency. Our problem is to achieve adequate military strength within the limits of endurable strain upon our economy. To amass military power without regard to our economic capacity would be to defend our-selves against one kind of disaster by inviting another. Both military and economic objectives demand a single national military policy, proper co-ordination of our armed services, and effective consolidation of certain logistic activities.

We must eliminate waste and duplication of effort in the armed services. We must realize clearly that size alone is not sufficient. The biggest force is not necessarily the best---and we want the best. We must not let traditions or habits of the past stand in the way of developing on efficient military force. All members of our forces must be over mindful that they serve under a single flag and for a single cause. We must effectively integrate our armament programmes and plan them in such careful relation to our industrial facilities that we assure the best use of our man-power and materials.

Because of the complex technical nature of our military organization, and because of the security reasons involved, the Secretary of Defence must take the initiative and assume the responsibility for developing plans to give our nation maximum safety at minimum cost. Accordingly, the new Secretary of Defence and his civilian and military associates will, in the future, recommend such changes in present laws affecting our defence activities as may be necessary to clarify responsibilities and improve the total effectiveness of our defence effort. This effort must always conform to policies laid down in the National Security Council.

The statutory function of the National Security Council is to assist the President in the formulation and co-ordination of significant domestic, foreign, and military policies required for the security of the nation. In these days of tension it is essential that this central body should have the vitality to perform effectively its statutory role. I propose to see that it does so.

Careful formulation of policies must be followed by clear under-standing of them by all people. A related need, therefore, is to make more effective all activities of the Government related to international information. I have recently appointed a committee of representative and informed citizens to survey this subject and to make recommendations in the near future for legislative, administrative, or other action.

A unified and dynamic effort in this whole field is essential to the security of the United States and of the other peoples in the community of free nations. There is but one sure way to avoid total war---and that is to win the cold war. While retaliatory power is one strong deterrent to a would-be aggressor, another powerful deterrent is

defensive power. No enemy is likely to attempt an attack foredoomed to failure. Because the building of a completely impenetrable defence against attack is still not possible, total defensive strength must include Civil Defence preparedness. Because we have incontrovertible evidence that Soviet Russia possesses atomic weapons, this kind of protection becomes sheer necessity...."

Principles of Fiscal and Budgetary Policy. "I have referred to the inescapable need for economy Health and strength if we are to maintain adequate military power and exert influential leadership for peace in the world. Our immediate task is to chart a fiscal and economic policy that can:

- (1) Reduce the planned deficits and then balance the Budget, which means, among other things, reducing Federal expenditures to the safe minimum.
- (2) Meet the huge costs of our defence.
- (3) Properly handle the burden of our inheritance, of debt and obligations.
- (4) Check the menace of inflation.
- (5) Work toward the earliest possible reduction of the tax burden.
- (6) Make constructive plans to encourage the Initiative of our citizens.

It is important that all of us understand that this Administration does not and cannot begin its task with a clean state. Much already had been written on the record beyond our power quickly to erase or amend. This record includes our inherited burden of indebtedness and obligations and deficits.

The current year's Budget carries a \$5.9 billion deficit, and, the Budget which was presented before this Administration took office indicates a budgetary deficit of \$9.9 billion for the fiscal year ending June 30, 1954. The national debt is now more than \$265 billion. In addition, the accumulated obligational authority of the Federal Government for future payment totals over \$80 billion. Even this amount is exclusive of large contingent liabilities, so numerous and extensive as to be almost beyond accurate description. The bills for the payment of nearly all of the \$80 billion of obligations will be presented during the next four years. These bills, added to the current costs of Government we must meet, make a formidable burden.

The present authorized Government debt limit is \$275 billion. The forecast presented by the outgoing Administration with the fiscal year 1954 Budget indicates that--- before the end of the fiscal year, and at the peak of demand for payments during the year the total Government debt may approach and even exceed that limit. Unless budgeted deficits are checked, the momentum of past programmes will force an increase of the statutory debt limit.

Permit me this one understatement: to meet and to correct this situation will not be easy. Permit me this one assurance: every departmental head and I are determined to do everything we can to resolve it.

The first order of business is the elimination of the annual deficit. This cannot be achieved merely by exhortation. It demands the concerted action of all these in responsible positions in the Government and the earnest co-operation of Congress. Already we have begun an examination of the appropriations and expenditures of all departments in an effort to find significant items that may be decreased or cancelled without damage to our essential requirements. Getting control of the Budget requires also that the State, local governments, and interested groups of citizens restrain themselves in their demands upon Congress that the Federal Treasury spend more and more money for all types of projects.

A balanced Budget is an essential, first measure in checking further depreciation in the buying power of the dollar. This is one of the critical steps to be taken to bring an end to planned inflation. Our purpose is to manage the Government's finances so as to help and not hinder each family in balancing its own budget.

Reduction of taxes will be justified only as we show we can succeed in bringing the Budget under control. As the Budget is balanced and inflation checked, the tax burden that today stifles initiative can and must be eased. Until we can determine the extent to which expenditures can be reduced, it would not be wise to reduce our revenues. Meanwhile the tax structure as a whole demands review. The Secretary of the Treasury is undertaking this study immediately. We must develop a system of taxation which will impose the least possible obstacle to the dynamic growth of the country. This includes, particularly, real opportunity for the growth of small businesses. Many readjustments in existing taxes will be necessary to serve these objectives and also to remove existing inequities. Clarification and simplification in the tax laws... will be undertaken.

In the whole area of fiscal policy---which must, in its various aspects, be treated in recommendations to Congress in coming weeks ---there can now be stated certain basic facts and principles.

First, it is axiomatic that our economy is a highly complex and sensitive mechanism. Hasty and ill-considered action of any kind could seriously upset the subtle equation that encompasses debts, obligations, expenditures, defence demands, deficits, taxes, and the general economic health of the nation. Our goals can be clear, our start towards them can be immediate---but action must be gradual.

Second, it is clear that too great a part of the national debt comes due in too short a time. The Treasury will undertake at suitable times a programme of extending part of the debt over longer periods and gradually placing greater amounts in the hands of longer-term investors.

Third.--Past differences in policy between the Treasury and the Federal Reserve Board have helped to encourage inflation. Hence forth, I expect that their single purpose shall be to serve the whole, nation by policies designed to stabilize the economy and encourage the free play of our people's genius for individual initiative."

Prices and Wages.-Elimination of Controls. "In encouraging this initiative, no single item in our current problems has received more thoughtful consideration by my associates, and by the many individuals called into our counsels, than the matter of price and wage control by law.

The great economic strength of our democracy has developed in an atmosphere of freedom. The character of our people resists artificial and arbitrary controls of any kind. Direct controls, except those on credit, deal not with the real causes of inflation but only with its symptoms. In times of national emergency this kind of control has a role to play. Our whole system, however, is based upon the assumption that, normally, we should combat wide fluctuations in our price structure by relying largely on the effective use of sound fiscal and monetary policy, and upon the natural workings of economic law. Moreover, American labour and American business can best resolve their wage problems across the bargaining table. The Government should refrain from itting in with them unless, in extreme cases, the public welfare requires protection.

We are, of course, living in an international situation that is neither an emergency demanding full mobilization, nor is it peace. No one can know how long this condition will persist. Consequently, we are forced to learn many new things as we go along---clinging to what works, discarding what does not.

In all our current discussions on these and related facts, the weight of evidence is clearly against the use of controls in their present form. They have proved largely unsatisfactory or unworkable. They have not prevented inflation, they have not kept down the cost of living. Dissatisfaction with them is wholly justified. I am convinced that now---as well as in the long run---free and competitive prices will best serve the interests of all the people, and best meet the changing, growing needs of our economy.

Accordingly, I do not intend to ask for a renewal of the present wage and price controls on April 30, 1953, when present legislation expires. In the meantime, steps will be taken to eliminate controls in an orderly manner, and to terminate special

agencies no longer needed for this purpose. It is obviously to be expected that the removal of these controls will result in individual price changes---some up, some down. But a maximum of freedom in market prices as well as in collective bargaining is characteristic of a truly free people.

I believe also that material and product controls should be ended, except with respect to defence priorities and scarce and critical items essential for our defence. I shall recommend to Congress that legislation be enacted to continue authority for such remaining controls of this type as will be necessary after the expiration of the existing statute on June 30, 1953.

I recommend the continuance beyond June 30 of the authority for Federal control over rents in those communities in which serious housing shortages exist. These are chiefly the so-called defence areas. In these and all areas the Federal Government should withdraw from the control of rents as soon as practicable. But before they are removed entirely, each legislature should have full opportunity to take over, within its own State, responsibility for this function.

It would be idle to pretend that all our problems in this whole field of prices will solve themselves by mere Federal withdrawal from direct controls. We shall have to watch trends closely. If the freer functioning of our economic system, as well as the indirect controls which can be appropriately employed, prove insufficient during this period of strain and tension, I shall promptly ask Congress to enact such legislation as may be required.

In facing all these problems---wages, prices, production, tax-rates, fiscal policy, deficits---everywhere we remain constantly mindful that the time for sacrifice has not ended. But we are concerned with the encouragement of competitive enterprise and individual initiative precisely because we know them to be our nation's abiding sources of strength."

Security in Government Department. "Our vast world responsibility accents with urgency our people's elemental right to a Government whose clear qualities are: loyalty, security, efficiency, economy, and integrity. The safety of America and the trust of the people alike demand that the personnel of the Federal Government be loyal in their natives and reliable in the discharge of their duties. Only a combination of both loyalty and reliability promises genuine security.

To state this principle is easy to apply it can be difficult. But this security we must and shall have. By way of example, all principal new appointees to departments and agencies have been investigated at their own request by the Federal Bureau of Investigation. Confident of your understanding and co operation, I know that the

primary responsibility for keeping out the disloyal and the dangerous rests squarely upon the Executive branch. When this branch so conducts itself as to require policing by another branch of the Government, it invites its own disorder and confusion. I am determined to meet this responsibility of the Executive. The heads of all Executive departments and agencies have been instructed to initiate at once effective programmes of security with respect to their personnel. The Attorney General will advise and guide the departments and agencies in the shaping of these programmes, designed at once to govern the employment of new personnel and to review speedily any derogatory information concerning incumbent personnel. To carry out those programmes I believe that the powers of the Executive branch under existing law are sufficient. If they should prove inadequate the necessary legislation will be requested.

These programmes will be both fair to the rights of the individual and effective for the safety of the nation. They will, with care and justice, apply the basic principle that public employment is not a right but a privilege. All these measures have two clear purposes. Their first purpose is to make certain that this nation's security is not jeopardized by false servants. Their second purpose is to clear the atmosphere of that unreasoned suspicion that accepts rumour and gossip as substitutes for evidence."

Governmental Organization. "Our people, of course, deserve and demand of their Federal Government more than security of personnel. They demand, also, efficient and logical organization, true to constitutional principles. I have already established a committee on Government organization. The committee is using as its point of departure the reports of the Hoover Commission and subsequent studies by several independent agencies. To achieve the greater efficiency and economy which the committee analyses show to be possible, I ask Congress to extend the present Government Reorganization Act for a period of 18 months or two years beyond its expiration date of April 1, 1953.

There is more involved here than realigning the wheels and smoothing the gears of administrative machinery. Congress rightfully expects the Executive to take the initiative in discovering and removing outmoded functions and eliminating duplication. One agency, for example, whose head has promised early and vigorous action to provide greater efficiency in the Post Office. One of the oldest institutions of our Federal Government, its service should be of the best. Its employees should merit and receive the high regard and esteem of the citizens of the nation. There are, today, in some areas of the postal service both waste and incompetence to be corrected. With the co-operation of Congress, and taking advantage of its accumulated experience in postal affairs, the postmaster General will institute a programme directed at improving service while at the same time reducing costs and decreasing deficits.

In all departments, dedication to these basic, precepts of security and efficiency, integrity and economy, can and will produce an Administration deserving of the trust the people have placed in it. Our people have demanded nothing less than good, efficient government. They shall get nothing less."

Development of Natural Resources. "Vitaly important are the water and minerals, the public lands and standing timber, the forage and wild life of this country. A fast growing population will have vast future needs in these resources. We must more than match the substantial achievements in the half-century since President Theodore Roosevelt awakened the nation to the problem of conservation. This calls for a strong Federal programme in the field of resource development. Its major projects should be timed, where possible, to assist in levelling off peaks and valleys in our economic life. Soundly planned projects already initiated should be carried out. New ones will be planned for the future.

The best natural resources programme for America will not result from exclusive dependence on Federal bureaucracy. It will involve a partnership of the States and local communities, private citizens, and the Federal Government, all working together. This combined effort will advance the development of the great river valleys of our nation and the power that they can generate. Likewise, such a partnership can be effective in the expansion throughout the nation of upstream storage; the sound use of public lands, the wise conservation of minerals; and the sustained yield of our forests.

There has been much criticism, some of it apparently justified, of the confusion resulting from overlapping Federal activities in this entire field of resource-conservation. This matter is being exhaustively studied, and appropriate reorganization plans will be developed."

Statehood for Hawaii. "Most of these particular resource problems pertain to the Department of the Interior. Another of its major Concerns is our country's, island possessions. Here, one matter deserves attention. The platforms of both political parties promised immediate Statehood to Hawaii. The people of that territory have earned that status. Statehood should be granted promptly with the first election scheduled for 1954."

Farm Prices and Agricultural Policy. "One of the difficult problems which face the new Administration is that of the slow irregular decline of farm prices. This decline, which has been going on for almost two years, has occurred at a time when most non farm prices and farm costs of production are extraordinarily high. Present agricultural legislation provides for the mandatory support of the prices of basic farm commodities at 90 per cent of parity. The Secretary of Agriculture and his associates will, of

course, execute the present. Act faithfully, and thereby seek to mitigate the consequences of the downturn in farm income.

This price-support legislation will expire at the end of 1954. We should begin now to consider what farm legislation we should develop for 1955 and beyond. Our aim should be economic stability and full parity of income for American farmers. But we must seek this goal in ways that minimize Governmental interference in the farmers affairs, that permit desirable shifts in production, and that encourage farmers themselves to use initiative in meeting changing economic conditions.

A continuing study reveals nothing more emphatically than the complicated nature of this entire subject. Among other things, it shows that the prosperity of our agriculture depends directly upon the prosperity of the whole country---upon the purchasing power of American consumers. It depends also upon the opportunity to ship abroad large surpluses of particular commodities, and therefore upon sound economic relationships between the United States and many foreign countries. It involves research and scientific investigation, conducted on an extensive scale. It involves special credit mechanisms, and marketing, rural electrification, soil conservation, and other programmes.

The whole complex of agricultural programmes and policies will be studied by a special Agricultural Advisory Commission... A non-partisan group of respected authorities in the field of agriculture has already been appointed as an interim advisory group. The immediate changes needed in agricultural programmes are largely budgetary and administrative in nature. New policies and programmes must await the completion of the far reaching studies which have already been launched."

Principles of Labour Policy.-Revision of the Taft Hartley Act "The determination of labour policy must be recovered not by the vagaries of political expediency but by the firmest principles and convictions. Slanted partisan appeals to American workers spoken as if they were a group apart necessitating a special language and treatment, are an affront to their dignity as American citizens. The truth in matters of labour policy become obscured in controversies. The very meaning of economic freedom as it affect labour has become confused. This misunderstanding has provided a climate of opinion favouring the growth of Governmental paternalism in labour relations. This tendency, if left uncorrected, could end only by producing a bureaucratic despotism. Economic freedom is, in fact the requisite of greater prosperity for every American who earns his own living. In the field of labour legislation, only a law that merits the respect and support of both labour and management can help reduce the loss of wages and of production through strikes and stoppages, and thus add to the total economic strength of our nation

We have now had five years' experience with the Labour Management Act of 1947, commonly known as the Taft-Hartley Act. That experience has shown the need for some corrective action, and we should promptly proceed to amend that Act. I know that Congress is already proceeding with renewed studies of this whole subject. Meanwhile, the Department of Labour is at once beginning work to devise further specific recommendations for your consideration. In the careful working out of legislation, I know you will give thoughtful consideration---as will we in the Executive Branch---to the views of labour, of management, and of the general public. In this process, it is only human that each of us should bring forward the arguments of self-interest. But if all conduct their arguments in the overpowering light of national interest which is enlightened self interest we shall get the right answers...

Especially must we remember that the institutions of trade unionism and collective bargaining are monuments to the freedom that must prevail in our industrial life. They have a century of honourable achievement behind them. Our faith in them is proven, firm, and final. Government can do a great deal to aid the settlement of labour disputes without allowing itself to be employed as an ally of either side. Its proper role in industrial strife is to encourage the processes of mediation and conciliation. These processes can successfully be directed only by a Government free from the taint of any suspicion that it is partial or punitive.

The Administration intends to strengthen and improve the services which the Department of Labour can render to the worker and to the whole community. This Department was created just 40 years ago to serve the entire nation. It must aid, for example, employers and employees alike in improving training programmes that will develop skilled and competent workers. It must enjoy the confidence and respect of labour and industry in order to play a significant role in the planning of America's economic future. To that end, I am authorizing the Department of Labour to establish promptly a tripartite advisory committee consisting of representatives of employers, labour, and the public."

Civil Rights. "Our civil and social rights form a central part of the heritage we are striving to defend on all fronts and with all out strength... Our vigilant guarding of these rights is a sacred obligation binding upon every citizen. To be true to one's own freedom is to honour and respect the freedom of all others. A cardinal ideal in this heritage we cherish is the equality of rights of all citizens of every race, colour, and creed.

We know that discrimination against minorities persists in spite of our allegiance to this ideal. Such discrimination---confined to no one section of the nation is but the outward testimony to the persistence of distrust and fear in the hearts of men. This fact makes all the more vital the fighting of these wrongs by each individual, in every

station of life, in big every deed. Much of the answer lies to the power of fact, fully publicized; of persuasion, honestly pressed; and of conscience, justly aroused. These are methods familiar to our way of life, tested and proven wise.

I propose to use whatever authority exists in the office of the President to end segregation in the District of Columbia, including the Federal Government, and segregation in the armed forces. Here in the District of Columbia serious attention should be given to the proposal to develop and authorize, through legislation, a system to provide an effective voice in local self-government. While, consideration of this proceeds, I recommend, in the meantime, an immediate increase of two in the number of District Commissioners to broaden the representation of all elements of our population. This will be a first step towards ensuring that tills capital provides an honoured example to all communities of our nation.

In this manner, and by the leadership of the office of the President exercised through friendly conferences with those in authority in our States and cities, we expect to make true and rapid progress in civil rights and equality of employment opportunity."

Immigration Policy. "There is one sphere in which civil rights are inevitably involved to Federal legislation. This is the sphere of immigration. It is a manifest right of our Government to limit the number of immigrants our nation can absorb. It is also a manifest right of our Government to set reasonable requirements on the character and numbers of the people who come to share our land and our freedom. It is well for us, however, to remind ourselves occasionally of an equally manifest fact: we are--- one and all---immigrants or the sons and daughters of immigrants.

Existing legislation contains injustices. It does, in fact, discriminate I am informed by members of Congress that it was realized at the time of its enactment that future study of the basis of determining quotas would be necessary. I am therefore requesting Congress to review this legislation and to enact a statute that will at one and the same time guard our legitimate national interests and be faithful to our basic ideas of freedom and fairness to all."

Social Security. "In another but related area---that of social rights---we see most clearly the now application of old ideas of freedom. This Administration is profoundly aware of two great needs born of our living in a complex industrial economy. First, the individual citizen must have safeguards against personal disaster inflicted by forces beyond his control. Second: The welfare of the people demands effective and economical performance by the Government of certain indispensable social services. In the light of this responsibility, certain general purposes and concrete measures are plainly indicated now.

There is arguent need for greater effectiveness in our programmes, both public and private, offering safeguards against the privations that too often come with unemployment, old age, illness, and accident. The provisions of the old age and survivors insurance law should promptly be extended to cover millions of citizens who have been left out of the social security system. No less important is the encouragement of privately sponsored pension plans. Most important of all, of course, is renewed effort to check the inflation which destroys so much of the value of all social security payments."

Education, Public Health, and Housing. "Our school system demands some prompt, effective help. During each of the last two years more than 1,500,000 children have swelled the elementary and secondary school population of the country. Generally, the school population is proportionately higher in States with low *per capita* income. This whole situation calls for careful Congressional study and action. I am sure that you share my conviction that the firm conditions of Federal aid must be proved need and proved lack of local income. One phase of the school problem demands special action. The school population of many districts has been greatly increased by the swift growth of defence activities. These activities have added little or nothing to the tax resources of the communities affected. Legislation aiding construction of schools in these districts expires on June 30. This law should be renewed....

The health and housing needs of our people call for intelligently planned programmes. Involved, too, are the intricate matters of achieving proper Federal, State, and local relationships; assuring the solvency of the whole security system; and guarding against its exploitation by the irresponsible. To bring clear purpose and orderly procedure into this whole field, I anticipate a thorough study by an appropriate commission of the proper relationships among Federal, State, and local programmes in this whole field. I shall shortly send you specific recommendations for establishing such a commission, together with a reorganization plan defining now administrative status for all Federal activities in health education, and social security."

War Veterans. "There are many important subjects of which I make no mention today. Among these is our great and growing body of veterans. America has traditionally been generous to caring for the disabled, and for the widow and orphan of the fallen. These millions remain close to all our hearts. Proper care of our uniformed citizens and appreciation of the past service of our veterans are part of our accepted governmental responsibilities."

Conclusion. "We have surveyed briefly some problems of our people and a portion of the tasks before us... The hope of freedom itself depends, in real measure, upon our strength, our heart, and our wisdom. We must be strong to arms. We must be strong to the source of all our armament---our productivity. We all---workers and farmers,

foremen and financiers, technicians and builders---must produce more, and yet more. We must be strong, above all, in the spiritual resources upon which all else depends. We must be devoted with all our heart to the values we defend. We must know that each of these values and virtues applies with equal force at the ends of the earth and in our relations with our neighbours next door. We must know that freedom expresses itself with equal eloquence in the right of workers to strike to the nearby factory and in the yearnings and sufferings of the peoples of Eastern Europe. As our heart summons our strength, our wisdom must direct it. There is---to world affairs---a steady course to be followed between an assertion of strength that is truculent and a confession of helplessness that is cowardly. There is---in our affairs at home---a middle way between untrammelled freedom of the individual and the demands for the welfare of the whole nation. This way must avoid government by bureaucracy as carefully as it avoids neglect of the helpless. In every area of political action, free men must think before they can expect to win. In this spirit must we live and labour; confident of our strength, compassionate to our heart, clear to our mind. In this spirit let us together turn to the great tasks before us." (New York Times.-New York Herald Tribune) (**Prev. rep. President Eisenhower, Inauguration, 12701 A; President Truman, Final State of Union Message, 12688 A.**)

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