To the Congress of the United States:

I appear before the Congress today to report on the State of the Union and the relationships of the Union to the other nations of the world. I come here, firmly convinced that at no time in the history of the Republic have circumstances more emphatically underscored the need, in all echelons of government, for vision and wisdom and resolution.

You meet in a season of stress that is testing the fitness of political systems and the validity of political philosophies. Each stress stems in part from causes peculiar to itself. But every stress is a reflection of a universal phenomenon.

In the world today, the surging and understandable tide of nationalism is marked by widespread revulsion and revolt against tyranny, injustice, inequality and poverty. As individuals, joined in a common hunger for freedom, men and women and even children pit their spirit against guns and tanks. On a larger scale, in an ever more persistent search for the self-respect of authentic sovereignty and the economic base on which national independence must rest, peoples sever old ties; seek new alliances; experiment—sometimes dangerously—in their struggle to satisfy these human aspirations.

Particularly, in the past year, this tide has changed the pattern of attitudes and thinking among millions. The changes already accomplished foreshadow a world transformed by the spirit of freedom. This is no faint and pious hope. The forces now at work in the minds and hearts of men will not be spent through many years. In the main, today's expressions of nationalism are, in spirit, echoes of our forefathers' struggle for independence.

This Republic cannot be aloof to these events heralding a new epoch in the affairs of mankind.

Our pledged word, our enlightened self-interest, our character as a Nation commit us to a high role in world affairs: a role of vigorous leadership, ready strength, sympathetic understanding.

The State of the Union, at the opening of the 85th Congress continues to vindicate the wisdom of the principles on which this Republic is rounded. Proclaimed in the Constitution of the Nation and in many of our historic documents, and rounded in devout religious convictions, these principles enunciate:

- A vigilant regard for human liberty.
- A wise concern for human welfare.
- A ceaseless effort for human progress.

Fidelity to these principles, in our relations with other peoples, has won us new friendships and has increased our opportunity for service within the family of nations. The appeal of these principles is universal, lighting fires in the souls of men everywhere. We shall continue to uphold them, against those who deny them and in counselling with our friends.

At home, the application of these principles to the complex problems of our national life has brought us to an unprecedented peak in our economic prosperity and has exemplified in our way of life the enduring human values of mind and spirit.
Through the past four years these principles have guided the legislative programs submitted by the Administration to the Congress. As we attempt to apply them to current events, domestic and foreign, we must take into account the complex entity that is the United States of America; what endangers it; what can improve it.

The visible structure is our American economy itself. After more than a century and a half of constant expansion, it is still rich in a wide variety of natural resources. It is first among nations in its people's mastery of industrial skills. It is productive beyond our own needs of many foodstuffs and industrial products. It is rewarding to all our citizens in opportunity to earn and to advance in self-realization and in self-expression. It is fortunate in its wealth of educational and cultural and religious centers. It is vigorously dynamic in the limitless initiative and willingness to venture that characterize free enterprise. It is productive of a widely shared prosperity.

Our economy is strong, expanding, and fundamentally sound. But in any realistic appraisal, even the optimistic analyst will realize that in a prosperous period the principal threat to efficient functioning of a free enterprise system is inflation. We look back on four years of prosperous activities during which prices, the cost of living, have been relatively stable—that is, inflation has been held in check. But it is clear that the danger is always present, particularly if the government might become profligate in its expenditures or private groups might ignore all the possible results on our economy of unwise struggles for immediate gain.

This danger requires a firm resolution that the Federal Government shall utilize only a prudent share of the Nation's resources, that it shall live within its means, carefully measuring against need alternative proposals for expenditures.

Through the next four years, I shall continue to insist that the executive departments and agencies of Government search out additional ways to save money and manpower. I urge that the Congress be equally watchful in this matter.

We pledge the Government's share in guarding the integrity of the dollar. But the Government's efforts cannot be the entire campaign against inflation, the thief that can rob the individual of the value of the pension and social security he has earned during his productive life. For success, Government's efforts must be paralleled by the attitudes and actions of individual citizens.

I have often spoken of the purpose of this Administration to serve the national interest of 170 million people. The national interest must take precedence over temporary advantages which may be secured by particular groups at the expense of all the people.

In this regard I call on leaders in business and in labor to think well on their responsibility to the American people. With all elements of our society, they owe the Nation a vigilant guard against the inflationary tendencies that are always at work in a dynamic economy operating at today's high levels. They can powerfully help counteract or accentuate such tendencies by their wage and price policies.

Business in its pricing policies should avoid unnecessary price increases especially at a time like the present when demand in so many areas presses hard on short supplies. A reasonable profit is essential to the new investments that provide more jobs in an expanding economy. But business leaders must, in the national interest, studiously avoid those price rises that are possible only because of vital or unusual needs of the whole nation.
If our economy is to remain healthy, increases in wages and other labor benefits, negotiated by labor and management, must be reasonably related to improvements in productivity. Such increases are beneficial, for they provide wage earners with greater purchasing power. Except where necessary to correct obvious injustices, wage increases that outrun productivity, however, are an inflationary factor. They make for higher prices for the public generally and impose a particular hardship on those whose welfare depends on the purchasing power of retirement income and savings. Wage negotiations should also take cognizance of the right of the public generally to share in the benefits of improvements in technology.

Freedom has been defined as the opportunity for self-discipline. This definition has a special application to the areas of wage and price policy in a free economy. Should we persistently fail to discipline ourselves, eventually there will be increasing pressure on government to redress the failure. By that process freedom will step by step disappear. No subject on the domestic scene should more attract the concern of the friends of American working men and women and of free business enterprise than the forces that threaten a steady depreciation of the value of our money.

Concerning developments in another vital sector of our economy—agriculture—I am gratified that the long slide in farm income has been halted and that further improvement is in prospect. This is heartening progress. Three tools that we have developed—improved surplus disposal, improved price support laws, and the soil bank—are working to reduce price-depressing government stocks of farm products. Our concern for the well-being of farm families demands that we constantly search for new ways by which they can share more fully in our unprecedented prosperity. Legislative recommendations in the field of agriculture are contained in the Budget Message.

Our soil, water, mineral, forest, fish, and wildlife resources are being conserved and improved more effectively. Their conservation and development are vital to the present and future strength of the Nation. But they must not be the concern of the Federal Government alone. State and local entities, and private enterprise should be encouraged to participate in such projects.

I would like to make special mention of programs for making the best uses of water, rapidly becoming our most precious natural resource, just as it can be, when neglected, a destroyer of both life and wealth. There has been prepared and published a comprehensive water report developed by a Cabinet Committee and relating to all phases of this particular problem.

In the light of this report, there are two things I believe we should keep constantly in mind. The first is that each of our great river valleys should be considered as a whole. Piecemeal operations within each lesser drainage area can be self-defeating or, at the very least, needlessly expensive. The second is that the domestic and industrial demands for water grow far more rapidly than does our population.

The whole matter of making the best use of each drop of water from the moment it touches our soil until it reaches the oceans, for such purposes as irrigation, flood control, power production, and domestic and industrial uses clearly demands the closest kind of cooperation and partnership between municipalities, States and the Federal Government. Through partnership of Federal, state and local authorities in these vast projects we can obtain the economy and efficiency of development and operation that springs from a lively sense of local responsibility.
Until such partnership is established on a proper and logical basis of sharing authority, responsibility and costs, our country will never have both the fully productive use of water that it so obviously needs and protection against disastrous flood.

If we fail in this, all the many tasks that need to be done in America could be accomplished only at an excessive cost, by the growth of a stifling bureaucracy, and eventually with a dangerous degree of centralized control over our national life.

In all domestic matters, I believe that the people of the United States will expect of us effective action to remedy past failure in meeting critical needs.

High priority should be given the school construction bill. This will benefit children of all races throughout the country-and children of all races need schools now. A program designed to meet emergency needs for more classrooms should be enacted without delay. I am hopeful that this program can be enacted on its own merits, uncomplicated by provisions dealing with the complex problems of integration. I urge the people in all sections of the country to approach these problems with calm and reason, with mutual understanding and good will, and in the American tradition of deep respect for the orderly processes of law and justice.

I should say here that we have much reason to be proud of the progress our people are making in mutual understanding—the chief buttress of human and civil rights. Steadily we are moving closer to the goal of fair and equal treatment of citizens without regard to race or color. But unhappily much remains to be done.

Last year the Administration recommended to the Congress a four-point program to reinforce civil rights. That program included:

1. creation of a bipartisan commission to investigate asserted violations of civil rights and to make recommendations;
2. creation of a civil rights division in the Department of Justice in charge of an Assistant Attorney General;
3. enactment by the Congress of new laws to aid in the enforcement of voting rights;
4. amendment of the laws so as to permit the Federal Government to seek from the civil courts preventive relief in civil rights cases.

I urge that the Congress enact this legislation.

Essential to the stable economic growth we seek is a system of well-adapted and efficient financial institutions. I believe the time has come to conduct a broad national inquiry into the nature, performance and adequacy of our financial system, both in terms of its direct service to the whole economy and in terms of its function as the mechanism through which monetary and credit policy takes effect. I believe the Congress should authorize the creation of a commission of able and qualified citizens to undertake this vital inquiry. Out of their findings and recommendations the Administration would develop and present to the Congress any legislative proposals that might be indicated for the purpose of improving our financial machinery.

In this message it seems unnecessary that I should repeat recommendations involving our domestic affairs that have been urged upon the Congress during the past four years, but which, in some instances, did not reach the stage of completely satisfactory legislation.

The Administration will, through future messages either directly from me or from heads of the departments and agencies, transmit to the Congress specific
recommendations. These will involve our financial and fiscal affairs, our military and
civil defenses; the administration of justice; our agricultural economy; our domestic and
foreign commerce; the urgently needed increase in our postal rates; the development of
our natural resources; our labor laws, including our labor-management relations
legislation, and vital aspects of the health, education and welfare of our people. There
will be special recommendations dealing with such subjects as atomic energy, the
furthering of public works, the continued efforts to eliminate government competition
with the businesses of tax-paying citizens.

A number of legislative recommendations will be mentioned specifically in my
forthcoming Budget Message, which will reach you within the week. That message will
also recommend such sums as are needed to implement the proposed action.

Turning to the international scene:

The existence of a strongly armed imperialistic dictatorship poses a continuing
threat to the free world's and thus to our own Nation's security and peace. There are
certain truths to be remembered here.

First, America alone and isolated cannot assure even its own security. We must be
joined by the capability and resolution of nations that have proved themselves dependable
defenders of freedom. Isolation from them invites war. Our security is also enhanced by
the immeasurable interest that joins us with all peoples who believe that peace with
justice must be preserved, that wars of aggression are crimes against humanity.

Another truth is that our survival in today's world requires modern, adequate,
dependable military strength. Our Nation has made great strides in assuring a modern
defense, so armed in new weapons, so deployed, so equipped, that today our security
force is the most powerful in our peacetime history. It can punish heavily any enemy who
undertakes to attack us. It is a major deterrent to war.

By our research and development more efficient weapons—some of amazing
capabilities—are being constantly created. These vital efforts we shall continue. Yet we
must not delude ourselves that safety necessarily increases as expenditures for military
research or forces in being go up. Indeed, beyond a wise and reasonable level, which is
always changing and is under constant study, money spent on arms may be money
wasted on sterile metal or inflated costs, thereby weakening the very security and strength
we seek.

National security requires far more than military power. Economic and moral
factors play indispensable roles. Any program that endangers our economy could defeat
us. Any weakening of our national will and resolution, any diminution of the vigor and
initiative of our individual citizens, would strike a blow at the heart of our defenses.

The finest military establishment we can produce must work closely in
cooperation with the forces of our friends. Our system of regional pacts, developed
within the Charter of the United Nations, serves to increase both our own security and the
security of other nations.

This system is still a recent introduction on the world scene. Its problems are
many and difficult, because it insists on equality among its members and brings into
association some nations traditionally divided. Repeatedly in recent months, the collapse
of these regional alliances has been predicted. The strains upon them have been at times
indeed severe. Despite these strains our regional alliances have proved durable and
strong, and dire predictions of their disintegration have proved completely false.
With other free nations, we should vigorously prosecute measures that will promote mutual strength, prosperity and welfare within the free world. Strength is essentially a product of economic health and social well-being. Consequently, even as we continue our programs of military assistance, we must emphasize aid to our friends in building more productive economies and in better satisfying the natural demands of their people for progress. Thereby we shall move a long way toward a peaceful world.

A sound and safeguarded agreement for open skies, unarmed aerial sentinels, and reduced armament would provide a valuable contribution toward a durable peace in the years ahead. And we have been persistent in our effort to reach such an agreement. We are willing to enter any reliable agreement which would reverse the trend toward ever more devastating nuclear weapons; reciprocally provide against the possibility of surprise attack; mutually control the outer space missile and satellite development; and make feasible a lower level of armaments and armed forces and an easier burden of military expenditures. Our continuing negotiations in this field are a major part of our quest for a confident peace in this atomic age.

This quest requires as well a constructive attitude among all the nations of the free world toward expansion of trade and investment, that can give all of us opportunity to work out economic betterment.

An essential step in this field is the provision of an administrative agency to insure the orderly and proper operation of existing arrangements trader which multilateral trade is now carried on. To that end I urge Congressional authorization for United States membership in the proposed Organization for Trade Cooperation, an action which will speed removal of discrimination against our export trade.

We welcome the efforts of a number of our European friends to achieve an integrated community to develop a common market. We likewise welcome their cooperative effort in the field of atomic energy.

To demonstrate once again our unalterable purpose to make of the atom a peaceful servant of humanity, I shortly shall ask the Congress to authorize full United States participation in the International Atomic Energy Agency.

World events have magnified both the responsibilities and the opportunities of the United States Information Agency. Just as, in recent months, the voice of communism has become more shaken and confused, the voice of truth must be more clearly heard. To enable our Information Agency to cope with these new responsibilities and opportunities, I am asking the Congress to increase appreciably the appropriations for this program and for legislation establishing a career service for the Agency’s overseas foreign service officers.

The recent historic events in Hungary demand that all free nations share to the extent of their capabilities in the responsibility of granting asylum to victims of Communist persecution. I request the Congress promptly to enact legislation to regularize the status in the United States of Hungarian refugees brought here as parolees. I shall shortly recommend to the Congress by special message the changes in our immigration laws that I deem necessary in the light of our world responsibilities.

The cost of peace is something we must face boldly, fearlessly. Beyond money, it involves changes in attitudes, the renunciation of old prejudices, even the sacrifice of some seeming self-interest.
Only five days ago I expressed to you the grave concern of your Government over the threat of Soviet aggression in the Middle East. I asked for Congressional authorization to help counter this threat. I say again that this matter is of vital and immediate importance to the Nation's and the free world's security and peace. By our proposed programs in the Middle East, we hope to assist in establishing a climate in which constructive and long-term solutions to basic problems of the area may be sought.

From time to time, there will be presented to the Congress requests for other legislation in the broad field of international affairs. All requests will reflect the steadfast purpose of this Administration to pursue peace, based on justice. Although in some cases details will be new, the underlying purpose and objectives will remain the same.

All proposals made by the Administration in this field are based on the free world's unity. This unity may not be immediately obvious unless we examine link by link the chain of relationships that binds us to every area and to every nation. In spirit the free world is one because its people uphold the right of independent existence for all nations. I have already alluded to their economic interdependence. But their interdependence extends also into the field of security.

First of all, no reasonable man will question the absolute need for our American neighbors to be prosperous and secure. Their security and prosperity are inextricably bound to our own. And we are, of course, already joined with these neighbors by historic pledges.

Again, no reasonable man will deny that the freedom and prosperity and security of Western Europe are vital to our own prosperity and security. If the institutions, the skills, the manpower of its peoples were to fall under the domination of an aggressive imperialism, the violent change in the balance of world power and in the pattern of world commerce could not be fully compensated for by any American measures, military or economic.

But these people, whose economic strength is largely dependent on free and uninterrupted movement of oil from the Middle East, cannot prosper—indeed, their economies would be severely impaired—should that area be controlled by an enemy and the movement of oil be subject to its decisions.

Next, to the Eastward, are Asiatic and Far Eastern peoples, recently returned to independent control of their own affairs or now emerging into sovereign statehood. Their potential strength constitutes new assurance for stability and peace in the world—if they can retain their independence. Should they lose freedom and be dominated by an aggressor, the world-wide effects would imperil the security of the free world.

In short, the world has so shrunk that all free nations are our neighbors. Without cooperative neighbors, the United States cannot maintain its own security and welfare, because:

First, America's vital interests are world-wide, embracing both hemispheres and every continent.

Second, we have community of interest with every nation in the free world.

Third, interdependence of interests requires a decent respect for the rights and the peace of all peoples.

These principles motivate our actions within the United Nations. There, before all the world, by our loyalty to them, by our practice of them, let us strive to set a standard to which all who seek justice and who hunger for peace can rally.
May we at home, here at the Seat of Government, in all the cities and towns and farmlands of America, support these principles in a personal effort of dedication. Thereby each of us can help establish a secure world order in which opportunity for freedom and justice will be more widespread, and in which the resources now dissipated on the armaments of war can be released for the life and growth of all humanity.

When our forefathers prepared the immortal document that proclaimed our independence, they asserted that every individual is endowed by his Creator with certain inalienable rights. As we gaze back through history to that date, it is clear that our nation has striven to live up to this declaration, applying it to nations as well as to individuals.

Today we proudly assert that the government of the United States is still committed to this concept, both in its activities at home and abroad.

The purpose is Divine; the implementation is human.

Our country and its government have made mistakes—human mistakes. They have been of the head—not of the heart. And it is still true that the great concept of the dignity of all men, alike created in the image of the Almighty, has been the compass by which we have tried and are trying to steer our course.

So long as we continue by its guidance, there will be true progress in human affairs, both among ourselves and among those with whom we deal.

To achieve a more perfect fidelity to it, I submit, is a worthy ambition as we meet together in these first days of this, the first session of the 85th Congress.

DWIGHT D. EISENHOWER