mounting welfare rolls to state and local governments. While men and women search vainly for jobs that do not exist, our nation has suffered the loss of tens of billions of dollars in goods and services that idle hands and idle machines could and should have produced.

At the same time our position of international leadership is threatened by the failure of our economy to match actual growth with its possibilities for growth. In recent weeks and months we have been forced to recognize that in certain areas of scientific achievement and the military potential flowing from it, the United States no longer enjoys the commanding lead it once held over the Soviet Union. Even in terms of general economic strength, although we are still ahead, the communists are rapidly closing the gap between us. The failure of the United States economy in recent years to grow as it can and should is one of our major sources of weakness. It has weakened us not only in terms of physical strength, but in the struggle for men's minds, and hearts, and loyalties.

We must not delay finding prompt and effective answers to our economic problems. Failure to do so means acceptance of the suffering and loss that unemployment and economic stagnation cause for our own people, an acceptance of hardships as unjustifiable as they are unnecessary. In addition, our position as a leader among the forces of freedom requires that we prove, through example, that full employment, full utilization of productive resources and steady economic growth can be achieved at least as effectively within the framework of freedom as under a communist dictatorship. In the present crisis we need to understand and to act in the knowledge that halfway and half-hearted measures, and policies of too little and too late will not meet the infinitely complex challenge of peace as we have always understood that they are not equal to the challenge of war. Hundreds of thousands of unemployed workers in great industrial centers like Detroit, Pittsburgh, and Chicago, who manned the defense plants during the war, are asking the question to which America must find an answer. They ask: "Why is it that America can demonstrate the courage, the good sense, and the know-how to achieve full employment and full production making the weapons of war and destruction but does not have the comparable will and courage and good sense to achieve full employment and full production making the good things of life for people in peacetime?"

Yet the challenge we face in the world today, although not dramatized for us by any Pearl Harbor, is as serious in its ultimate implications as that to which we responded to effectively in World War II.

The facts of our decline relative to the Soviet Union cannot be denied. The total production of goods and services in the United States, for example, may still seem far ahead of that of the Soviet Union; we are probably still producing a little more than twice as much as they are. But economic growth in the Soviet Union is advancing four or five times as fast as our lagging economy has grown in recent years. If both economies continue simply to grow at the same pace as they have done respectively since 1950, it will be a mere 17 or 18 years until Soviet production can match and surpass ours in volume, and from that point forward it is they who will threaten to take a commanding lead.

If we should lose this race, it will not be primarily because Russia has surged ahead so fast, but because we have lagged so far behind. Our failure has been essentially the result of faulty economic policies. We have the physical means and the technical skill to achieve continued expansion at three or four times the pace of actual growth since 1953. Historically, our productivity has tended to increase at an accelerating rate. As the current issue of Fortune magazine puts it, "Rising productivity begets rising productivity."

-more-