

HUMPHREY TV PROGRAM WITH SAM SCHAEFFER

MAY 2, 1963

INTRODUCTION: This is Washington and here is Senator Hubert H. Humphrey reporting to the people of Minnesota. Senator Humphrey.

Well Ladies and Gentlemen --

We have a very special guest with us today, and I believe that it would be well for me to note that the guest that I have is very closely related to the magazine I hold in my hand, the Newsweek. This is one of our most prominent weekly news publications, and the gentleman who will interview me today and I am sure give me more than enough to think, and talk about is the Chief Congressional correspondent for Newsweek here in Washington, D. C. Mr. Sam Schaeffer. Now Mr. Schaeffer has been in Minnesota, so he is no stranger to our state, he's covered the elections out there, and he has made his own political and economic surveys of our great state. So I take great pleasure in presenting to you again Sam Schaeffer, one of the most distinguished journalists of the Washington Newspaper corps, a great writer, and a very perceptive political analyst.¹ Sam Schaeffer the Chief Congressional correspondent of Newsweek. So Sam, you can take off now and do unto me what you will.

MR. SCHAEFFER: Thank you for your very kind introduction. I don't think I could live up to it. I do want to say about Minnesota, having been there on many occasions, I think it's a very beautiful state, and I hope, one of these summers, to be able to spend my vacation there with my family.

SENATOR: We'd love to have you; you struck the right note. Because we are very proud of Minnesota's vacationland, Sam, and we want you and that lovely family of yours to come and visit us and see our lakes and forests and parks. I am going to put in a good plug right now for Minnesota tourism, and Minnesota recreation. I hope this broadcast or telecast will get far beyond the boundaries of our state. So go ahead, Sam.

MR. SCHAEFFER: Thank you, Senator. Now as the author, the principal author of the Youth Employment Opportunities Act, I want to ask you one question about the bill which is already passed the Senate, and is awaiting action in the House. The principal criticism levied against it is that it is a solution to a problem that existed in the 30's, that it is not the solution for the problem facing youth today. What is your answer to that?

SENATOR: Well, I never did feel that the Y E A was necessarily a solution to the unemployment problem amongst youth. It is an act designed to contribute some aid, well to contribute to the solution of unemployment amongst youth, but it is essentially a program designed to give young men who are school dropouts in the make,

who are without adequate employment at the present time, and an opportunity to work in our parks and our forests and our public lands, our national and state parks, to ^{do} gainful work to be a real contribution to their country and their state, and to build themselves physically, and morally, to build themselves in terms of job experience. Now, if it didn't do anything else but to give some of our young people some work experience, and all the discipline that comes with work experience, I think this would be helpful. But it's a modest program, Sam, and I wouldn't want to exaggerate its importance. There are two titles to the program: The Youth Conservation Corps Camp, those are small camps of 50 boys and the boys are under expert supervision of forest rangers, park specialists, people that really know how to do conservation work; and then there is what we call Hometown Youth Corps where young men and women, between the ages of 16 and 21, will be employed to work on public property projects in community centers, hospitals, and public facilities. I think it will do some good, it will give on the job training, it will give vocational training, academic instruction as well as apprenticeship training to a substantial number of people.

MR. SCHAEFFER: Senator, I want to ask you, in your role as one of the farm-bloc leader, and one of the Senators I have noticed working harder for farm legislation than most of your colleagues, what is your judgment about the outcome of the May 21 ^{What} ~~look~~ referendum.

SENATOR: It's going to be very close, Sam. Closer than I would

hope, but I have a feeling that when the facts are well-known, and they're getting known now, because of the discussion and debate over the wheat referendum, that the wheat farmers will approve the proposal. It requires a two-thirds vote, that's a much big vote, you know. If we had to get elected to the Senate by a two-thirds vote, we have a pretty small body around here. Two-thirds of the wheat farmers of the nation must approve the proposal which relates to acreage reduction and to production controls in order to obtain \$2 a bushel for their wheat that they can produce. However, this \$2 a bushel applies to a billion bushels of wheat and to our mid-west farmers, Sam, this is really money in the bank, it is very, very important and I can't imagine that our farm people are going to turn it down, and I hope that others will be equally as wise. I think that it will pass.

MR. SCHAEFFER: I have drunk some very excellent Minnesota milk, but I understand that the outlook for dairy legislation is not as sweet as the milk produced in that great state of yours. What can you tell me about it?

SENATOR: We're having a tough time on dairy legislation. There is no concensus, no agreement amongst the groups themselves, the National Milk Producers Federation, the American Dairy Association, the National Creameries Association, the Farmers Union, the Farm Bureau. They all disagree; if we could ever get a united program amongst our farmer producers themselves, I don't think there would be much trouble here

but we will have to pass dairy legislation in this Congress, and I believe that we will do, and I believe it will be along the lines of the voluntary feed grain program in which incentive payments are paid to farmers for reducing their production and bringing production into better balance with consumption. There are efforts being made to stimulate consumption, as you know, exports including the improvement of domestic consumption. But the only way that I see to really improve our dairy program and improve farm income is to have some form of incentive for easing off production, a kind of production payment, you might say, so that we don't have government gather up all the surplus milk and wonder what to do with it.

MR. SCHAEFFER: Now, you will pass a feed grain bill.

SENATOR: Yes, we're going to pass a feed grain bill. I predict that we'll pass it rather quickly. We ought to have our feed grain legislation before the middle of May. And it will be the same type of program that has worked so successfully these past three years. I believe that it is a very good program.

MR. SCHAEFFER: Now, let's talk about taxes. You were the very first legislator of consequence that I know of who spoke of this idea, "Let's drop reforms and get on with the business of cutting taxes. Now, what do you think will happen there?"

SENATOR: Well, I believe that my initiative in this matter has paid dividends, as they say, because most everybody seems to agree

that what is most needed is a prompt and effective tax reduction both on individual incomes and corporate incomes, so as to stimulate purchasing power and to stimulate investment. Now, I like to see reforms, but I don't want to see the Congress get bogged down on the argument over reform and then fail to pass the tax program, because the tax program is designed to stimulate the economy, its designed to stimulate our production, to increase our employment, to increase our gross national product and I think it will do so, and by the way I think that if we act quickly, and with a sufficient amount of tax relief that it will actually produce more revenues for the government. It isn't a matter of what the percentage rate is so much, Sam. It isn't a matter of whether the corporate rate is 52 or 50 or 47 that produces the revenue. What is important is the velocity, the turnover, the volume of business; in other words, if you have a 47% tax rate on let's say a three hundred billion corporate income, that's better than having a 52% tax rate on a two hundred billion corporate income.

MR. SCHAEFFER: You spoke, if I may interrupt at this point, Senator; you spoke of "we need action quickly."

SENATOR: Yes.

MR. SCHAEFFER: How can you get the Senate Finance Committee to act quickly?

SENATOR: It is my view that the Senate Finance Committee ought to be holding hearings simultaneously with the House Committee. Now, we

cannot, of course, initiate legislation on taxes here in the Senate. That is a matter for the House under the Constitution--~~a~~ tax legislation must originate in the House of Representatives, which means the House Ways and Means Committee. But we could expedite by getting the testimony on the tax bill, in the main subjects of the tax bill, most everybody knows what they want to say about this tax legislation, it's before the American people, the bill is here, the President's message is here, the report of the Council of Economic Advisers is before us, so why don't we move ahead and hold as many of the hearings as we can, so that when the tax bill finally comes over from the House, even though it may be modified and slightly changed, that much of the background, the educational work is already done. I am recommending this, I don't know how successful I'm going to be, but we are going to have a tax bill out of here before this year's adjournment, Sam. And I predict that the tax bill will be through the Congress somewhere around the middle of September.

MR. SCHAEFFER: The other day, I was talking with you about the problem of scientists employed by the government, and you expressed a lot of concern in this conversation with me about the fact that we're not able to pay scientists enough to keep them in the government and they're drifting away to private industry. Would you tell your TV audience a bit about it.

SENATOR: Yes, you may recall, Sam, that I told you about visit

to the White House about this. Every Tuesday morning I sit with the President, along with other leaders of the Congress, and we discuss the legislative program. The President brought to our attention a study that was being made as to the wage and salary scale of a number of scientific, professional, and technical people in our government. The truth is that we are losing large numbers of scientists, technicians and key administrative people. We are losing them to universities, to private industry and to foundations by the dozens, by the hundreds. It's really quite alarming. Now, I say this because the government, the Congress continues to establish new enterprises, new scientific endeavors, new institutes of health, new programs that require the services of trained scientists and professional people. We appropriate hundreds of millions of dollars for these projects such as in the space program. And then we have a salary schedule for our scientists and technicians, for our doctors and for all the other competent people, professional people, we have a salary schedule that doesn't attract the people to come to the government. And even if they do come, they only stay for a couple of months, and they find out after they've been here that they can't live on this salary. They start going deep into debt, and soon a big company or a university offers them another job and you've lost your best people. Now, I think it is ridiculous to appropriate hundreds of millions of dollars for scientific research, and for all these great technical projects, and have people paid \$10, \$12, and \$15 thousand

dollars to operate them. When that same man can walk out of this government and go to General Motors or Dupont or Western or General Electric, Westinghouse or General Electric and get \$25 thousand dollars. You, you just got to change the salary structure. Now how much will it amount to in dollars. Well, we could maintain and keep in this government hundreds of the most competent of technicians, scientists and administrators by a total expenditure of a couple million dollars. And this relates to a budget that is \$90 billion, almost \$100 billion dollars, so I think we ought to make the change; as you know I have advocated it very strongly, and I am hopeful that the President will send that message here to Congress. Regardless, of what our Congressional salaries are, I think we have got to keep ~~training~~ trained competent experts on the job in this government, or we are going to waste money that we appropriate for many of these projects.

MR. SCHAEFFER: Senator, your other fascinating interests are in foreign affairs. What is your current mood about test ban negotiations?

SENATOR: Well, I'm afraid that there isn't going to be any success in that area. Nevertheless, I believe that we have presented a sound and a constructive proposal. I believe that the Government of the United States must always demonstrate a willingness to slow this arms race before the arms race gets the best of us. We must always however be very careful in our negotiations. I believe the President put it well in his in-

augural address, as I recall it, we must never be afraid to negotiate but we must never negotiate from fear. What he really meant by that was that we must have the strength, the economic and military and political, the spiritual strength, so that when we sit down to the table to negotiate, we do it with confidence, and we do it carefully and prudently. This is why I believe that again we must have specialists in this area to concentrate their attention on it. This is why I advocated and authored the Arms Control Act and Disarmament Agency Act, so that when you discuss test ban controls and other things, you don't just do it with people who are temporarily brought into the government you have people who are experts in this field and they're a part of the security mechanism of our country.

MR. SCHAEFFER: If we have a moment remaining, can you tell me something about your thinking on regional test bans.

SENATOR: Well, I think that's the way to get at it. I think that the best thing to do in the whole area of arms control and disarmament is in the regional basis. In the middle east, for example, try to slow down the arms race there, in the Latin American countries it is ridiculous to spend money on arms they can't afford to buy them and they can't afford to maintain them. Well, Mr. Schaeffer, that's the first time I've called you that during the program. My good friend, Sam, we're going to have to sign off and I want to thank you for being with you. See you two weeks from now.



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