



I Like Ike: A Powerful Warning Ignored, January 17, 1961

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Fifty years have gone by in a flash since President Eisenhower, three days from the end of his eight years in office, pushed to give an atypical end-of-term address to the people. It was not the most memorable speech given by an American President, but it was probably the most unusual and the most unexpected. Most great speeches say what is more or less expected but say it very eloquently: "... government of the people, by the people, for the people, shall not perish from the earth ...," "I have nothing to offer but blood, toil, tears and sweat ...," and a handful of others. Eisenhower's speech, in contrast, appeared at the time to have come out of left field, and 50 years later it seems even more remarkable and unusual. I have attached the speech with several points highlighted. These points, and the speech in general, give us an opportunity to see, perhaps, how President Eisenhower might have graded us.

He opens with the point that over eight years, "the Congress and the Administration have, on most vital issues, cooperated well, to serve the national good rather than mere partisanship, and so have assured that the business of the Nation should go forward." What a particularly bitter taste that thought leaves today, doesn't it? There may have been Congresses that were more partisan than this current one, but it would take a serious political historian to track them down. Eisenhower is suggesting that with a chronic lack of bipartisan cooperation and with the increasingly vicious partisan tone that characterizes the current political situation, the "business of the Nation" is unlikely to go forward satisfactorily. Most of us would agree.

Ike goes on to express concern that the world community could become dominated by "dreadful fear and hate" rather than becoming one of "a proud confederation of mutual trust and respect." This is bland enough, I suppose, although of course devoutly to be wished, but he goes on to say, "Such a confederation must be one of equals. The weakest must come to the conference table with the same confidence as do we, protected...by our moral, economic, and military strength." (Emphasis added.) It is very hard to imagine recent Presidents expressing so benevolent an attitude.

"Disarmament" not surprisingly for that age, "... is a continuing imperative." All things considered in our real world, America has achieved a fair amount along these lines, and looks likely to be taking another positive step soon under our current President.

Eisenhower's fears, in my opinion, miss only one point: he believed that technology and scientific research should be held in respect, but warned that "we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite." They wish! Today business-oriented technology may be doing fine, but the scientific community is not dripping in public respect, and many laws – local and federal – reflect a growing anti-science bias. Climate science has reached a point at which the National Academy and the Royal Society are the objects of suspicion (or conveniently feigned suspicion) of participating in some conspiracy to mislead. Heck, scientists and teachers are still fighting an endless war on the science of evolution!

Next, we have the most unexpected point: "As we peer into society's future, we – you and I, and our government – must avoid the impulse to live only for today, plundering, for our own ease and convenience, the precious resources of tomorrow." [Emphasis added.] We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage." Wow! How is it possible that we collectively seem to have forgotten this clear warning? I have not once seen it referred to.

Historians may well look back on this period, say, from 1960 on, as the “Selfish Era” – a time when individualism and materialism steadily took precedence over social responsibility. (To be fair, in the period from 1960 to 1980, the deterioration was slow, and the social contract dating back to the mid-1930s was more or less intact.) Personal debt grew slowly at first but steadily accelerated, even though it can be easily demonstrated that consumers collectively are better off saving to buy and that the only beneficiary of a heavy debt society is the financial industry, whose growth throughout this period was massive, multiplying its share of a growing pie by a remarkable 2.2 times.

Government debt was so high after World War II that it fell initially, but by 1974 it started to rise again, very slowly at first but then dramatically in recent years, to move back to WWII levels. But this time, the catalyst was not a major war. The main cause this time was not Hitler and the Japanese High Command, but the broad-based incompetence of our financial leadership. Obligations have been piled onto future generations. Deferring gratification is apparently not easy for our species, and nowhere is this better demonstrated than in our disregard, even contempt, for the idea that we should consider our descendents and not just ourselves. Financially, they – our descendents – will soon face a population bind wherein a bigger load is placed on the workers to support a growing army of retirees. It bears repeating that all we can do to help them in this respect is to leave them with no national debt and an impeccably up-to-date infrastructure, which is, of course, the exact opposite of the current situation.

But much more important is looking out for our great-grandchildren, and trying not to leave them with a resource crisis. When discussing conservation of all kinds, we frequently hear the cry that it costs too much to change our profligate ways. But that is precisely the point: by engaging in moderately and affordably higher cost steps now – mainly reduced consumption through increased efficiency and the use of brain power to modify life styles – we can mitigate an enormous rise in resource prices that our great-grandchildren will otherwise have to pay, increases that will bite deeply into their quality of life. For make no mistake: our planet’s resources are finite and we continue to mine them (and agriculture has become a form of mining) with reckless abandon. In stock markets, we consider accurate replacement cost to be the gold standard of true value. The true replacement cost of our non-replaceable patrimony of oil, gas, and coal is their replacement – renewable energy sources. But we continue to price these resources on a very short horizon by using marginal cost of production. It is a shocking failure or, rather, a lack of long-term thinking. Capitalism can quite easily price traditional manufactured items efficiently. However, it has trouble dealing with externalities: who pays for pollution, and how? It absolutely cannot deal effectively with pricing goods held in common, a well-known tragedy. Capitalism also fails to achieve effective long-term pricing solutions relevant to vital finite resources that will of course run out. When they do start to run out, there will be incalculable costs to society if we have not prepared ourselves well in advance. As in now.

I wrote 18 months ago that we should brace ourselves for rolling crises in commodities – cotton soaring and falling, then corn, then copper and oil, and so on without end. Well, 18 months turns out to be a long time in commodities. Even without the developed world’s full recovery, metals and carbon-based fuels are selling way over their average levels of the 1990s and 2000s. And as for the agricultural index, in December 2010 it rose above the then remarkable and riot-inducing levels of 2008. Think what might happen when we in developed countries enter our next boom. President Eisenhower would not be favorably impressed with the mess we are getting ourselves into.

This is a good time to mention Ike’s closing admonition, “... that those now denied opportunity shall come to enjoy it to the full; that all...will learn charity.” Let it suffice to say that the U.S., under the Marshall Plan, was charitable in the broadest sense. It was magnificent by any standard, and the high point of U.S. governmental aid. Where are we now? We have long been at the very bottom of the developed world’s league table, with 0.2% of GDP being given as foreign aid (half of it, by the way, to Israel and Egypt) compared with Sweden’s 1.0% and an average of 0.5%. Our income mal-distribution since Ike’s era has also deteriorated. A Fortune 500 CEO has gone from earning 40 times more than his average worker in 1960 – maybe that’s high, maybe it’s fine – to a recent peak of more than 400 times, which is, of course, obscene. The share of income going to the top 1%, which made Ike nervous, was 10%. The same share today goes to the top 0.1% – 10 times worse! And remember that when our roaring growth pushes up energy and food prices as it is doing, it is borne completely disproportionately by those poorer countries that spend up to four

times the percentage of their total income on these items than does the U.S. And within even the richest country – the U.S. – these increases are borne disproportionately by our poor. This is to say that resource inflation works in a dangerously inequitable way.

Nor can this current inequality be traded off against a dynamic future potential for these poor, for social and economic mobility is slowing down here: the U.S., once a celebrated #1 for this mobility, is now well down in the pack, fighting it out with such traditionally sticky societies as the U.K.¹

This brings us to the most famous part of Ike's speech: "In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist. We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry... [can produce a system in which] security and liberty may prosper together." To give this emphasis, Ike had already said elsewhere, "God help the Nation when it has a President who does not know as much about the military as I do."² That, of course, is a hurdle set so high that no later President has jumped over it. But luck plays a major role in the life of even the largest countries, and the unexpected collapse of the Soviet Union and its European satellites created a previously unimaginable world where military spending could be reduced and with it the suffocating political power of the "military-industrial complex." Given the extent of the opportunity, we can admire the ability of the military and its friends in the armament business to hold onto resources that dwarf those of other countries: military spending in the U.S. still exceeds the absolute spending of the next 15 countries and is more than 70% of the rest of the world added together, as if we are preparing to repel the Martians! And still the struggle to limit military expenditures goes on. Recently I was lucky to hear a discussion on N.P.R. in which Barney Frank and Ron Paul (as wide a range of political beliefs as could be easily imagined) agreed on almost everything regarding the need to reduce military spending, particularly that part that still seems, in their opinion, to relate to the threat of a major tank invasion of Western Europe by the Soviet Union and its allies. I suppose we should be grateful that the U.S. cavalry has been disbanded! But, let me add as an aside that I much admire how magnificently and pragmatically "green" the military has become, and how seriously they take the problem of diminishing resources and the global problems that it, together with global warming and associated weather instability, will cause. (Now, if they would just talk more persuasively to their friends in Congress!)

The bottom line, though, is that the military, by virtue of unexpected circumstance, is not the problem foreseen by Ike, and thank heavens for that. Unfortunately, the political-economic power problem has mutated away from the military, although it has left important vestiges there, toward a broader problem: the undue influence of corporate America on the government, and hence the laws, taxes, and social policies of the country. This has occurred to such a degree that there seems little real independence in Congress, with most Congressmen answering first to the desire to be reelected and the consequent need to obtain funding from, shall we say, sponsors, and the need to avoid making powerful enemies. "Well, Senator, we have \$10 million here, which can either be used to point out how wise and desirable you are for your sensible vote on the upcoming energy bill or, alternately, can be used to point out how un-American and anti-job you are. Your call."

The financial resources of the carbon-based energy companies are particularly terrifying, and their effective management of propaganda goes back decades. They established and funded "independent" think tanks and even non-profit organizations that have mysteriously always come out in favor of policies favorable to maintaining or increasing the profits of their financial supporters. The campaign was well-organized and has been terrifyingly effective. And the results speak for themselves: which other developed country has so little gas tax? Not one. And better yet, which other country now accepts the myth that good red-blooded Americans will never stand for such a tax? That is the real art. It has created an environment in which we cannot aspire to the social responsibility – and a higher gas tax is simply that – of, say, the Italians (the most agreeable people on the planet, in my opinion, but

¹ OECD, "Economic Policy Reforms: Going for Growth 2010," Chapter 5.

² Walter LaFeber, *The American Age: United States Foreign Policy at Home and Abroad 1750 to the Present* (New York: W.W. Norton, 1994) 513.

not noted for making tough political decisions). Which other developed country has had no improvement in fuel efficiency because it has reinvested the considerable technological advances in heavier SUVs, with no real need for most other than the nurturing of their macho instincts? Not one.

The financial industry, with its incestuous relationships with government agencies, runs a close second to the energy industry. In the last 10 years or so, their machine, led by the famously failed economic consultant Alan Greenspan – one of the few businessmen ever to be laughed out of business – seemed perhaps the most effective. It lacks, though, the multi-decadal attitude-changing propaganda of the oil industry. Still, in finance they had the “regulators,” deregulating up a storm, to the enormous profit of their industry. Even with the biggest-ever financial fiasco, entirely brought on by the collective incompetence they produced (“they” being the financial regulators and the financial industry leaders working together in some strange, would-be symbiotic relationship), reform is still difficult. Even with everyone hating them, the financial industry comes out smelling like a rose with less competition, profits higher than ever, and not just too big to fail, but bigger still.

Other industries, to be sure, are in there swinging: insurance and health care come to mind, but they seem like pikers in comparison. No, it’s energy and finance in coequal first place, military-related companies an honorable third, and the rest of the field not even in contention. And now, adding the icing to the corporate cake, we have the Supreme Court. Formerly the jewel in the American Crown, they have managed to find five Justices capable of making Eisenhower’s worst nightmare come true. They have put the seal of approval on corporate domination of politics, and done so in a way that can be kept secret. The swing-vote Senator can now be sand-bagged by a vicious advertising program on television, financed by unknown parties, and approved by no stockholders at all!

All in all it appears that Eisenhower’s worst fears have been realized and his remarkable and unique warnings given for naught. From now on, we should tread more carefully. Honoring President Eisenhower’s unique warnings, we should perhaps not take this 50-year slide lying down. Squawking loudly seems preferable.

We have reviewed the last 50 years and compared 1960 with 2010 in every way we considered interesting, and present the results in Table 1.

Please note that my *Quarterly Letter* will be published in a week or two.

Table 1: 50 Years Ago ... and Today

	Country / Region	1960	2010	Notes
Foreign aid, % GDP	U.S.	0.52%	0.20% ¹	
	UK	0.56%	0.50% ¹	
Estimated average hourly wage, PPP 2009 USD	U.S.	\$16.87	\$25.31 ¹	
	France	\$6.43	\$22.34 ¹	
	Japan	\$3.46	\$15.57 ¹	
	UK	\$8.79	\$21.25 ¹	
GDPPC, PPP 2009 USD	U.S.	\$21,133	\$45,990 ¹	
Real total equity return index*, 1960 = 100	U.S.	100.0	1386.9	
	Italy	100.0	110.5	
	France	100.0	745.7	
	UK	100.0	1757.1	
	Germany	100.0	586.1	
Real labor productivity index, 1960 = 100	U.S.	100.0	172.8 ¹	
	Germany	100.0	903.3 ¹	5
Population, millions	U.S.	180.6	307.0 ¹	
	France	45.7	62.3 ¹	
	UK	52.4	61.8 ¹	
% of population 25 yrs and over with 4 yrs or more of college	U.S.	7.7%	29.5% ¹	
Annual new college enrolment as % of 18-yo population	U.S.	29.0%	44.6% ²	
	Japan	8.4%	45.6% ²	
Corporate profits, % GDP	U.S.	9.9%	11.1%	
Military burden, % GDP	U.S.	8.7%	4.6% ¹	
	Canada	4.2%	1.5% ¹	
	UK	6.4%	2.7% ¹	
	Germany	4.4%	1.4% ¹	
	China	11.0%	2.0% ¹	
Profits of financial corporations, % GDP	U.S.	1.6%	2.5%	
Financial services "value added," % GDP	U.S.	3.7%	8.3%	
	Germany		4.6% ²	
	Japan		3.8% ²	
Total health expenditure, % GDP	U.S.	5.2%	16.0% ²	
	Canada	5.4%	10.4% ²	
	Japan	3.0%	8.1% ³	
	UK	3.9%	8.7% ²	
Government health expenditure, % GDP	U.S.	1.2%	7.4% ²	
	Canada	2.3%	7.3% ²	
	UK	3.3%	7.2% ²	
Life expectancy at birth	U.S.	69.9	77.9 ³	
	Australia	70.9	81.5 ²	
	Germany	69.1	80.2 ²	
	Japan	67.8	82.7 ²	
	UK	70.8	79.7 ³	
Infant mortality, per 1000 live births	U.S.	26.0	6.7 ⁴	
	Australia	20.2	4.1 ²	
	France	27.7	3.8 ²	
	Germany	35.0	3.5 ²	
	United Kingdom	22.5	4.7 ²	
Hospital beds per 1000 population	U.S.	9.2	3.1 ²	
	Australia	9.7	3.9 ⁴	

Table 1: 50 Years Ago ... and Today (cont.)

	Country / Region	1960	2010	Notes
Lawyers as % of population	U.S.	0.160%	0.380% ¹	
	Japan	0.007%	0.023%	6
	France		0.077%	
	Germany		0.179%	
	UK		0.253%	
Incarceration rate, % population	U.S.	0.18%	0.74% ¹	
	Canada	0.08%	0.14%	7
	UK	0.05%	0.14%	
Murder rate, per 100000 population per year	U.S.	5.1	5.0 ¹	
	England & Wales	0.62	1.00	8
	Australia	1.47	0.95	
	Canada	1.28	1.81	
Rape rate, per 100000 population per year	U.S.	9.6	28.7 ¹	
Aggravated assault rate, per 100000 population per year	U.S.	86.1	262.8 ¹	
Presidential campaign spending, % GDP	U.S.	0.005%	0.012% ⁴	
U.S. oil production, millions of barrels per day	U.S.	7.0	5.3 ¹	
U.S. oil consumption, millions of barrels per day	U.S.	9.4	16.6 ¹	
U.S. oil imports, millions of barrels per day	U.S.	1.8	11.8 ¹	
U.S. proven oil reserves, billions of barrels	U.S.	35.1	19.1 ²	
U.S. CO₂ emissions, tons of CO₂ per capita per year	U.S.	16.2	17.6 ¹	
U.S. copper consumption, million tons/year	U.S.	1.23	2.02 ²	
World copper production, million tons/year	World	3.9	15.4 ²	
Price of a gallon of unleaded gas, 2009 \$	U.S.	\$2.37	\$2.35 ¹	9
CO₂ air concentration, ppm	World	315.00	388.59	
Senate polarization score	U.S.	0.49	0.88	10
Divorce rate, per 1000 population	U.S.	2.2	3.4 ¹	
Smoking rate, % of adults	U.S.	42%	21% ¹	
Olympic golds, % of total golds awarded	U.S.	22%	12% ²	
	USSR/Russia	28%	8%	11
	China	0%	17%	

1: 2009 data.

2: 2008 data.

3: 2007 data.

4: 2006 data.

5: West Germany data is used for 1960.

6: Many tasks performed by lawyers in the U.S. are performed in Japan by "quasi-lawyers" not accounted for in this figure

7: 1961 data is used for 1960.

8: Underreporting is likely to have been greater in 1960.

9: The price of leaded gas is assumed to be 95% of the price of unleaded.

10: Difference between average 1st dimension DW-NOMINATE scores for senators of each party.

11: China did not compete in the Olympics from 1956-1980.

* Assumption: 1960 = 100 local in currency units; Nov. 2010 = inflation-adjusted amount if you had invested the 100 local currency units in the corresponding country's major stock market index at end of Nov. 1960 and reinvested all dividends. Indexes: S&P 500 (U.S.); BCI Global Return Index (Italy); SBF-250 (France); FTSE All-Share (UK); CDAX (Germany).

Sources: Abrams and Settle; American Bar Association; Australian Bureau of Statistics; Bureau of Economic Analysis; Bureau of Justice; Bureau of the Census; Centers for Disease Control and Prevention; Correctional Service Canada; Correlates of War; Council of Bars and Law Societies of Europe; Cutler, Rosen, and Vijan; Energy Information Administration; FBI Uniform Crime Reports; Federal Election Commission; Global Financial Data; GMO; Home Office Research Development Statistics; House of Commons Library; IMF; International Olympic Committee; Japan Federation of Bar Associations; Justice Policy Institute; Ministry of Internal Affairs and Communications; National Oceanic and Atmospheric Administration; OECD; Poole and Rosenthal; Statistics Canada; TheCityUK; United States Geological Survey; World Bank.

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Dwight D. Eisenhower

Fairwell Address, January 17, 1961

(The Military-Industrial Complex Speech¹)

My fellow Americans:

Three days from now, after half a century in the service of our country, I shall lay down the responsibilities of office as, in traditional and solemn ceremony, the authority of the Presidency is vested in my successor.

This evening I come to you with a message of leave-taking and farewell, and to share a few final thoughts with you, my countrymen.

Like every other citizen, I wish the new President, and all who will labor with him, Godspeed. I pray that the coming years will be blessed with peace and prosperity for all.

Our people expect their President and the Congress to find essential agreement on issues of great moment, the wise resolution of which will better shape the future of the Nation.

My own relations with the Congress, which began on a remote and tenuous basis when, long ago, a member of the Senate appointed me to West Point, have since ranged to the intimate during the war and immediate post-war period, and, finally, to the mutually interdependent during these past eight years.

In this final relationship, **the Congress and the Administration have, on most vital issues, cooperated well, to serve the national good rather than mere partisanship, and so have assured that the business of the Nation should go forward.** So, my official relationship with the Congress ends in a feeling, on my part, of gratitude that we have been able to do so much together.

We now stand ten years past the midpoint of a century that has witnessed four major wars among great nations. Three of these involved our own country. Despite these holocausts America is today the strongest, the most influential and most productive nation in the world. Understandably proud of this pre-eminence, we yet realize that America's leadership and prestige depend, not merely upon our unmatched material progress, riches and military strength, but on how we use our power in the interests of world peace and human betterment.

Throughout America's adventure in free government, our basic purposes have been to keep the peace; to foster progress in human achievement, and to enhance liberty, dignity and integrity among people and among nations. To strive for less would be unworthy of a free and religious people. Any failure traceable to arrogance, or our lack of comprehension or readiness to sacrifice would inflict upon us grievous hurt both at home and abroad.

Progress toward these noble goals is persistently threatened by the conflict now engulfing the world. It commands our whole attention, absorbs our very beings. We face a hostile ideology – global in scope, atheistic in character, ruthless in purpose, and insidious in method. Unhappily the danger it poses promises to be of indefinite duration. To meet it successfully, there is called for, not so much the emotional and transitory sacrifices of crisis, but rather those which enable us to carry forward steadily, surely, and without complaint the burdens of a prolonged and complex struggle – with liberty the stake. Only thus shall we remain, despite every provocation, on our charted course toward permanent peace and human betterment.

Crises there will continue to be. In meeting them, whether foreign or domestic, great or small, there is a recurring temptation to feel that some spectacular and costly action could become the miraculous solution to all current difficulties. A huge increase in newer elements of our defense; development of unrealistic programs to cure every ill

¹ Public Papers of the Presidents, Dwight D. Eisenhower, 1960, p. 1035-1040. <http://www.h-net.org/~hst306/documents/indust.html>

in agriculture; a dramatic expansion in basic and applied research – these and many other possibilities, each possibly promising in itself, may be suggested as the only way to the road we wish to travel.

But each proposal must be weighed in the light of a broader consideration: the need to maintain balance in and among national programs – balance between the private and the public economy, balance between cost and hoped for advantage – balance between the clearly necessary and the comfortably desirable; balance between our essential requirements as a nation and the duties imposed by the nation upon the individual; balance between actions of the moment and the national welfare of the future. Good judgment seeks balance and progress; lack of it eventually finds imbalance and frustration.

The record of many decades stands as proof that our people and their government have, in the main, understood these truths and have responded to them well, in the face of stress and threat. But threats, new in kind or degree, constantly arise. I mention two only.

A vital element in keeping the peace is our military establishment. Our arms must be mighty, ready for instant action, so that no potential aggressor may be tempted to risk his own destruction.

Our military organization today bears little relation to that known by any of my predecessors in peacetime, or indeed by the fighting men of World War II or Korea.

Until the latest of our world conflicts, the United States had no armaments industry. American makers of plowshares could, with time and as required, make swords as well. But now we can no longer risk emergency improvisation of national defense; we have been compelled to create a permanent armaments industry of vast proportions. Added to this, three and a half million men and women are directly engaged in the defense establishment. We annually spend on military security more than the net income of all United States corporations.

This conjunction of an immense military establishment and a large arms industry is new in the American experience. The total influence – economic, political, even spiritual – is felt in every city, every State house, every office of the Federal government. We recognize the imperative need for this development. Yet we must not fail to comprehend its grave implications. Our toil, resources and livelihood are all involved; so is the very structure of our society.

In the councils of government, we must guard against the acquisition of unwarranted influence, whether sought or unsought, by the military-industrial complex. The potential for the disastrous rise of misplaced power exists and will persist.

We must never let the weight of this combination endanger our liberties or democratic processes. We should take nothing for granted. Only an alert and knowledgeable citizenry can compel the proper meshing of the huge industrial and military machinery of defense with our peaceful methods and goals, so that security and liberty may prosper together.

Akin to, and largely responsible for the sweeping changes in our industrial-military posture, has been the technological revolution during recent decades.

In this revolution, research has become central; it also becomes more formalized, complex, and costly. A steadily increasing share is conducted for, by, or at the direction of, the Federal government.

Today, the solitary inventor, tinkering in his shop, has been overshadowed by task forces of scientists in laboratories and testing fields. In the same fashion, the free university, historically the fountainhead of free ideas and scientific discovery, has experienced a revolution in the conduct of research. Partly because of the huge costs involved, a government contract becomes virtually a substitute for intellectual curiosity. For every old blackboard there are now hundreds of new electronic computers.

The prospect of domination of the nation's scholars by Federal employment, project allocations, and the power of money is ever present and is gravely to be regarded.

Yet, in holding scientific research and discovery in respect, as we should, **we must also be alert to the equal and opposite danger that public policy could itself become the captive of a scientific-technological elite.**

It is the task of statesmanship to mold, to balance, and to integrate these and other forces, new and old, within the principles of our democratic system – ever aiming toward the supreme goals of our free society.

Another factor in maintaining balance involves the element of time. **As we peer into society's future, we – you and I, and our government – must avoid the impulse to live only for today, plundering, for our own ease and convenience, the precious resources of tomorrow. We cannot mortgage the material assets of our grandchildren without risking the loss also of their political and spiritual heritage.** We want democracy to survive for all generations to come, not to become the insolvent phantom of tomorrow.

Down the long lane of the history yet to be written America knows that this world of ours, ever growing smaller, must avoid becoming a community of **dreadful fear and hate**, and be instead, a **proud confederation of mutual trust and respect.**

Such a confederation must be one of equals. The weakest must come to the conference table with the same confidence as do we, protected as we are by our moral, economic, and military strength. That table, though scarred by many past frustrations, cannot be abandoned for the certain agony of the battlefield.

Disarmament, with mutual honor and confidence, **is a continuing imperative.** Together we must learn how to compose differences, not with arms, but with intellect and decent purpose. Because this need is so sharp and apparent I confess that I lay down my official responsibilities in this field with a definite sense of disappointment. As one who has witnessed the horror and the lingering sadness of war – as one who knows that another war could utterly destroy this civilization which has been so slowly and painfully built over thousands of years – I wish I could say tonight that a lasting peace is in sight.

Happily, I can say that war has been avoided. Steady progress toward our ultimate goal has been made. But, so much remains to be done. As a private citizen, I shall never cease to do what little I can to help the world advance along that road.

So – in this my last good night to you as your President – I thank you for the many opportunities you have given me for public service in war and peace. I trust that in that service you find some things worthy; as for the rest of it, I know you will find ways to improve performance in the future.

You and I – my fellow citizens – need to be strong in our faith that all nations, under God, will reach the goal of peace with justice. May we be ever unswerving in devotion to principle, confident but humble with power, diligent in pursuit of the Nation's great goals.

To all the peoples of the world, I once more give expression to America's prayerful and continuing aspiration:

We pray that peoples of all faiths, all races, all nations, may have their great human needs satisfied; **that those now denied opportunity shall come to enjoy it to the full**; that all who yearn for freedom may experience its spiritual blessings; that those who have freedom will understand, also, its heavy responsibilities; **that all** who are insensitive to the needs of others **will learn charity**; that the scourges of poverty, disease and ignorance will be made to disappear from the earth, and that, in the goodness of time, all peoples will come to live together in a peace guaranteed by the binding force of mutual respect and love.