

*President Dwight D. Eisenhower State of the Union Address 1954*

There has been in fact a great strategic change in the world during the past year. That precious intangible, the initiative, is becoming ours. Our policy, not limited to mere reaction against crises provoked by others, is free to develop along lines of our choice not only abroad, but also at home. As a major theme for American policy during the coming year, let our joint determination be to hold this new initiative and to use it. We shall use this initiative to promote three broad purposes: First, to protect the freedom of our people; second, to maintain a strong, growing economy; third, to concern ourselves with the human problems of the individual citizen

Only by active concern for each of these purposes can we be sure that we are on the forward road to a better and a stronger America. All my recommendations today are in furtherance of these three purposes.

I turn now to the second great purpose of our government: Along with the protection of freedom, the maintenance of a strong and growing economy...

The American economy is one of the wonders of the world. It undergirds our international position, our military security, and the standard of living of every citizen. This Administration is determined to keep our economy strong and to keep it growing. At this moment we are in transition from a wartime to a peacetime economy. I am confident that we can complete this transition without serious interruption in our economic growth. But we shall not leave this vital matter to chance. Economic preparedness is fully as important to the nation as military preparedness.

Subsequent special messages and the economic report on January 28 will set forth plans of the Administration and its recommendations for Congressional action. These will include flexible credit and debt management policies; tax measures to stimulate consumer and business spending; suitable lending, guaranteeing, insuring, and grant-in-aid activities; strengthened old-age and unemployment insurance measures; improved agricultural programs; public-works plans laid well in advance; enlarged opportunities for international trade and investment. This mere enumeration of these subjects implies the vast amount of study, coordination, and planning, to say nothing of authorizing legislation, that altogether make our economic preparedness complete.

If new conditions arise that require additional administrative or legislative action, the Administration will still be ready. A government always ready, as this is, to take well-timed and vigorous action, and a business community willing, as ours is, to plan boldly and with confidence, can between them develop a climate assuring steady economic growth.

Of the many problems in this area, those I shall first discuss are of particular concern to the members of our great labor force, who with their heads, hearts and hands produce so much of the wealth of our country.

Protection against the hazards of temporary unemployment should be extended to some 6 1/2 millions of workers, including civilian Federal workers, who now lack this safeguard. Moreover, the Secretary of Labor is making available to the states studies and recommendations in the fields of weekly benefits, periods of protection and extension of coverage. The Economic Report will consider the related matter of minimum wages and their coverage. The Labor Management Relations Act of 1947 is basically a sound law. However, six years of experience have revealed that in some respects it can be improved. On January 11, I shall forward to the Congress suggestions for changes designed to reinforce the basic objectives of the Act.

Our basic social security program, the Old-Age and Survivors Insurance system, to which individuals contribute during their productive years and receive benefits based on previous earnings, is designed to shield them from destitution. Last year I recommended extension of the social insurance system to include more than 10,000,000 additional persons. I ask that this extension soon be accomplished. This and other major improvements in the insurance system will bring substantial benefit increases and broaden the membership of the insurance system, thus diminishing the need for Federal grants-in-aid for such purposes. A new formula will therefore be proposed, permitting progressive reduction in such grants as the need for them declines.

I want to add one final word about the general purport of these many recommendations

Our government's powers are wisely limited by the Constitution; but quite apart from those limitations, there are things which no government can do or should try to do. A government can strive, as ours is striving, to maintain an economic system whose doors are open to enterprise and ambition -- those personal qualities on which economic growth largely depends. But enterprise and ambition are qualities which no government can supply. Fortunately no American government need concern itself on this score; our people have these qualities in good measure.

No government can inoculate its people against the fatal materialism that plagues our age. Happily, our people, though blessed with more material goods than any people in history, have always reserved their first allegiance to the kingdom of the spirit, which is the true source of that freedom we value above all material things.