ECONOMIC GROWTH

The pace of America's economic progress has been cut down dangerously since 1953. There have been two recessions, rising so-called "normal" unemployment and a shocking slow-down of economic growth in the past six years. This slow-down of national economic progress has been brought on by government policies—tight money, high interest rates and attempts to balance the federal budget at low levels of employment, sales and incomes.

Total national production of goods and services rose by an average yearly rate of merely 2½ percent between 1953 and 1959, in contrast to an average annual rise of 4.6 percent in 1947-1953. The population, however, has continued to grow by about 1.8 percent a year. As a result, total national production per capita (per man, woman and child) has been cut down from a yearly rise of 2.8 percent in 1947-1953 to an annual pace of only seven-tenths of one percent in 1953-1959.

With total national production per capita rising at an average yearly rate of merely seven-tenths of one percent in the past six years, there has not been enough additional goods for significant improvements in national defense, public services and living conditions.

If America is to produce the extra margin of goods—for adequate defense and public services, as well as for better living conditions—the increase of total national production should be stepped up to an average yearly rate of 5 percent.

Continued Slow-Down Threatened

The slow-down of economic growth of the past six years has been achieved at great cost to America.

While total national production in the United States slowed down to a yearly rate of 2½ percent, the Soviet Union's total production expanded by 6 percent to 7 percent a year.

The slow-down of economic growth has resulted in rising unemployment. The number of jobless has risen from 3.1 percent of the labor force in 1951-1953 to 4.3 percent of the labor force in 1955-1957 and 5.5 percent of the labor force in 1959.

Although economic activities have picked up considerably from the low-point of the 1958 recession, government policies threaten to curb this upturn and to bringing on another recession in the next two to three years.

The Administration restored its tight-money policy as soon as economic activities began to improve in the Summer of 1958. Interest rates on loans have been raised to the highest levels in more than a generation. With the prime rate for the richest borrowers at 5 percent, most consumers, farmers, small businessmen and home-buyers are now paying 5½ percent, 6 percent and more on loans.

Tight money, high and rising interest rates have already curbed residential construction and threaten to reduce home-building still further. If these policies are continued, they will endanger other economic activities as well—particularly small business loans and consumer buying.

America needs an end to the government's misguided monetary policies. The federal government should halt its restrictive tight-money policy, and instead, encourage economic growth to provide full employment and maximum use of the nation's factories, machines and labor force.