

Release:

Excerpts of Statement Prepared For  
Delivery By:  
Senator Hubert H. Humphrey (D., Minn.)  
At: Minnesota Welfare Association  
Sunday, March 17, 1963

*Reverde*  
*Bus. Rogu Wolfe*  
*Paul M. Thompson*  
*(old farmer)*  
*235 votes*  
*Trained Personnel*

*Wife*

*7 1/2 million*  
*School*  
*Dropouts*  
*Y.C.C.*  
*Expanded Economy*  
*Retraining*  
*Voc Rehabilitation*

SENATOR HUMPHREY ANSWERS CRITICS OF WELFARE;

"WORST EXTRAVAGANCE IS WASTE OF HUMAN RESOURCES"

*Latin America - Welfare Problems & Alliance*

*(1) L.A. - What is it?*

*(2) Econ Aid - & Human Resources*

*Educ, Health, Housing*

*Agric & Ec. Develop.*

*Waste in U.S. - youth, Senior, Minors*  
*mentally ill - Disabled.*

The United States stands at the threshold of a New Era in Human Welfare.

There is now pending before the Congress a comprehensive series of recommendations submitted by President Kennedy. The President's proposals, if acted upon, can open the period of greatest enlightenment for human beings in the history of mankind.

History tells us of the European "Age of Enlightenment." Men turned then, for the first time, to the study of the world through the "Scientific Method."

↳ This, however, is a different Age. Now, man turns to man himself, to those members of the Human Family who have tended to be outcasts, rejected, ~~despised~~, ignored, cast on the "scrap heap."

↳ What is more, <sup>need to</sup> man turns to the mass prevention of human waste.

#### THE STEP-BY-STEP BATTLE THROUGHOUT HISTORY

For 100 years, dating from the earliest efforts in England, reformers have tried to rescue and protect the weak in society from the pitiless indifference (at best) and cruelty, (at worst), of the strong.

Successive reformers have fought the battle for the handicapped-  
(the blind, the deaf, the mute, the epileptic, the mentally retarded,  
the mentally ill, the  
crippled.)

They fought for the young -(the orphaned, the child laborer,  
the slum child, the child of the migrant laborer.)

They fought for the poor -(the oppressed of the sweat shop.)

They fought for the old and infirm -(the destitute consigned  
to Old Age homes of unspeakable misery.)

They fought for the delinquent, for the youngster who got  
started, or "pushed" on to the wrong path, who was treated brutally by  
the law, was caged like an animal, only to become a hardened criminal,  
instead of a rehabilitated human being.

In every one of these and other battles for human progress,  
Minnesota has played an honorable role.

#### FROM A "HOLDING OPERATION" TO A COUNTER-ATTACK

Essentially, however, welfare authorities and workers have  
been conducting what is at best a holding operation, a defensive  
operation.

They have tried to ameliorate the conditions of the distressed.

They have tried to ease the tragedies which can result from broken homes.

Now, however, we have come to a stage where we can take the counter-offensive against these ancient ills.

Consider the youngsters who are "drop outs" from schools. (No less than  $7\frac{1}{2}$  million are anticipated in the 1960's.) Here, the President of the United States is proposing a massive program to help keep them in schools; or, if they do drop out, to provide employment opportunities for them in the cities, or in the countryside, performing reforestation and other needed work to preserve our National resources.

He is proposing a National Service Corps, which will take the offensive, particularly in the crowded areas of our great cities. There, Corps members will supplement senior professional manpower, such as yourselves, to serve the disadvantaged.

It is my privilege, as Assistant Majority Leader, and as your Senator, to author or co-author many of the bills by which the President is proposing this large-scale counter-attack.

The President of the United States is proposing an enlarged Vocational Rehabilitation program. It would begin to cope <sup>with</sup> the awesome

backlog of millions of Americans awaiting rehabilitation services, or opportunities for "Independent Living" (in the event that they cannot be trained for gainful employment).

### DEALING WITH MENTAL ILLNESS

The President's program contemplates the fullest partnership between Federal, State and local governments. I cite, for example, his great suggestion for Community Mental Health Centers to be built throughout the land.

Here, we would have an instrument to come to grips with the problems of many of the 17 million Americans who are estimated to suffer from emotional disturbances.

We could help prevent and reduce mental conditions which have been responsible, at least in part, for -

- 5½ million cases of alcoholism;
- over 2 million major crimes a year;
- 25,000 suicides a year;
- hundreds of thousands of desertions a year.

Of course, neither a Community Health Center, nor any other single program can deal with social ills which, you and I know, have

deep and varied roots in many factors.

But, each of the Community Centers and other program elements could enable you, of Minnesota's communities, and your colleagues in the 49 other States - to help prevent, to treat, to ease, to restore.

For the first time, we will be realizing the fullest potentialities of the Constitutional provision to "serve the general welfare." For the first time, we would be bringing to bear the knowledge that you of many professional skills have long possessed, but which you have not been in a position to apply.

#### SHORTAGE OF MANPOWER

But, we are realists. We know that even if every single one of the President's suggestions is enacted, there still would not be enough professional manpower in welfare and related fields to fulfill human needs.

Year after year, the history of the last decade is full of instances where the Congress has, unfortunately, denied the Social Security Administration and other Agencies the opportunity to expand our professional manpower.

As a matter of fact, when we tried to use Public Law 480 funds

(from the sales of American farm products abroad) for the purpose of learning about Foreign Nations' welfare programs, unfortunately, we did not succeed in getting Congressional approval.

There is not, however, the slightest ground for despair. To be sure, there have been delays. There have been obstacles. But, year after year, we have made progress, and now we stand at the door of great opportunities.

#### THE SO-CALLED "ECONOMY" ISSUE

As you and I are aware, the central issue which will be raised by the opponents of an era of human enlightenment will be over the issue of "cost."

∟ We should be prepared to do battle on that issue. We should mobilize the facts, so that this Nation becomes aware of the fact that the worst extravagance in the world is that which occurs in the wastage of our most precious resource - human beings.

∟ We should demonstrate, not only in humanitarian terms but in *Economist terms* dollars and cents terms, the staggering cost which broken homes, *slavery* desertions, etc., impose upon society.

∟ The choice for America is not between "economy" and "welfare"

programs." It is between false economy and sound economy.

It is between America's having the courage to pay openly -  
to prevent staggering social costs, rather than paying blindly  
and indirectly the costs of inaction *and social decay*.

Opponents will cry, "deficit-financing." We must answer their  
charges with the countercharge of "the deficit in human resources!"

Opponents will cry that "we dare not put the Government budget  
in the red."

We must answer that charge, by stating that there is a "blood-red"  
stain on American society. It is the stain of needless violence in our  
streets. And there is another stain - the stain of human tears, which  
should not be shed; of human heartbreak, which should not be experienced.

#### "THE BATTERED CHILD SYNDROME"

✓ You, of this audience, have noted that medical science has  
now identified something it calls a "Battered Child Syndrome" - young-  
sters repeatedly pounded by a parent so viciously as to cause hospitali-  
zation, or even death. Society, however, remains guilty, in a certain  
sense, of its own "Battered Child Syndrome."

Society may not see the scars on the child's body, the black-  
and-blue marks, the torn lips, the broken nose that one sees in the

medical condition. But, too many children in this country are "battered" by the deprivation of a parent's love. Too many children are "battered" by the inattention of teachers, in classrooms which are so jammed that a youngster's individual needs cannot be met. Too many children are "battered" by the ignorance which is their lot because they can never complete high school.

### CONCLUSION

The President of the United States needs your further support. But, far more important, it is the deprived, the under-privileged, the disadvantaged, the homeless, who need your support. You are giving them support in your daily lives. But, now you must give your attention to a still larger battlefield - the battle in the United States Congress to open up a new "Era of Human Enlightenment."

① Y.C.C.  
Voc Educ

| L.America - Human Resources  
Health, Educ, Training

Minneapolis Trade Club - 200 members  
Export Expansion Comm - 30  
Index of Exporters - 800

REMARKS BY

SENATOR HUBERT H. HUMPHREY

MINNEAPOLIS CHAMBER OF COMMERCE MEETING

FRIDAY, MARCH 22, 1963

Mr Boothe  
Regional office  
Sept 1963

Common  
Market

"Why We Must Increase Exports"

Increasing our exports is the greatest challenge facing American business today. It is the best solution to our balance of payments problem, and it represents a real opportunity to create new jobs for Americans and new profits for business.

Balance  
Payments

Jobs  
Profits

New markets are opening for U.S. goods all over the world. Personal incomes are rising rapidly in Europe and Japan. We hope to improve the economic picture in Latin America dramatically in the next 10 years. And in Asia and Africa new countries are hungry for imports of both capital equipment and consumer goods.

opportunities

We face many problems in developing profitable business opportunities in these countries. But now is the time for

Problems

American business to move and move aggressively into these foreign markets. If we don't, other countries are going to get this business. And once they are firmly entrenched, it is going to be harder for us to come in to change their established business and trade patterns.

For many business enterprises, there are good profits to be made in global marketing. For our country as a whole, the need to increase our exports is vital. There is simply no other way to put an end to deficits in our balance of payments, without undermining our national security and our political leadership in the world.

Balance  
of  
Payments

We have been able to persuade some of our allies to buy more military equipment in the United States to offset some of the dollar outflow caused by our overseas military commitments. But <sup>as</sup> long as we face the threat of Communist aggression, these military expenditures will continue to be a drain on our payments position.

military  
Drain.

Foreign Aid Purchases in  
U.S.  
-3-

h We have also been successful in tying more of our  
foreign aid to purchases in the U.S., and in persuading  
other countries to step up their contributions to the  
economic development of the new nations. But it will be a  
long time before these new countries can stand on their own  
~~two~~ feet -- able to take care of their own economic

development and to resist Communist influence and subversion.

h Last year we were able to bring our payments deficit down  
to \$2.2 billion -- a little more than half the deficit we  
ran up in 1960. But the 1962 deficit would have been much  
higher if we had not increased our exports by nearly \$1 billion,

and if our private investment in other countries had not  
dropped by nearly \$1 billion.

h We do not look remarkably good on exports, frankly.  
Exports account for only 4 per cent of our GNP, while the  
six countries of the Common Market export 12 per cent of  
their total GNP -- three times the rate.

80% out  
of each  
Dollar

Balance  
of  
Payments  
Down

overseas  
Investment

(yet we need U-S investment  
overseas)

Ratio of  
Export  
4% of  
GNP

↳ Growth in Europe and Japan since the end of World War II has been phenomenal. An entirely new way of life is developing - based on higher incomes, higher living standards, and substantially increased demands for goods and services.

Europe  
+  
Japan

↳ In the United States we have many advantages in competing in these markets. ↳ We do not have to build industries, as many foreign nations still must do. ↳ We have the equipment, the manufacturing and merchandising skills, and we have established lines of merchandise. We also have in our factories a force of trained workmen that we are not using to the fullest,

our  
Advantages  
↓

and we have idle capacity in many of our industries that is ready and waiting to be put into use. -

assets  
Fuel, transport, Credit,  
Research

↳ We have an historic reputation for having the best salesmen in the world. It's high time we put our salesmanship to the test of foreign markets, and directed more of our talents and energies to exporting.

But here is the area  
of weakness.

Obstacles

There are obstacles, I know. But I suggest the ~~highest~~ <sup>toughest</sup> obstacle is ourselves. We have not been export-minded in the past, and the whole process is strange to us. We have failed to develop markets abroad. In some cases we have actually refused markets that could have proved profitable.

no  
tradition  
for  
exports

Wage  
Differentials!

Much is made of foreign wage differentials -- it is said that American industry cannot compete with the low pay in, say, Europe. But while average hourly earnings are lower in Europe than the United States, they have been rising much more sharply than in the U.S.

U.S.  
Wages  
+  
Foreign  
Wages

Furthermore, added to European wages are fringe benefits that generally exceed the U.S. average of 14 per cent. For example, fringe benefits run about 44 per cent of wages in Germany, 51 per cent in France, and 74 per cent in Italy. In one industrial area in Italy, they are more than 90 per cent.

European  
Wages  
Fringe  
Benefits

The real test of our ability to compete is not wages so much as it is productivity. Our highly automated industry

is tremendously productive, and our unit-labor costs are slightly declining. Available data for the principal trading nations of Europe and Japan indicate that there is no comparable decline in any of these countries. — *going up!*

Finally, there is a scarcity of skilled labor abroad. *Shortage of Skilled Labor*

The shortage is acute in the Netherlands and Germany and serious in parts of France and Belgium. *and* U. S. firms ~~who~~ *that* manufacture abroad have found that even with advanced American machinery more men were required in production than would have been necessary in the U. S.

The barriers to international trade we hear most about are tariffs, quotas, and the like. These ~~present~~ *are* real barriers to our exports, in many instances, but fortunately we now have ways to deal with them. — Trade Expansion Act of 1962

The Common Market, which is such a rich and promising customer for our goods, presents a particular problem. *Common Market*

L As you know, by 1967 the member nations of the EEC hope to have eliminated all tariffs among themselves, and to have established a common external tariff for non-members that will about equal the average tariffs of individual members in force on January 1, 1957. Many industrial items, however, have, through negotiations, been further reduced by 20 per cent.

L On July 1 of this year the EEC will make the second move toward final common external duties. Fortunately ~~the~~ *our* President has today, in the Trade Expansion Act of 1962, broad authority to enter into the reciprocal tariff agreements required by such changing and rapidly developing patterns of world trade.

L This new authority, in my judgment, represents the third major development in American trade policy in our history.

① L The first development came in the form of Alexander Hamilton's report on manufactures, which set a pattern of protectionism

for industry and labor that lasted until 1934. Then, out  
of the dismay of the depression, came the adoption of the first  
Reciprocal Trade Agreements Act during the first administration  
of President Franklin D. Roosevelt -- the second development.

(2)

Under that legislation, the President was empowered to lower  
tariffs reciprocally on goods coming from nations <sup>which</sup> ~~who~~ granted  
us like concessions.

*But* Since passage of the 1962 Trade Act, we have had to face  
a significant change. The present failure of Britain's  
application for membership in the Common Market has, of course,  
reduced the practical significance of the "special" or  
"Dominant supplier" negotiating authority included in the  
Trade Act. However, the most important negotiating authority  
in the Trade Act remains unaffected. We still have the broad,  
general authority under the Act to negotiate reductions of  
up to 50 per cent on all duties as of July 1, 1962,

where  
E.E.C.  
+  
Britain  
have 80%  
of mkt  
80%  
Authority  
w/out  
Britain  
surplus  
&  
margin

out

except for certain sensitive items covered by escape clause or national security provisions. With this broad authority we should be able to negotiate significant reciprocal reductions in free world trade barriers.

*Broad  
negotiating  
Authority*

✓ In addition, the Trade Act authorizes reduction of U. S. duties to zero in several special situations -- for example, where the duty is less than 5 per cent ad valorem, or where such reduction on agricultural commodities would help expand our exports of these commodities. Reductions to zero also would be possible on tropical agricultural and forestry products which are not produced in substantial quantities in the U. S. -- provided the Common Market countries admit these tropical products on a comparable, non-discriminatory basis.

*but*

✓ Thus, our negotiators can go into the forthcoming tariff sessions with sufficient negotiating authority to secure substantial reductions in the duties that restrict U.S. export opportunities.

*But*, In these negotiations, we will not be interested in  
tariffs alone. We are also very much concerned with non-  
tariff barriers, which can be equally damaging. This  
administration is going to see to it that they are bargained  
down, so that we can get into these new expanding markets.

*L* Now who will handle these negotiations on behalf of  
the United States? Ultimately, authority and responsibility  
rests, of course, with the President. But, unlike previous  
tariff negotiations, which were handled through the Department  
of State, this round will be handled by a Special Representative  
of the President -- Christian Herter.

*L* This distinguished gentleman is bringing together an  
outstanding staff of trade, industry, and agricultural  
specialists -- including some experts he has recruited from  
the Commerce Department and other agencies. His deputy is  
William Gossett, former vice president of the Ford Motor Company.

*Quotes*

*Trade  
Negotiations*

*Herter*

*Gossett*

The negotiations will be carried out under the General Agreement on Tariffs and Trade -- the GATT -- which has 44 member nations. The timing -- hopefully early next year -- and the scope of the negotiations and other procedural matters remain to be worked out through mutual agreement.

↳ To assure that implementation of the Trade Expansion Act will be meaningful, American business must begin to sell aggressively in world markets now.

#### Tax Program

↳ American business must move ahead now to improve our cost position through greater investment in more modern plant and equipment.

We have, thanks to the 87th Congress, a new tax credit for investment in new machinery and equipment. New Treasury

depreciation schedules, together with the tax credit, will

make it possible for many companies to recover more than

30 per cent of their new machinery and equipment costs in

the first year. And we have corporate borrowing costs that

are essentially as favorable as those at the bottom of the

1960-61 recession.

Conditions are right. We now have an urgent reason to get on with the job of modernizing the industrial plant of

this country to increase our productivity and efficiency and

lower our per unit costs.

American business must expand its research and development to create new and improved products for sale at home and abroad

and to improve our productive processes through a steadily

advancing civilian technology. Too much of the U. S. research

dollar is defense-oriented. Not so in Europe, for example.

While we are ahead of other countries in productivity, and currently enjoy a lower per-unit labor cost, they are making gains.

Tax  
Advantages

Credit

(Lower Costs)

Research  
+  
Development  
(X)

The President's tax program recognizes the need to stimulate industry initiative and investment in research and development, as well as in plant modernization. In addition to his proposal for reductions in the corporate income tax rate, the tax revision program includes a new provision for treating capital investment in research facilities as a currently deductible business operating expense.

#### Export-Credit Guarantees

Through the Export-Import Bank of Washington and the Foreign Credit Insurance Association, ~~as you know~~, steps have been taken to improve credit availability and export insurance for commercial and political risks, so that American businessmen can operate on a par with foreign exporters.

Innovations recently made include FCIA policies to insure political risks alone, and a new rate schedule for both FCIA insurance and Ex-Im Bank guarantees to private banks, which calls for lower fees and premiums than those previously charged.

6mo-  
6mo-5yr } guarantees  
                  } 7-10m.

I understand that 17-1/2 percent of FCIA policies in the last few months have been for companies that never exported before. This is another indication that more companies are being brought into the export field.

L FCIA now has 74 leading insurance companies participating in its program from its office in New York or from insurance agents and brokers throughout the country.

L ExImBank is working with 75 U.S. Commercial banks, and application forms and information can be obtained through any commercial bank in the U.S.

National Export Expansion Council

Regional Export Expansion Councils

37 Businesses

Neog. Sect.

The National Export Expansion Council is an arm of the U.S. Government operating in the Department of Commerce, and directing the 35 Regional Export Expansion Councils located across the nation.

Apppt by Sec. Commerce  
Volunteers  
Through Reg. Dept. Commerce

*Regional Export  
Expansion Councils*  
-15-

These REEC's conduct a series of export expansion workshops for businessmen; they work with banks to encourage them to strengthen their export departments and, especially in the smaller banks, to establish the supportive financial services that exporters need; they work with colleges and universities on special courses and seminars that will help businessmen learn about the special problems in exporting and help them overcome any fear they may have of an unfamiliar type of business; they contact top executives directly to apprise them of the potential for marketing their specific products abroad; the St. Louis REEC has even organized its own trade mission.

The NEEC has asked each of its 900 REEC members to obtain one new exporter. This is a good beginning. The total impact of 900 new exporters will be considerable, and it will build each year as these exporters gain experience and their foreign sales grow.

Trade Missions, Centers and Fairs:

The Department of Commerce has developed an extensive program of trade missions, trade centers, trade fair exhibitions and specialized export services designed to bring American sellers and foreign purchasers together. Last year each official trade mission carried about 500 U.S. business proposals abroad, and returned with leads on foreign investment opportunities and contacts.

*Trade centers*

↳ The Department's new trade centers in London, Bangkok, and Frankfurt offer considerable promise to exporters. More than 200 companies which had never exported before have obtained agents to represent them overseas as a result of exhibits in one trade center or another.

An Atlanta toy company increased its total sales volume by 10-15 percent, following the toy show at the London center last year.

*Increase request from  
5 to 12*

A Texarkana company sold its entire exhibit after the show for medical, dental and surgical supplies and equipment at the Bangkok center. Since then it has received substantial orders from the Thai company that bought the exhibit, and has had inquiries from companies in other Southeast Asian countries whose representatives saw the exhibit in Bangkok.

↳ The newest trade center in Frankfurt is off to an encouraging start, and the Department expects similar good results when they open their permanent showcase for U.S. goods in Tokyo on April 2 and in Milan later in the year.

↳ In addition to the trade fairs staged ~~for~~<sup>by</sup> the USIA, the main purpose of which is to project the image of America, the Commerce Department is launching a new program of purely commercial exhibits in prime markets for U.S. goods. These exhibits are organized after market surveys have been made to identify specific export opportunities for our producers.

The first of these all-commercial exhibitions was just held at the Royal Netherlands Industry Fair in Utrecht. Exhibitions will follow at the Lyon International Fair in France in April and the International Samples Fair in Barcelona in June.

I encourage companies in Minnesota to participate in these international trade centers, fairs and missions as a regular practice. Foreign trade means a great deal to Minnesota. The jobs of more than one-third of Minnesota's workers engaged in manufacturing are tied in one way or another to exports. And agricultural exports account for the production of almost one in every ten farm workers here in Minnesota.

The export job has to be done by private business. It has to be done by existing exporters putting more drive behind their export efforts -- expanding their marketing to more countries, working their existing foreign markets more intensively, and giving greater attention to their export

activities at the top levels of management. It also has to be done by bringing more companies with export capabilities into the export markets.

It is in your interest, as well as the national interest, to do everything you can to make certain that no company here in Minnesota with export capability fails to take advantage of its foreign sales opportunities.

In short, gentlemen, we pride ourselves on our energy and initiative; let's show a lot more than we have. The government is cranking up to help -- but the responsibility is squarely on the shoulders of the business community.

We are going to export or we are going to be in real economic trouble. That, it seems to me, is the key to prosperity in the 60's.

Dr Charles  
✓ Mrs Hynes

Mayor Raffalini

President Kennedy  
message

✓ Rabbi Mrs Minda  
✓ Lt Gov Sandy Keith

Excerpts of Remarks by  
SENATOR HUBERT H. HUMPHREY

National Convention  
National Council of Jewish Women

Minneapolis, Minnesota  
March 24, 1963

123,000  
members

over  
300  
units

Mr Sam Shapiro  
The Late  
Mr Arthur Bruin  
(Fannie)

Let me say first that I am honored to be your  
speaker, and pleased that you have chosen Minnesota and  
the Twin Cities for your National Convention.

I think you will feel welcome in this great state  
and city. Minnesota and Minneapolis can be proud of a  
citizenry which is politically mature and which has a deep  
social consciousness. You can be proud of the National  
Council of Jewish Women -- an organization with a magnificent  
record of public service.

Mrs  
Zimmerman  
msb  
Section

In an age when issues are complex and the challenges  
to our Nation are awesome, we desperately need the type of  
organization which the National Council for Jewish Women  
represents.

FOOD FOR PEACE  
PEACE CORPS

DISARM Agency  
Y.C.C.

g.c.c.  
(X)

<sup>in support of</sup>  
Your programs of Equal opportunity for  
Youth is so vital!

Your programs of adult education are tremendously valuable. — See how your Representatives in Washington many times

Housing, Educ, Civil Rts, Immigration

Your work to build support for the United Nations is necessary and effective. UN Peacekeeping! UN-U.S

Your interest and work in international affairs generally is helping to give the people of this country the understanding they need to face the challenges and opportunities of a world of conflict and promise.

And let me pause for a moment to give you a particularly enthusiastic commendation for your work on the issue of disarmament. + nuclear testing

Most of you know that I have devoted a big part of my time and energies for the past fifteen years on the vital issues of disarmament.

DISARM

I realized long ago -- as have you -- that this  
Nation can never give up its attempt to seek a safeguarded

system of disarmament -- no matter how slow the progress,  
no matter how frustrating the results, no matter how tedious  
the negotiations. — *and they are tedious,*

h We realize that there can be no real peace in this  
tense world as long as modern weapons of horror increase in  
number and destructive power with no international system of  
control.

h Disarmament is a complex subject. The issues in-  
volved are not easy to understand. The positive efforts of  
men and organizations to work for disarmament are not, frankly,  
overwhelmed with public support.

h The efforts of your Council to promote interest in  
the issues of disarmament and to win public support for our  
Nation's work to secure disarmament agreements are vital and  
welcome.

I was aware of the importance of your work just this past week, when the issue of disarmament was -- sadly -- placed in a partisan context by those who are irresponsible enough to win headlines by playing with matters involving the national security. — Nuclear Test Cessation —

The most recent developments involving negotiations and proposals for a nuclear test ban treaty -- and any other disarmament issue -- must not be a partisan issue.

To avoid this, your work must continue. If the people know and understand the facts of this issue, partisan criticisms and charges will be ignored.

I turn now to an issue which remains in the headlines, an issue which needs your interest and study, an issue which this past week took the President of the United States out of the country for a meeting with the chiefs of state of Central America.

San Jose Costa Rica

I speak of Latin America and its future.

For too many decades, Latin American affairs were given low priority by our government. And our people tended to think of the southern region of the hemisphere as a "land of mañana -- tomorrow".

But now our national mood and our government's policy has changed. In the past few years, the United States has recognized the critical needs of Latin America, the tender balance in which it hangs -- between freedom and communism -- and the need for new policies and programs now exemplified by the Alliance for Progress.

Yes, we are giving attention to Latin America today. But I wish to share a few <sup>thoughts</sup> ~~questions~~ with you <sup>as to</sup> ~~about~~ whether or not we are giving Latin America the right kind of attention.

Under the Alliance for Progress, we have stepped up our economic aid to Latin America, and we have strengthened

our insistence that our aid be coupled with social and  
economic reform in the Nations to the south.

*We have seen*  
~~Last month, we saw~~ examples of the results --  
magnificent new housing developments, solid plans for  
long-range development, new capital for industrial growth  
and progress.

*and* I agree that long range development and industrial  
loans are important.

But we need new emphasis -- new attention for -- the  
human resources of Latin America. — *Educ - Training*

The Alliance for Progress must become identified  
more with education. The United States -- and other advanced  
nations of the west -- must become known not just as bankers  
*also*  
but as teachers.

*Bankers*  
↓  
*Teachers*

What is needed most in Latin America today is an  
inflow of trained people, ready to teach the skills so des-  
perately needed and wanted by the local citizens, ready to

guide and build the human resources of the nations to

the south.

→ Peace Corps - Voluntary groups

I think you will understand why I stress so

strongly the need for direct training programs in Latin

America today.

Let me give you an example  
of what I mean - and where you had help

Israel itself has built a magnificent record in

recent years in this type of effort.

During the past five years, as you know, Israel

has extended technical assistance to many countries of

Africa and Asia. And more recently, Israeli technicians

have traveled to Latin America and are now working on

foreign aid projects in Brazil, Ecuador, Bolivia, and

Colombia.

Israel recognizes the critical need of the peoples

of Latin America for education and new skills -- and has

acted responsibly and successfully to meet that need.

USA  
BONDS  
TYPE

→ Israel  
Free Pol. Inst.  
- Mobilize  
Capital  
- Mobilize  
Resources  
- Training  
- Planning  
- Educ &  
Health  
- Industry  
&  
Agric

I was immensely pleased to note this month's announcement that Israel now plans to train 200 Latin American students in modern agricultural techniques in the coming year.

Once again, Israel is showing that it understands -- and is responding to -- the most urgent need of the Latin American area -- rural development. — Rural

Too few people in the United States understand that most of the nations of Latin America are still predominately rural nations, geared to agricultural economies. Too often we act as though we want to build a Latin America which mirrors the United States of the <sup>19</sup>sixties -- throbbing with industrial activity.

Of course, we do want to spur industrial development in Latin America. But our first step must be to help pull the Latin American farmer -- who represents a majority

of the people in most of the Latin American nations --  
out of a primitive state in which the ways of ancient  
ancestors in tilling the soil are still used today.

"The forgotten  
ones"  
said President  
Rivera of  
El Salvador

⌞ Agricultural development, rural development, must  
go hand in hand with industrial and long range development.

⌞ The Latin American people -- particularly the vast  
majorities in rural areas -- need new skills, new training,

NOW.

⌞ And that is what Israel is offering. And I salute  
once again the willingness of the Israeli people to share  
the fresh skills they have learned in the past decade and  
a half of building a thriving nation out of the bare earth.

⌞ The success story of Israel is a shining example,  
a beacon of hope to the nations of Latin America -- and to  
other relatively small nations or underdeveloped nations  
throughout the world.

Israel offers to the nations of Latin America  
something the United States can not offer.

Our own country, frankly, is too big, too prosperous, too advanced to offer the people of the small and struggling nations of Latin America a sense of complete identification.

The average citizen of many Latin American nations likes and respects the United States. But there is a degree of detachment in their attitude toward the programs and policies the United States urges on them.

They may say: "Yes, that is a fine program. And I am sure it works for the big and powerful United States. But we are different. We are small and poor."

Israel can give the people of Latin America a dimension of hope which is not confined to the power of dollars and supplies.

The average citizen of many Latin American nations can look to Israel, hear of its success story and say:

"Israel was a small nation, a poor nation just a few years ago. Now it is thriving and prosperous. Maybe we can do the same."

That is why I emphasize the success story of Israel. We must tell it again and again to all the peoples of the world.

Let us never forget the real goal of the United States internationally.

Our ultimate hope is for peace and freedom throughout the world, of course.

But in the final analysis, peace and freedom are the conditions which are needed to open the way to the ultimate objective.

And through our present policies, we seek -- as the President has said -- to help others help themselves to freedom, security and progress.

But these are steps toward our central goal of a world of nations which are free of the chains of tyrants and poverty, nations which achieve full utilization of the natural resources, capital and human talents and energies to enable each citizen to live a good and productive life.

SPEECH OF SENATOR HUBERT H. HUMPHREY

Greater Moorhead Days

Moorhead, Minnesota

I tired a long time ago of those who make critical comments and talk at length about what the country is doing for farmers.

The truly great story of our time is a factual report on what farm families have done and are doing for our country.

The 188 million men, women and children of the United States have more food of better qualify in greater variety than any people in any country in all the recorded history of man have experienced.

The hunger which haunted civilization since its beginning has been driven from the land. This deesn't

mean everyone is getting enough to eat every day,  
but it means when hunger does exist it is due to  
failure to distribute production, not lack of production.

Not only do Americans have more than enough  
food available to them, they buy it for a smaller share  
of their incomes than do families in any other country.  
In the last two years the proportion of consumer income  
required to purchase food has dropped to the lowest  
ratio in history--19 per cent of take-home pay.

If Washington, D. C. has room for one more statute,  
it should be one that expresses a nation's gratitude to  
the men, women and children who live and work on the  
nation's family farms.

While producing more and more better foods, farm  
families have been sending workers from the land into  
other areas of the nation's economy--into manufacturing

transportation, business and the professions and services.

Our industrial development has been due in great measure to the fact we were able to steadily increase food production, thereby substituting increased skills and technology for farm workers.

Americans are familiar with the growth in industrial productivity. A fact too often overlooked is that it hasn't nearly kept pace with agricultural productivity.

In the last decade production per man hour in agriculture increased by 77 per cent, as compared with a 32 per cent increase in manufacturing.

A century ago one worker on the farm supplied food and fiber for less than 5 persons. By 1940 the figure had risen to only 10. Now, just 23 years later, each farm worker supplies food and fiber for 28 persons.

Unfortunately, those who feed us so well do not

themselves eat very high on the hog. Farm incomes have improved substantially the past two years, but they still average only 60 per cent of non-farm incomes.

The farmer is subsidizing Consumers.

While farmers are fewer in number and do not share equitably in the national income, they make a significant contribution to the total economy.

There are fewer than 15 million people living on our farms--only about eight per cent of the country's population. The population of the State of California exceeds our national farm population.

Yet farmers create millions of jobs for fellow Americans. Ten million people have jobs storing, transporting, processing, and merchandising the products of agriculture. Six million have jobs providing the supplies farmers use. Thousands in rural communities

across the land make their livings providing services required by farmers.

The investment in agriculture exceeds 200 billion dollars. That figure is comparable to about three-fourths of the value of current assets for all corporations in the country. It represents three-fifths of the value of all corporation stocks on the New York Stock Exchange.

The investment in agriculture represents \$21,300 for each farm worker as compared with a manufacturing investment of \$16,000 for each worker.

In 1961, when our farmers had a gross income of nearly \$40 billion, they spent \$27 billion to operate their businesses.

Farmers spend over \$2 billion a year for trucks, tractors, machines, and other equipment.

Farming uses more petroleum than any other single industry--more than \$3 billion is spent by farmers each year for fuel, lubricants, and equipment maintenance.

You could provide Los Angeles, San Francisco, Seattle, Portland, San Diego, and Chicago with electricity for a year and the kilowatt consumption would be about the same as the total needed to keep our farms going.

The next time someone starts to tell you what the country is doing for agriculture, just ask what would happen if this nation lost three-fourths of the assets of all corporations, or three-fifths of the market value of all corporation stocks on the New York Exchange, or more than 16 million non-farm jobs.

The answers to these questions are, in part, the answers to what farm families do for the country.

American agriculture also is exerting an influence felt throughout the world.

Our productive capacity supplements the efforts of farmers in countries which pay cash for our food, and in the under-developed countries where Food for Peace not only combats hunger but implements development efforts.

Another heavy export is the know-how developed by our farm families, through informational and technical assistance programs.

Simultaneously, events abroad affect U.S. agriculture.

In fiscal year 1953, exports of farm products from the United States amounted to \$2.8 billion. By fiscal year 1962 the export figure had jumped to a record \$5.1 billion. That year we harvested 304 million acres of cropland and the products of 63 million of those acres

were shipped abroad.

The \$5.1 billion worth of farm products went to two general types of destinations. About \$1.6 billion worth of our food and fiber--30 per cent of our total agricultural exports--went to under-developed countries under the Food for Peace program.

The big share of the food and fiber exports--some \$3.5 billion worth, or 70 per cent of the total--was sold for dollars. Most of these shipments went to the industrialized nations such as the United Kingdom, the Common Market, and other Western European countries, and Canada and Japan.

In recent months the Common Market has been receiving increased attention in the agricultural export area. This is understandable, because the Common Market is our largest single foreign outlet for farm production.

In fiscal year 1962 exports to the Common Market had a value of \$1.2 billion, representing about a fourth of total agricultural shipments and over a third of the volume sold for dollars.

We are uneasy about the development of protectionist patterns in the Common Market. It represents the largest economic merger ever attempted.

Suppose high fences separated Minnesota, Wisconsin, Iowa and North and South Dakota. Suppose these fences had gates so small they limited movement of goods, services, and labor among the five states.

Now, tear down the fences between these states, but leave the outer fence separating them from the other states of the Union.

That, in effect, is what the Common Market is-- the fences have been torn down between France, West

Germany, Italy, Belgium, the Netherlands, and luxembourg--  
but the outer fence that separates this merged area  
from other countries still stands.

Because of the resulting free movement of goods,  
services and labor between the six countries, spectacular  
economic growth has occurred. Employment, wages, and  
purchasing power are at record highs.

When agriculture in the Common Market countries  
saw what economic merger had brought to the industrial  
sector, it started pushing for development of a common  
agricultural policy. In January of last year the Common  
Market announced agreement of these six points:

1. Control of farm products through common  
marketing authorities.
2. Establishment of common prices and abolition  
of trade barriers within the area during a transition period.

3. Control of imports from outside countries through variable levies, fees, minimum prices, and-- in some instances--quantitative restrictions.

4. Use of funds to finance market operations and subsidize exports.

5. Establishment of quality standards.

6. Harmonization of veterinary, plant health, and similar regulations.

Implementation of these points has had some favorable and some unfavorable results for U.S. agriculture.

We can be optimistic about future export prospects for commodities the Common Market does not produce at all or produces in small volume--commodities like cotton, soybeans, protein meal, tallow, hides and skins and certain fruits and vegetables. These products had a value of \$578 million in fiscal year 1962 and made up

about 50 per cent of that year's shipments.

We did not do as well on tariffs negotiated for tobacco and vegetable oils. Common Market tariffs on these products, which accounted for \$123 million or 10 per cent of our fiscal year 1962 exports, are too high.

We didn't do well at all in keeping access to Common Market countries for those products Common Market farmers want to produce more of--wheat and wheat flour, feed grains, poultry and rice. The Common Market is developing for these commodities a protective system based primarily on variable import levies. The variable levy always keeps the cost of imported commodities to at least the level of Common Market-produced commodities. Because price competition is cancelled, traditional importers tend to do their buying locally. In the case of poultry, the variable levy is already in operation.

Altogether, wheat and wheat flour, feed grains, poultry, rice, and a few other products in that category had a value of \$483 million in fiscal year 1962, representing 40 per cent of our exports to the Common Market that year.

The United States has vigorously protested decisions taking the Common Market in the direction of restrictive trade. The Common Market has agreed to reconsider tariff decisions on wheat, corn, sorghum grain, rice, and poultry. These will represent a take-off point for the United States during the next bargaining round.

The Common Market's agricultural exports to the United States are relatively small, but it has been shipping us a sizeable volume of industrial goods and would like to sell us more. We can use them, and the Common Market can use more of our farm products. That's

the way the negotiating pattern should develop--that is the path President Kennedy has outlined in his plans to utilize the Trade Expansion Act of 1962--and I shall give him my wholehearted support.

We must keep in mind, however, that all our agricultural export future isn't wrapped up in the Common Market. Those countries have been taking about a third of the farm products we export for dollars.

The other two-thirds of our dollar sales are outside that area. In fiscal year 1962, our sales to the EFTA countries, including the United Kingdom, amounted to \$719 million; to Japan, \$485 million; and to Canada, \$430 million. Japan could use more of our feed grains and soybeans. Canada could use more of our poultry. The United Kingdom more of our citrus fruits.

A glowing potential for future cash sales of U.S. farm products abroad rests with the underdeveloped countries we are now assisting through our Food for Peace program. As our food helps improve their economic and social structures and move them farther along the way to self-sufficiency, we are also utilizing useful outlets for our agricultural abundance and providing additional income for our farmers.

Since 1955, Food for Peace exports have amounted to about \$12.5 billion. Feeding the hungry is sufficient reason for these contributions to human health and happiness. Yet we are realizing substantial fringe benefits. Our foreign policy is strengthened. People who have to make a choice between the Free World philosophy and that of the Communist World are given a graphic comparison of the efficiency of the family-owned farm under

a free-enterprise system with the inefficiency of the state-owned farm under a totalitarian system.

The friends we are making now can well be friendly cash customers for American farmers in the future.

Earlier this month, when the Senate was considering a shift in Department of Agriculture funds from one fiscal year to another, I repeated a plea I had made many times before--a request that the Department of Agriculture budget accurately reflect farm and non-farm expenditures.

When the President's budget estimate for this coming fiscal year included \$6.5 billion for the Department of Agriculture the old cry that farm programs cost too much money was again heard across the land. This is not a farmer's budget. It is a budget for all Americans.

Nearly three-fifths of the expenditures proposed

for fiscal year 1964--about \$4 billion of the \$6.5 billion-- will go for programs which clearly benefit consumers, business, industry and the general public.

More than \$2 billion--or 31 per cent of the total-- will go to programs vital to our foreign relations and national defense. Most of this will be spent on Food for Peace activities. As an instrument of peace, this program is a significant part of American foreign policy, not just farmer foreign policy.

Another \$499 million--eight per cent of the total budget--is to be spent for food distribution programs.

About \$994 million--around 15 per cent--will go for long-range programs for disease and pest control, meat inspection, protection of soil and water resources, forest and public land management, and market development and services. These activities benefit every one of our citizens.

There is a budget item of \$448 million for Rural Electrification Administration and Farmers Home Administration loans for which the repayment record by co-operatives and farmers is excellent.

Right down at the bottom of the proposed budget expenditures is an item of about \$2.5 billion for the support of programs directed primarily to the farm economy--price support activities including those for feed grains and wheat, agricultural conservation, the conservation reserve, and the sugar and wool programs.

Realistically, the Department of Agriculture budget should show \$2.5 billion for farm programs and \$4 billion for foreign aid, for food distribution, for public health services, for the maintenance of our forests and public outdoor recreation facilities, and for research carrying major benefits to business and industry.

Triggered by the Feed Grains Program, which was the first major farm legislation offered by the Kennedy Administration, farm income has risen substantially the last two years.

Realized net farm income in 1961 was \$12.7 billion, a rise of a billion dollars over the figure recorded during the last year of Eisenhower-Benson farm policies and programs.

Realized net farm income in 1962 moved up to \$12.9 billion. While these figures do not represent the fair share of national income farm families earn and should have, a billion dollar improvement is a welcome step in the right direction.

The benefits of the Feed Grains and Wheat programs have not all moved into the farm sector. Taxpayers are major beneficiaries, too. Like farmers, they haven't

been happy about having un-needed , unwanted supplies in storage that put an unnecessary drain on the federal treasury.

Government holdings of wheat and feed grains were better than a billion bushels less on February 15 of this year than the peak quantities held in 1961 before new programs became effective. Total stocks at the end of the 1963 marketing year will be 2.5 million bushels less than they would have been if the pre-1961 programs had been allowed to continue.

The fact the government doesn't now own the billion bushels of grain it formerly owned is saving the taxpayers \$770 thousand a day in carrying charges--\$280 million a year.

The 1964 federal budget includes \$246 million less for carrying charges on these grains than was spent

in fiscal year 1961, and \$813 million--or \$2.2 million a day--less than the annual rate that would have occurred by 1964 if the pre-1961 programs had been allowed to continue.

The 1961 and 1962 feed grains programs were successful. The 1963 program, which contains the new feature of a direct payment to cooperators, is an improvement. I suggested this revision for the 1963 crop year and it is this type of program--a permanent, voluntary, direct payment program--that I will propose and support for the 1964 and subsequent crop years.

The nation's wheat farmers, in May, will go to polling places to make a significant decision. They will be voting on more than approving, or rejecting, a Wheat Program developed in the last session of the Congress.

They will be deciding, in substantial measure, the

future of farm legislation. They will be deciding between a wheat price of around a dollar a bushel, or two dollars a bushel. They will be deciding on how effectively we can negotiate in the Common Market.

One of the most consistent arguments against approval of the Wheat Program in the referendum is that it will take freedom away from wheat growers. If this is true they have been voting freedom away by better than a two-third majority for quite a long time. Wheat marketing quotas aren't new.

I would point out that farmers have freedom to vote on wheat prices. They didn't have a vote--for or against--the decline in feed cattle and hog prices that started in January.

The Wall Street Journal last week carried a report that there are too many tomatoes, so tomato processors

have announced substantial reductions in prices paid to producers. They didn't wait until more than two-thirds of the tomato farmers had endorsed the income cuts in a referendum.

The 1964 Wheat Program carries these potentials" for farm families if approved by more than two-thirds of those voting in the referendum: Farmers will receive \$2 a bushel or more for nearly all of their 1964 wheat marketings.

Prices will be stable and predictable. Consumer prices, as they reflect the cost of wheat, will be the same as in 1962.

The total value of wheat production and the farm value of wheat production--including diversion payments--will remain at the improved 1961-62 levels and amount to more than \$2.3 billion.

World markets, influenced by the International Wheat Agreement, will be stable. Negotiations leading to satisfactory trade agreements can proceed without the uncertainties attached to unstable United States wheat prices.

Wheat surpluses will be reduced, and the cost to the taxpayer will be cut in comparison with recent years.

Should one-third plus one of the referendum voters reject the proposed 1964 program we can participate:

A market price of not much more than a dollar a bushel for wheat.

A sharp reduction in farm income despite a rise in wheat acreage.

An unfavorable impact on the total economy as wheat farmers necessarily reduce expenditures for goods and services.

The Congress of the United States, to which rural

voters elect a distinct minority of the members, is keeping a sharp eye on the Wheat Referendum.

Some Senators and Representatives from entirely-urban areas who have consistently voted with those of us favoring farmer-government cooperation have said bluntly they're going to vote from now on like farmers vote--that if farmers vote for supply management with relatively high price supports they'll vote that way, but that if farmers want the government out of agriculture they'll help vote it out every time a new program or appropriation comes before them.

Then, too, there are always those Senate and House members who favor farm programs--but not if they are proposed by President Kennedy or Orville Freeman. Believe it or not, the Congress is sometimes contoured on partisan lines.

lines.

The Wheat Referendum result will doubtless play a part in determining Congressional attitudes toward a 1964 Feed Grains Program, and in the success of efforts to modernize the Cotton Program in a way that will maintain producer income while facing realistically the relationship of domestic and world markets.

The Wheat Referendum decision will have impact far beyond the wheat acres.

## NOTES

There are a few items I didn't include in this speech that you could mention, time permitting.

The Valley area is interested in sugar and you brought about enactment of the new Sugar Act and the Drayton factory, which will add more than 12,000 acres for sugarbeets in Marshall and Kittson counties beginning with the 1965 crop year.

The attached release discusses your recommendations with respect to the Farmers Home Administration. The F.H.A. is important to the people of the Valley, because last year they had severe flooding and the year before it was drought. As a result, many of them suffered severe financial loss. F.H.A. emergency and operating loans are the reasons for the very economic survival of many of these farmers.

They also grow a lot of potatoes in this area.

If you are asked, you can say you are a co-sponsor of the attached S.829, which calls for marketing quotas through acreage allotments, but no price support. Most of them are quite familiar with this and you will find that it has good support among the family farmers in the area.

You might also mention dairy products, though it could lead to questions about the N.F.O., dumping and the like, along with a wide difference of opinion as to what type of program is best. You have said:

"I am pleased that the President accepted my recommendation and asked Congress to apply the successful principles of voluntary supply management to the dairy industry. He called for a program under which cooperating producers would receive price supports through market prices and direct payments.

"I will, during this session of Congress, work for passage of a dairy program designed to improve farm income, to reduce the surplus, and make greater use of our dairy products at home and abroad. The principle of voluntary cooperation of the successful feed grains program can be applied to dairy legislation. The principle of direct payments such as was included in the 1963 Feed Grains Bill is something I have long advocated and will support."

I didn't include any detailed discussion of the cotton situation in the speech, but you might want to mention your cooperation with Senator Talmadge in trying to solve this problem, by again applying the successful principles of direct payments to cotton producers, which would eliminate present inequities faced by domestic mills and increase U.S. export opportunities.



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