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news release

FROM THE DEMOCRATIC NATIONAL COMMITTEE PUBLICITY DIVISION 1730 K STREET, N.W. WASHINGTON 6, D.C. FEDERAL 3-8750

FOR A.M.'S RELEASE
FRIDAY, OCTOBER 23

B-3905

TEXT PREPARED FOR DELIVERY
BY
SENATOR HUBERT HUMPHREY
ASSOCIATED INDUSTRIES OF MASSACHUSETTS
BOSTON, MASSACHUSETTS
OCTOBER 22, 1964

Thank you very much for inviting me to come tonight. I am deeply honored that your distinguished association decided to present me its Paul Revere Award.

We have come to recognize the development of a great and enduring partnership between business and government in America. This partnership has grown upon a mutual recognition that if America is to be strong -- if it is to be prosperous -- if it is to be free -- then American business and American government must work together.

This is sound in both philosophy and reality. We shall all grow together or we shall hang separately. It is that simple. Business and government have learned to work together and the country has benefited.

This must continue. This is not a pious platitude nor an easy slogan. This is the only course that America can safely and wisely follow.

Before this campaign, there were those who contended that American business leaders were forever dedicated to whichever candidate gained control of the Republican Party. I never believed this. I knew too many of you -- I had worked too often with you in the interest of the country. I was convinced that the intelligence and objectivity required in business would rule in evaluating the respective candidates and proposals. And it has.

A well-stocked arsenal of anti-government slogans -- the principal weapon of our opposition -- will not substitute for proven competence in the management of our government, or a sympathetic concern by government for the legitimate problems of the business world. The choice is simply this: proven competence versus hollow slogans.

I submit that our opposition has not presented a thoughtfully conceived plan for promoting the American economy. I submit that they have failed to recognize the impressive progress that has been made in building an environment of cooperation and confidence between business and government.

I would like to discuss the record of demonstrated competence which the Kennedy-Johnson Administration has established in its working partnership with business.

Look at the record of the last four years.

For 44 straight months, business has been expanding steadily -- employment has been rising steadily -- and incomes have been growing steadily.

This is unprecedented. In 100 years, only two periods of peacetime business expansion have lasted more than three years. The average business expansion period usually lasts about two years, but consider this -- today we are in the fourth year of expansion.

Incredible as it may seem, the Kennedy-Johnson Administration will be the first peacetime Administration in the history of the United States without a recession or a depression. Remember that in the 1950's there were three recessions -- in 1953-54, in 1957-58 and in 1960.

But it is not simply an unparalleled four years of prosperity which is impressive. It is also the size of our economic gains. During the last four years, the rise in real output of goods and services -- screening out all price changes -- is more than the entire rise in real output during the preceding eight years.

And if you look at the average yearly growth rate, you find that it rose to 4.1 per cent during the Kennedy-Johnson years -- up from the 2.7 per cent growth rate of the previous eight years.

These percentages reflect bigger profits for business, more jobs for working people, and better living for all Americans. During the last four years, the average income per capita for every man, woman and child in the United States went up by \$320. For a family of four that means a gain of \$1,200 in added purchasing power.

These gains in the economic welfare of the individual have come side-by-side with history's greatest gains in the profits of business.

Recognizing that profits are the engine of progress, this Administration has contributed to the spectacular increase in corporate profits after taxes -- \$13 billion, or 67% in just 3½ years

This is not "paper prosperity." This is not a phony, feverish prosperity based on rising prices and inflation. No indeed. Our economic growth has been solid and steady.

The average level of wholesale prices is no higher today than it was when President Kennedy took office almost four years ago. And the average level of consumer prices has gone up only 1 per cent a year -- a better record of price stability than any other industrial nation in the world.

Those achievements -- prosperity and price stability -- are certainly not just the result of government action. For these achievements, we are much indebted to the initiative, the enterprise, and the genius of American industry, and to the skill and energy of American workers.

Our prosperity has engaged the imagination of our scientists and engineers, the vision of our bankers and investors, the willingness of communities to provide and expand the public services essential to a modern, complex society and economy.

More specifically, business and labor have contributed to the health of the current expansion by restraint and moderation in wage and price policies. Business has been careful to cut costs and to avoid excesses in inventories and in plant and equipment, yet responsive to opportunities for sound and profitable investment.

The policies of the Federal government have also played a vitally important role -- and we must not underestimate or downgrade this important role.

For the first time in history, Federal fiscal policy has combined rigorous economy and efficiency in government, with due attention to the impact of the budget and taxation upon the private economy. Monetary policy has also contributed to a deliberate, steady and controlled expansion.

There has been no repetition of the sudden shifts to tight money that cut off previous expansion.

Nor will there be, so long as business expansion remains healthy well-balanced and noninflationary.

A major contribution has come from the tax policies of the past four years. These have played a key part in providing the climate and the expansionary fuel for a sustained prosperity.

There is another factor which has played an important role in the renewed confidence of business in government. Business likes a business-like administration of government programs and funds. And that's precisely what we have had.

People may have their little jokes about turning out lights in the White House. But this is a symbol of the new spirit of cost-consciousness in the Federal Government.

The Federal budget for fiscal year 1965 calls for a decrease in expenditures -- only the second budget in 9 years to do so.

Budget expenditures this year are smaller in relation to the Gross National Product than at any time since 1951.

Instead of increasing government civilian employment, this budget calls for a reduction -- the first budget to do so in the last 8 years.

Civilian employment in the Executive branch in September 1964 was down 21,000 from the beginning of the Johnson Administration and at its lowest level in nearly 2½ years.

During the first two months of this fiscal year, budget expenditures are \$675 million below the same period last year.

We do not want a government which pinches pennies when human needs are concerned. But we do need a government which recognizes that saved pennies mount into saved dollars, and a President who demands a dollar's value for a dollar spent.

The fact is that the American businessman is not well served at home or abroad by a "do nothing" government.

Let me be more specific. The chief role of government is to support -- not supplant -- the private enterprise system.

When a lack of private credit stifles business growth, government must stimulate a flow of credit.

When tax incentives are needed to encourage private investment the government must consider such action.

When business firms seek to compete successfully in the markets of the world, government must try to remove international trade barriers.

When massive investments beyond the ~~means~~ of private business is required for pioneering efforts in space, communications, atomic energy, or aviation, government has a crucial role as an investment partner.

We need a government that is not afraid of mere bigness in business for its own sake, but understands that expanding markets and growing economic opportunities provide business with the means to stimulate competition and to avoid restraints on trade.

In this role of creative and constructive partnership, government must always recognize the legitimacy of profits for businessmen. Profits are rewards for successful risk taking, ingenuity and hard work. ~~Not~~ only are such profits fair, their reinvestment in an expanding economy benefits everyone.

And as you know, New England has shared in our prosperity. Enough? Of course not. But let us not ignore the real progress we have made.

For one thing, personal income is up. Not only is it \$300 a year more than in 1960 but it has been increasing at a faster rate.

Employment is up 100,000 jobs since 1960 and that's been increasing at a faster rate.

And the tax cut will continue to add a great deal to the purchasing power in this region.

However, even such bright statistics as these will not hide what you and I know and know very well -- New England has some special problems that have received special attention and will require more action in the future.

Efforts to help the textile industry have occupied a great deal of time and energy. President Kennedy developed a seven point program and this has been vigorously carried forward by President Johnson. We are now at work to help the wool textile industries to good health and have been talking to other wool-textile producing

countries to stabilize imports at reasonable levels.

We are also looking forward to improved conditions in your fishing industry through the Commercial Fisheries Research and Development Act enacted by this Congress. This will provide substantial assistance to the construction of modern fishing vessels in our shipyards -- providing our fishermen with the latest equipment to compete with other countries.

And our space program will continue to draw on your area's immense concentration of scientific and technical know-how through the space center to be built here.

In short, Lyndon B. Johnson brings to the American business community a proven record of understanding its dynamics and needs. He brings a mature view of the proper role of government participating constructively in a free, private economy.

You need take nothing on faith. His record is clear and speaks for itself. As businessmen and Americans you know we must keep America moving forward in peace and security.

Lyndon B. Johnson possesses the maturity, the understanding, the experience, the courage and the responsibility to accomplish this objective.

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Handwritten:
Honorably
General
John F. Connors
Frank Kennedy
Ted Kennedy

Handwritten:
Lt. Gov. Belotti
Eddie Bolin

Handwritten:
Buzz Yaeger
Associated Industries
of Mass

READING COPY

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Handwritten:
Mass
Druggists Assoc.
Plaque

- 1 -

Handwritten:
Send this
now!

And American business and government
are working together

(2)

✓ The White House has become the conference
house for business and labor, for employer and

worker. ✓ American management is ~~respected~~ *highly regarded*.

✓ American labor leadership is respected. ✓ And

this Administration places its trust in the
workings of ~~fair~~ *fair* competition as the principal

guardian of the marketing place. ✓ The Kennedy-

Johnson Administration has exercised prudent

and responsible fiscal and monetary policies.

✓ The stock market knows this. The financial

community knows this. ✓ *and,* The industrial

community knows this.

Mr. Galt

-3-

Before this campaign, there were those who contended that American business leaders were forever dedicated to whichever candidate gained control of the Republican Party. I never believed this. ~~I knew too many of you -- I had worked too often with you in the interest of the country. I~~ *and I am* was convinced that the intelligence and objectivity required in business would rule in evaluating the respective candidates and proposals. And it has.

Concern Senator Goldwater's nomination produced consternation not only in political circles in the United States and among the top financiers and industrialists of America, but also in the political and financial circles of Europe, Asia and Latin America.

4-
From what we see in the Foreign press,

The election of Senator Goldwater to the
Presidency would ~~destroy~~ ^{weaken} the confidence of the
international banking community. It would threaten

our alliances; it would result in a raid on our gold
reserves and it could shatter the great credit

structure of Europe and America which underpins ~~our~~

~~the~~ ^{which is the} unprecedented prosperity that we now have and

the economic base for our military power.

The prospect of Senator Goldwater at the

helm of the United States Government is ~~enough~~ ^{a cause}

^{for deep concern to many} to give nightmares to every major banker, industrialist,

and investor in the free world. And that is

precisely why there ~~has been~~ ^{is} such a powerful

consensus developed among genuine conservatives of

our country that Senator Goldwater must be defeated

not only in the interest of our national security,

but in the interest of continuing prosperity and an

expanding economy.

I submit that our opposition has not presented a thoughtfully conceived plan for promoting the American economy. I submit they have failed to recognize the impressive progress that has been made in building an environment of cooperation and confidence between business and government.

The Administration of President Johnson has faith in our free enterprise system and it has demonstrated that faith in policies and programs to encourage business enterprise.

-5a-

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These gains in the economic welfare of individuals have come side-by-side with history's greatest gains in the profits of business.

Recognizing that profits are the engine of progress, this administration has contributed to the spectacular increase in corporate profits after taxes ^{an increase of} -- \$13 billion, or 67 percent, in just 3-1/2 years.

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↳ The policies of the Federal Government have also played a vitally important role -- ~~and we must not underestimate or downgrade this important role.~~

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To Encourage not Harass! ↳ The chief role of government is to support *or Supplement* not supplant -- the private enterprise system.

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Shoes

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L Efforts to help the textile industry have
top priority. ~~occupied a great deal of time and energy.~~ *we*

are now at work to help the wool textiles
industry to good health and have been talking
to other wool-textile producing countries to
stabilize imports at reasonable levels.

N. England

↳ We are ~~also~~ looking forward to improved conditions in your fishing industry through the Commercial Fisheries Research and Development Act enacted by this Congress.

Fisheries

↳ And our space program will continue to draw on your area's immense concentration of scientific and technical know-how through the space center to be built here *in Boston area*

space

↳ And as we look ahead hopefully to the possibility of some easing of the arms race, you can be sure that this Administration will act effectively to ease the adjustments for defense-dependent industries, for both labor and capital. ↳ We shall do our utmost to preserve the general prosperity that will permit the labor and capital released from military uses

to be used in constructive civilian purposes.

And we shall devise additional means to keep
the human costs of the changeover as low as
possible.

But we shall always spend what is
necessary for national security -- for the
defense of freedom. Without peace and
security there is no freedom -- there is no
prosperity. There is no free enterprise.

And, of course, here we touch the very
heart and core of this Presidential campaign:
the question of who will bear the burden of
the security of our families, our communities, and
our nation. Who will be the man to whom we
entrust the fateful decisions of peace and war,

the control of the dreaded nuclear weapon?

Who will be the man in whose hands for the

next four years we shall place our lives, our

fortunes, and our honor? This is the deadly

serious question about which there can be

no games and no frivolity. And, as I see before

me men entrusted with the decisionmaking for

great enterprises, I know that I am addressing

men who understand the meaning of trust and

responsibility.

We have a man who has assumed the heavy
burdens of the Presidency, who bears our trust,

who has spent a lifetime training himself for

the great decisionmaking of the Presidency. That

man is President Lyndon Johnson. And I ask

you to rise above party, and partisanship.

I ask your leadership and your support for the

sound and prudent and restrained leadership

of a great President of all of our people.

1. Sustained Prosperity

Question:

Do you believe that it will be possible to go another four years without a recession? What measures might you take to deal with a threat of recession?

Answer:

1. Our unprecedented 44-month peacetime prosperity has already broken the historical rhythm of recessions after every 2 or 3 years of expansion; to go another 4 years without recession would completely change the character of American economic history. No one can promise that such an achievement is "in the bag."
2. But we are convinced that recessions are not inevitable, and sustained prosperity is our realistic objective. Many of the free economies of Western Europe have gone more than a decade without a business decline.
3. Our prospects for continuing prosperity start from the solid base of a healthy and balanced expansion that shows no signs of faltering:
 - Nearly 5 million new nonfarm jobs have been created since early 1961.
 - Our total production is now expanding at a good 5% annual rate.
 - Profits after taxes are up more than 60% since early 1961.
 - Wages and salaries after taxes are up nearly \$60 billion.
 - Prices and costs have been more stable than in any other industrial country in the world.
4. The best way to avoid slipping backward is to maintain strong and steady forward momentum. A continued partnership of government and private enterprise can supply that momentum:
 - by continued restraint in costs and prices, combined with steady progress in modernization, improved management, and cost-cutting investments;

Sustained Prosperity (Cont.)

- by further tax reduction, with excises first in line, carefully timed and tailored to maintain continued growth and to head off recession;
 - by monetary policies to provide the credit needed for steady expansion without inflation;
 - and, finally, by a spirit of constructive cooperation, not angry antagonism, between government and private enterprise.
5. A good offense -- a vigorous program for sustaining prosperity -- is our best defense against recession. But if recession were to threaten, a well-timed tax cut would be one of our most effective measures. And within the bounds of efficient government expenditures, a speed-up of public works and other Federal outlays could also help take up economic slack.

2. "Artificial Prosperity"Question:

The opposition has labeled our economic performance this year an "artificial prosperity." What is your reaction?

Answer:

1. Our 44-month economic expansion rests on a solid and broad base of consumer and business spending. The dollars that are raising living standards, adding to savings, filling corporate treasuries, and financing business expansion are real dollars -- not artificial ones. Prices have not wavered from their remarkably stable course. Excesses and speculation have been avoided:
 - Inventories have been rising very modestly, far less rapidly than sales.
 - Credit expansion has been moderate, and the money supply has risen less than the Nation's output.
 - Expansion of plant capacity has been closely geared to developing markets.
2. In 4 years of this Democratic Administration, our great prosperity has boosted total output more than in the preceding 8 Republican years. This is real output, after all price changes have been eliminated. There is nothing artificial about this 2-to-1 ratio of economic performance.
3. The economic news also shows full business confidence in sound and sustained prosperity:
 - business economists foresee continued advances in 1965;
 - purchasing agents anticipate good gains in orders and production for the next two quarters;
 - businessmen are currently spending 13% more on plant and equipment this year than last -- this expansion of capacity testifies eloquently to their expectations for sales and orders in the future.
4. We fully admit the charge that we have been working to promote prosperity this year. We are not sorry that the American people are enjoying prosperity this election year (unlike 1960) or that we have had an economic upswing right through 1961, 1962, 1963, and 1964. Every year is a good time for prosperity, in our opinion, and this Administration will continue to work to sustain and broaden prosperity every day that we are in office.

3. Full Employment

Question:

After a 3-1/2 year expansion, unemployment today remains excessive by your own standards. What is a feasible target for full employment?

Answer:

1. Our employment objective must be to provide job opportunities for all individuals willing and able to work.
2. We have already made considerable progress: unemployment has fallen from over 6-1/2% in January 1961 to about 5% today. In the previous four-year period -- 1957-1960 -- unemployment rose from 4% to over 6-1/2%. The reason for this encouraging reversal of direction is that we have had continued expansion in the economy for the past 44 months, whereas there were two economic recessions during the period 1957-1960.
3. More than 1,000,000 new jobs a year have been created in nonfarm employment during the past four years. This contrasts with about 500,000 jobs a year in the previous four years -- 1957-1960.
4. In 9 months of 1964 alone:
 - . Unemployment has fallen from about 5-1/2% to 5%.
 - . The number of civilian jobs has risen 1.2 million.
 - . The unemployment rate for married men has fallen below 3%.
 - . The rate for all men over 20 years of age has fallen below 4%.
5. But the task is far from complete. Despite recent gains, jobless rates for the unskilled, the young, the Negro worker are far too high.
6. We are now beginning to feel the impact of the postwar baby boom in the labor market. There are now one million more 17 year olds than 18 year olds. The labor force is expected to rise by about 1-1/2 million next year. These young people, on balance, are better trained

than new entrants to the labor force have been in the past and they afford a reservoir of talent for the continuing improvement of our standard of living. To use this talent effectively we must accelerate the growth of new jobs.

7. We must foster continued expansion of total demand, and, at the same time, devise special programs to deal with youth, the long-term unemployed, and the disadvantaged groups in our population. New programs are needed to extend the economic advances of the past four years. Our ultimate employment goal -- job opportunities for all persons willing and able to work -- can and will be achieved in the years to come.

4. Fiscal Policy

Question:

What are the basic principles for responsible and effective fiscal policy?

Answer:

Responsible and effective fiscal policy requires:

1. Comprehensive budgetary controls
 - to insure maximum efficiency in operations;
 - to weed out low priority and outmoded programs;
 - to get a full dollar of value for every dollar spent.
2. Strong and innovating government programs that meet fully and efficiently our responsibilities at home and abroad.

A tax system which distributes the burdens equitably and raises revenue without blunting the incentive and efficiency of the private economy.
4. Careful appraisal of the budget's impact on our economic performance in pursuit of the goal of a balanced budget in any economy balanced at full potential. At times when men and machines are idle, measures to raise production and create jobs may find the budget in deficit; at times when total demand would otherwise outrun our capacity to produce, a surplus is called for. This means the continuous pursuit of policies to promote steady and sustained prosperity without inflation
 - not merely actions to counter recessions after they begin.
5. Flexibility in meeting the changing needs of the economy and the world situation. We cannot lay down rigid and mechanical rules for tax reduction, years in advance, without any possible knowledge of the budgetary needs and economic conditions that the future may bring.

5. State-Local Finances

Question:

The opposition has endorsed a program of unconditional fiscal grants to the States out of Federal revenues. Do you consider this an effective method of relieving the financial burdens on the States?

Answer:

1. Long before the opposition announced its plan, we were acting -- in line with the Democratic platform -- to consider "development of fiscal policies which would provide revenue sources to hard-pressed State and local governments to assist them with their responsibilities."
2. At the State and local level, we see responsibilities rising faster than revenues, while at the Federal level an average annual revenue growth of some \$6 billion provides a comfortable margin for Federal tax reduction and more generous help to State and local units.
3. The opposition offers aid to States and localities with one hand, but, with the other, it would destroy existing programs of Federal-State-local cooperation in such vital areas as highways, public assistance, public health, urban renewal, and education. We want to strengthen these programs.
4. The national government, as a constructive partner in a creative federalism, should help restore fiscal balance and strengthen State and local governments by making available for their use some part of our great and growing Federal tax revenues -- over and above existing aids.
5. For the past four months, a task force appointed by the President has been studying intensively the various ways to strengthen the Federal-State-local partnership. One of the proposals they are weighing most seriously is unconditional grants to the States. They will report their findings to the President on November 15 -- in time to help the Administration formulate its program for the next Congress.

6. TaxesQuestion:

You have announced that you will propose excise tax reductions next year. Can you say any more about these proposals now? What are the prospects and priorities for further tax cuts in the years ahead?

Answer:

1. Currently, the Treasury Department is intensively studying each of the 75 excise taxes to design a rational program of excise tax reduction.
2. The size and timing of excise tax reduction, as of any tax reduction, must be tailored most carefully to fit

-- the budget program as a whole, and

-- business conditions, so that it works to sustain prosperity without inflationary excesses.

These needs can be assessed more clearly at the end of the year.

3. As long as the economy remains prosperous, rising incomes will increase the revenues of the Federal Government by roughly \$6 billion a year at current tax rates. Unless a major increase in defense was required by unanticipated international developments, revenues would therefore tend to rise relative to expenditures. Fiscal policy must be constantly alert to the danger that such a growth in revenues could choke off our economic expansion, as it did in the late 1950's.
4. There are many ways by which this "fiscal drag" can be countered. The possibilities include: further tax reductions, increases in top-priority Federal programs, and an increased flow of funds to State and local authorities.
5. Thus far, we have cut both individual and corporate income tax liabilities by nearly one-fifth by
 - revising depreciation guidelines, thus adding \$1-1/2 billion a year to corporate "cash flow,"
 - enacting the investment tax credit, thus reducing tax liabilities by more than \$1 billion a year,
 - cutting personal and corporate income tax rates, thus raising private after-tax incomes directly by \$1-1/2 billion.

6. Excise taxes will have priority for the year 1965. Later, we will again focus on income taxation -- both personal and corporate -- as the major areas for future tax cuts. We fully anticipate that taxes will be cut further in the years ahead, barring any major unanticipated need for increased defense spending.
7. The exact combination of measures cannot be laid out in advance in any arbitrary, automatic fashion. Tax proposals should be examined most thoroughly and timed carefully with full consideration of the state of the economy and the priorities in the Budget.

7. Monetary Policy

Question

Now -- as always -- the Federal Reserve isn't pleasing everyone: some say credit is too easy; others find it too tight. How would you evaluate the performance and prospects of monetary policy? In light of your experience as President, how do you feel about the independence of the Federal Reserve?

Answer

1. The job of the money managers is never easy. But the results over the past four years have been remarkable:
 - Ample but not excessive credit has been available to businesses, homebuyers, and State and local governments.
 - At the same time, short-term interest rates have been pushed up to reduce capital outflows and help correct our balance of payments deficit.
 - Yet long-term interest rates, which are so important to domestic borrowers, have remained moderate -- in fact, home mortgage rates and the rates paid by State and local governments are lower today than in early 1961.
2. All this has been made possible by close ties between our monetary and our fiscal and debt management policies, and close harmony among the men responsible for these policies:
 - We have maintained the Federal Reserve's traditional independence within the Government.
 - Yet the Federal Reserve and the Administration agree entirely on the practical need for informal coordination among the various economic programs of the Government.
 - To do this the President meets periodically with Secretary Dillon, Budget Director Gordon, Chairman Martin, and Chairman Heller of the Council of Economic Advisers, and they in turn are in close and continuous contact.
 - In our view, these informal arrangements have worked very well.

Monetary Policy (cont'd.)

3. In the future as in the past, our monetary system must remain flexible, and not be bound by any rigid, mechanical rules:
 - In an atmosphere of private and public moderation, monetary policy has been steadily expansionary for 4 years.
 - With continued moderation, there can be continued monetary expansion.
 - But if inflation develops, or if excessive outflows of funds occur, the Federal Reserve System is in a position to do what is necessary.

8. Balance of Payments

Question:

Do you feel we are making satisfactory progress in reducing our balance of payments deficit?

Answer:

1. We have made much progress:

- . Our surplus of merchandise exports over imports is 40% above 1960.
- . Our balance of payments deficit (on regular transactions) has been cut by more than half -- from an average level of \$3.9 billion in 1958-60 to \$1.7 billion during the last fiscal year.
- . Confidence in the dollar has been restored.
- . As a result, the gold outflow -- which averaged an alarming \$1.7 billion a year from the end of 1957 through 1960 -- was cut in half in 1961 and 1962, and has ceased entirely over the past 12 months.

2. This progress has not come at the expense of our other vital responsibilities

- for maintaining and improving our defenses abroad,
- for providing needed assistance to developing nations,
- and for sustained and rapid growth at home.

3. Moreover, we have refused to seek "easy" and fast solutions to our balance of payments problem through controls and restrictions that would have curbed economic freedom, hurt our domestic prosperity, or damaged other countries' trade.

4. Instead, we have chosen the slower but surer path of progress through a more competitive, efficient, and prosperous domestic economy -- an economy fully equipped to maintain and expand its share of rapidly growing world markets.

5. During the past year, we have cut back hard on the U. S. Government flow of dollars abroad; we have passed the Interest Equalization Tax and raised short-term interest rates at home to cut off an excessive flow of capital abroad; we have given fair assistance to our exporters while our policies have helped to maintain the price stability that has advanced our trade; we have made investment at home more attractive by stimulating healthy economic growth.
6. But the task of restoring balance in our external payments has not been completed. To maintain our forward momentum and capitalize on the very real gains of the past four years will require further efforts to expand our exports and to create conditions that will keep more of our American capital at home.

9. Guideposts: wages and prices

Question:

The opposition has called your price and wage guideposts "irresponsible and dangerous," and has said, "They offer a serious threat to a free economy." How do you view the guideposts?

Answer:

1. The price-wage guideposts were developed under President Kennedy and reaffirmed by this Administration to facilitate decisions by business and labor that help us preserve price stability.
2. The guideposts provide the public with a means of judging whether the price and wage decisions made by business and labor are noninflationary and therefore consistent with the public interest.
3. The guideposts reflect the fact that over-all stability of prices can be assured if wage increases do not exceed the economy-wide rate of gain in productivity and if industries with exceptionally high productivity gains reduce their prices.

The guideposts are not compulsory and do not fix prices or wages. In our economy, those are matters properly left to free markets and free collective bargaining. The term "guideposts" conveys exactly what was intended -- not hard and fast prescriptions for every wage settlement or price-decision -- but criteria for responsible action by both labor and business.

5. With few exceptions, business and labor have generally followed the guideposts in the 1961-64 period:
 - Price increases in industries with below-average productivity gains have been offset by price decreases elsewhere.
 - Average wage and benefit increases have not exceeded the long-run rise in the productivity of our workers, so that labor cost per unit of output has been stable since the beginning of 1961. In fact, it has fallen by 3.4% in manufacturing.
6. Our remarkable record of price stability has (a) protected consumers at home by maintaining the purchasing power of the dollar and (b) enabled us to strengthen the competitive position of our goods abroad and improve our balance of payments:

- Wholesale prices are, on the average, no higher now than a year ago, and are 1/10 of 1% below 5 years ago.
- Industrial wholesale prices have fallen 3/10 of 1% over the same period.
- Since 1961, the wholesale price record in the United States is the best of any major country in the world. For example, while wholesale prices here were falling a bit, they rose in all the major European countries, from about 3-1/2% for Germany to 11-1/2% for Italy.
- Consumer prices have also been more stable than in any other industrial country in the world. As compared to our consumer price increase of slightly less than 4% since the 1st quarter of 1961, major European countries experienced increases of 10% to 19%.

7. The guideposts are a sound basis for continued price stability and are increasingly important as our economy rises closer and closer to its full potential. They have made all of us -- in business, in labor, and in government -- more keenly aware of the importance of our own actions for price stability and sustained prosperity. This increased understanding and sense of responsibility will strengthen our economy in the years ahead.

10. Business-Government Relations

Question:

Do you share the opinion that attitudes and relations between business and government have shown marked improvement of late? If so, how do you explain this development?

Answer:

1. Relations between business and government have improved. An unusually large number of outstanding businessmen have spoken out in support of the general economic policies of this Administration. Businessmen have been very cooperative and constructive in discussing the problems of this Nation and considering possible solutions. The Administration, in turn, has been receptive and responsive to their views and suggestions.
2. There is a growing recognition by businessmen that:
 - this Administration's policies make for a strong and growing economy; and
 - a strong and growing economy means good business.
3. Through a strong and growing economy, profits after taxes in the second quarter of 1964 were:
 - 64% above the first quarter of 1961;
 - 20% above the old peak in the second quarter of 1959.

And these profits have been earned in dollars of remarkably stable purchasing power.
4. Businessmen know their efforts have been supported by
 - this year's tax reduction;
 - the investment tax credit;
 - the new depreciation guidelines;
 - our efforts to maintain the ready availability of credit at stable interest rates;

- our effective efforts to maintain stable prices;
 - our new programs to assist in the development of export markets;
 - our success in restoring world confidence in the dollar.
5. Businessmen approve of this Administration's business-like approach to the conduct of the Nation's affairs.
- applying sound management practices and cost-consciousness to eliminate waste and raise productivity in Federal programs;
 - making well-planned investments in our human resources where the investments can yield a high return to the whole Nation.
6. Businessmen respect our efforts to promote competitive market performance by such activities as
- improving the dissemination of technical information generated by Federal R and D programs;
 - assisting private industry in establishing voluntary marketing standards for U.S. commodities at home and abroad;
 - broadening the area for private initiative and market decisions in transportation industries;
 - reshaping Federal credit programs to assure that they stimulate and supplement -- but do not substitute for and displace -- private lending;
 - enforcing and updating our laws to prevent abusive and unfair use of the market.

11. Federal SpendingQuestion:

In the eyes of the opposition, you are a reckless spender. Meanwhile, your emphasis on frugality has concerned some liberals who see large unmet public needs. How would you summarize your position on Federal spending?

Answer:

The record of the past 10 months clearly refutes the charge of reckless spending. The Administration has had significant accomplishments in controlling expenditures, holding down Government employment, and effecting numerous economies in the management and operation of Government programs.

1. The first budget for which President Johnson is responsible is the 1965 Budget, for the fiscal year which began July 1, 1964.
 - Instead of increasing expenditures, this budget calls for a decrease -- and it is only the second budget in 9 years to do so.
 - Budget expenditures this year are smaller in relation to Gross National Product than at any time since 1951. They are running 15-1/2% of GNP -- no Republican budget from 1955 to 1961 was below 16%.
 - Instead of increasing Government civilian employment, this budget calls for a reduction -- and it is the first budget to do so in the last 8 years.
 - The President has requested \$450 million less in 1965 appropriations than he said he would when he transmitted the 1965 budget.
 - During the first 2 months of this fiscal year (the only period for which figures are now available) -- July and August -- budget expenditures were \$676 million below the same period last year.

Federal Spending (Cont'd.)

- Civilian employment in the executive branch in September, 1964 was down 21,000 from the beginning of the Johnson Administration and at the lowest level in nearly 2-1/2 years.
- During July and August many further steps to initiate management improvements and cost reduction actions were reported by Federal nondefense agencies; these steps are expected to produce savings of more than \$178 million on an annual basis.
- Present rates of spending indicate that we will actually be able to reduce 1965 expenditures by \$600 million below the budget estimates -- a reduction of \$400 million below actual expenditures in fiscal 1964.
- The Federal debt at the end of this year will be smaller in relation to Gross National Product than at any time since 1941. It will be less than 50% of GNP, down from 133% of GNP in 1946 and from 58% of GNP in 1960.

2. Efforts to achieve economies in expenditures and employment already bore considerable fruit in fiscal 1964.

- Actual expenditures in that fiscal year were down more than \$1 billion from the original 1964 budget estimate of January 1963 and were \$700 million below the estimates made in January 1964.
- Civilian employment in the executive branch on June 30, 1964, was down more than 101,800 from the number in the original 1964 budget estimate, 43,000 from the revised estimate in last January's budget, and 21,000 from the actual number on the rolls one year earlier.
- Cost reduction was made a continuing high priority concern of every department and agency. The following are a few major examples of results achieved in fiscal year 1964:
 - Secretary McNamara's cost reduction program in the Department of Defense actually realized savings of \$2.8 billion, compared with the initial forecast of \$1.5 billion. This was accomplished at the same time that our military strength and combat readiness were being vastly improved.

Federal Spending (Cont'd.)

- In the National Aeronautics and Space Administration, a cost reduction goal of \$81.7 million was established for fiscal year 1964. Results far surpassed these expectations, and savings are conservatively estimated in NASA at \$128 million.
 - In the Post Office Department, employment in June 1964 was 3,164 less than in June 1962, while mail volume was 3.7 billion pieces more than in 1962. If output per postal worker today were the same as in 1961, the cost of operating the Post Office would be \$140 million more than it is.
 - The Treasury's Division of Disbursement improved employee output by more than 14% over 1963, due to electronic data processing improvements, consolidation of field offices, and streamlined procedures. This is equivalent to the work of nearly 200 employees.
 - The Veterans Administration's insurance program increased the productivity of its manpower by 24% over the preceding year, through reorganizations and the use of automatic data processing. This is the equivalent to the work of about 600 employees.
 - The Federal Aviation Agency's Systems Maintenance Service achieved a 6% increase over 1963 in the amount of maintenance of air navigation and air traffic control facilities per man-hour. This gain represents a saving of about 600 man-years.
3. This Administration's emphasis on frugality does not mean a do-nothing policy. On the contrary, it is our policy to reduce costs, curtail less urgent activities, and find other savings which will permit the Government to expand essential services or start needed new services without a wasteful burden on the taxpayer. Frugality is most meaningful when its fruits are used to contribute to human compassion and national progress.
4. From 1961 to 1964, the bulk of the increase in expenditures (over 70%) went for strengthening our defense and space programs and for uncontrollable interest charges. These investments in military readiness now make it possible to reduce military spending without sacrificing military strength.

Federal Spending (Cont'd.)

- The cut in defense expenditures plus numerous economy measures enable us to turn to other unmet national needs.
- The austerity policy followed in the 1965 budget permitted the inclusion of a number of legislative proposals of great importance to the Nation's citizens. Almost all of the measures proposed were accepted by the Congress.

In addition to the reduction in income taxes -- which is the single most important step taken since World War II to strengthen the economy -- the following are a few of the proposals included in the 1965 budget to improve the Nation's well-being, promote better education, and provide better use of natural resources.

- Economic Opportunity Act begins a war on poverty -- through measures to stimulate employment, better health, job training, education, rehabilitation, and other services to help the poor help themselves. This landmark legislation relies for its main success on the efforts of local communities.
- Urban mass transportation. The new law provides for grants and loans to States and local public bodies to help them finance mass transit facilities. This Act will exert a major constructive influence on the sound development of our expanding urban communities, where 7 out of 10 of our citizens live.
- Housing Act of 1964 carries forward efforts to eradicate slums, to assure decent housing to those least able to afford it, and to promote orderly growth in our communities. It is another substantial step toward the goal of assuring every American an opportunity to live in a decent home in a safe and decent neighborhood.
- Education. Various acts were passed by the 88th Congress to improve education, among them laws expanding and improving vocational education, extending and expanding the National Defense Education Act, extending the impacted areas programs, providing better library services, and authorizing new programs of aid to medical education and grants and loans for construction of facilities at institutions of higher education. There is ample reason for designating the 88th Congress as the Educational Congress.

Federal Spending (Cont'd.)

-- Land and Water Conservation Fund Act of 1964 provides for acquisition of land and development of facilities to meet the urgent recreational needs of our rapidly expanding population. The Wilderness Act provides for preserving wilderness areas in their natural state for the enjoyment of all Americans.

-- Appalachian program was proposed to help this area of our country emerge from its depressed condition and achieve a better share in the prosperity being enjoyed throughout most of the Nation.

These and various other proposals advanced by the President and included in the budget indicate better than words or slogans the concern of this Administration with the improvement of the lives of our Nation's citizens.

4. In summary, the President's position on Federal spending remains as he outlined it in his Budget Message to the Congress last January, as follows:

"In formulating my budget, I have been guided by two principles:

. I have been guided by the principle that spending by the Federal Government, in and of itself, is neither bad nor good. It can be bad when it involves overstaffing of Government agencies, or needless duplication of functions, or poor management, or public services which cost more than they are worth, or the intrusion of government into areas where it does not belong. It can be good when it is put to work efficiently in the interests of our national strength, economic progress, and human compassion.

. I have been guided by the principle that an austere budget need not be and should not be a standstill budget. When budgetary restraint leads the Government to turn its back on new needs and new problems, economy becomes but another word for stagnation. But when vigorous pruning of old programs and procedures releases the funds to meet new challenges and opportunities, economy becomes the companion of progress."

12. Foreign AidQuestion:

According to the Republican candidate, "Foreign aid has been a great failure . . . and we must reduce it drastically." How would you appraise the success of our foreign aid program and its prospects for the future?

Answer:

1. Foreign aid has been a success -- which is the reason for the broad bipartisan support it has received throughout its history. It has been a major contributor to the growing strength of the free world: a strength essential to our own security, to our own economic progress, and to the kind of world in which free institutions can survive and flourish.
2. Past aid efforts were clearly successful in helping Europe and Japan to recover and become strong, free and prosperous nations. This prosperity permitted a vast increase in trade -- U.S. exports to Europe doubled between 1950 and 1962 and exports to Japan tripled over the last decade.
3. Europe and Japan have now joined with the United States in providing aid to the underdeveloped countries. Since 1956, the other developed free-world countries have provided more than \$13 billion in aid to the less-developed world -- about what the United States invested in the recovery of Western Europe through the Marshall Plan between 1948 and 1952.
4. Experience has proved that, despite obstacles, economic and social progress can be achieved in the poorer nations, through a combination of their own efforts and outside help. And this experience again shows that trade can follow aid, just as has happened in Europe. Over the past five years, U.S. exports not financed by aid rose by 14% to Taiwan, 28% to Colombia, and 76% to Israel. We can now identify a dozen or more countries which have made good headway and are approaching the point where their development can go ahead without soft loans and grants.
5. But there are still many countries which need support from the advanced nations to develop a solid base for economic growth. And there are other countries, such as Vietnam, where economic progress must await the establishment of basic security conditions, and where U.S. military and economic aid is crucial to security.

6. This year's aid request was the lowest ever made. It was:
 - far less than 1% of GNP;
 - less than 5% of the Federal Budget;
 - and less than half as much of a burden on U.S. resources as was the aid program of 15 years ago.
7. Nevertheless, today's aid program is accomplishing more, dollar for dollar, than ever before, because aid today
 - is based on what recipient countries are doing to help themselves;
 - is concentrated in the most important countries;
 - places more emphasis on the role of private enterprise; and
 - is being administered in a tight-fisted and realistic fashion.
8. It is simply romantic nonsense to believe that Free World strength can be increased without spending money. Military strength takes equipment and money. Roads, schools, and factories -- the most effective weapons in the fight for economic progress -- cost money. Those who believe in peace and freedom are willing to pay that price.

13. Trade Expansion

Question:

How do you view the problems and prospects for trade liberalization?

Answer:

1. The policy of trade liberalization -- pursued ever since the Trade Agreements Act of 1934, by both Democratic and Republican Administrations -- has served this country well. Our foreign trade, which amounted to only \$3.8 billion in 1934, is now running at an annual rate of \$42.5 billion -- \$24.5 billion in exports and \$18 billion in imports.
2. Our exports provide jobs for about 3.6 million American workers and outlets for the crops of one out of every four acres of our farms. Our imports provide essential raw materials for our industries, maintain a healthy pressure on our own producers and workers to step up their efficiency, and offer our consumers a wider choice of goods at competitive prices.
3. On the basis of the Trade Expansion Act of 1962, we are currently able to engage in the sixth round of international negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT). The Trade Expansion Act is one of the great legislative monuments to President Kennedy's leadership, and this Administration is fully committed to its vigorous implementation.
4. The current negotiations will not impose burdens on some nations to provide gains for others. They are being conducted on a basis of reciprocity, and their success will be advantageous to all participating nations. The negotiations may be lengthy, complex, and at times difficult, but we are prudently confident of fruitful results.
5. Special import difficulties confronting particular sections of our economy may at times require remedial action. This Administration has taken action to meet the problems of meat producers and of cotton textile and apparel manufacturers. Currently, we are seeking to work out with other woolen textile-producing nations orderly marketing arrangements which would be in the mutual interests of all.

Trade Expansion (Cont'd.)

6. However necessary, such remedial actions are the exception rather than the rule. The main thrust of this Administration -- as of Democratic and Republican Administrations for the past 30 years -- will be toward trade liberalization.

14. Regulatory AgenciesQuestion:

Our regulatory agencies (SEC, FCC, ICC, FTC, etc.) are under fire from the opposition. How would you appraise their effectiveness? Do you plan any major changes in government regulation of business?

Answer:

1. Ours is a competitive, free enterprise system. Government policies toward business should increase the effectiveness of competition. Among the many ways in which government encourages competition is the vigorous enforcement of our anti-trust laws; these rules of the game enhance the opportunities of American businessmen to develop new markets in an atmosphere of economic freedom and fairness.
2. Direct Federal regulation is necessary in only a few areas in which resources of a public nature are involved and in which the problems are interstate or international in character. Each of the independent regulatory agencies was set up to meet an urgent national need of this kind. Their activities have been important in insuring that major national resources be used for the benefit of all and not just a privileged few.
3. The regulatory agencies are independent of the Executive Branch -- Congress carefully specified this status so that they would not be altered significantly with changes in the Presidency. The independent commissions are often referred to as the fourth branch of government just for this reason.
4. In our dynamic society, regulatory agencies and policies should be flexible and alert to new needs and conditions. We must be careful that regulation does not survive after the need for it has disappeared. In view of rapid changes in the area of transportation, this Administration will continue to urge legislative changes which will reduce the scope of regulation and provide a larger role for competition in this industry.

15. Tax ReformQuestion:

Few of the tax reforms recommended by President Kennedy in 1963 were, in fact, enacted in the Revenue Act of 1964. Do you plan renewed efforts to achieve further tax reform?

Answer:

1. The Administration did not get everything it sought in the area of tax reform; but many significant reforms were enacted.
2. The Revenue Act of 1964 contained \$835 million per year of revenue-increasing reforms. In addition, the Revenue Act of 1962 picked up another \$855 million through revenue-raising reforms. The total of these is three times more than all of the revenue-increasing reforms enacted during the previous 20 years.
3. Important and much needed reforms involving revenue losses were also enacted. The major reforms of this nature included:
 - the minimum standard deduction -- which eliminated over 1.2 million low-income taxpayers from any tax liability;
 - the introduction of a moving expense deduction;
 - a badly needed averaging device providing tax relief for individuals with widely fluctuating incomes.
4. Prior to the 1964 Revenue Act there were extreme differences in the way the tax system treated different kinds of income: personal income was taxed as high as 91%, corporate income at 52%, capital gains at 25%, and dividend income enjoyed a preferential treatment through the dividend credit. These wide discrepancies created enormous incentives for people to alter their business operations in order to minimize tax liabilities. The extent of this differential treatment has now been markedly reduced: starting in 1965 personal income will be taxed at a top rate of 70%, corporate income at 48%, capital gains still at 25%, and the dividend credit will have been eliminated. These reduced disparities are in themselves a major reform -- improving the equity of tax treatment and, thereby, the efficiency of the economic system.

5. This Administration certainly intends to continue to seek further tax reform. A better excise tax system is next on our agenda. After that, we will turn again to the income tax. The Revenue Act of 1964, because it sharply reduced the unequal treatment of different types of income, effectively sets the stage for future tax reform. Moreover, our experience with the operation of the Revenue Act of 1964 will guide us in designing new tax reform measures.

16. Tax Credits for Education

Question:

The Republican candidate has said, "Tax credits for educational taxes, tuition, and donations would ... pose no threat of federal control. They would maintain diversity and freedom of education while improving its support." Apparently, you do not consider tax credits an effective means to support higher education. Would you explain your position on this issue?

Answer:

1. The Administration opposes tax credits for education because they are an inefficient and inequitable way of broadening educational opportunities.
2. The inefficiency and inequity of the approach is made obvious by the facts regarding college attendance relative to family income:
 - In October 1960, only 9.2% of all persons aged 16 to 24 from families with incomes under \$5,000 were currently enrolled in college. These families pay little or no income tax and hence would gain little or nothing from the tax credit.
 - But 44.1% of those with family incomes over \$10,000 were enrolled in college. This upper income group, many of whom can comfortably afford college bills, would get a big windfall from a tax credit, while thereby reducing the opportunity for general tax reductions that would benefit everyone.
3. To the extent that a tax credit encouraged colleges to raise tuition fees, it might actually hurt the children of low-income families.
4. The most effective way to support higher education is through a program of scholarships, guaranteed loans, and work-study programs to students, and aids to colleges and universities to help keep tuition down. This Administration has advanced and supported such measures. Recently passed were:
 - the Higher Education Facilities Act of 1963 • to provide more "bricks and mortar" for an expanding college-age population, and

-- amendments to the National Defense Education Act -- to increase loan funds and scholarships for needy college students.

5. We will continue to propose effective measures to achieve the promise of the Democratic Platform of 1964:

"New methods of financial aid [to education] must be explored, including the channeling of federally collected revenues to all levels of education"

17. Depreciation GuidelinesQuestion:

The Republican candidate has said, "We must make sure that a sensible and uncomplicated policy is established toward depreciation allowances. I am definitely opposed to the so-called reserve-ratio system about to be put into effect by administrative order." In 1962, depreciation guidelines were revised; do you feel that tax treatment of depreciation is now sensible and satisfactory?

Answer:

1. The tax treatment of depreciation is a highly complex technical subject. In 1962 the Administration made a major step forward, and broke with past practices, by permitting business more freedom in their choice of the life period of assets they wished to use for depreciation purposes.

2. As part of the new "guideline approach," however, the Administration also required a test (the reserve ratio test) which was designed to ensure that the depreciation lives would, in fact, at least roughly correspond with the actual lives of their assets.

The Administration is interested in a workable and fair depreciation policy. It is aware of the problems that have arisen under the existing reserve ratio test and is studying the matter carefully to find the best way of alleviating these problems. It is certainly not irrevocably committed to the details of its present form. We do need some way to insure that depreciation for tax purposes bears a reasonable relation to actual business practice. Recently, at the request of the Treasury, the National Industrial Conference Board has undertaken a survey of 1,000 manufacturing firms in order to provide data on how the new depreciation procedures are operating. The results of this survey will soon supply an objective basis for review of the reserve ratio test.

4. The tax treatment of depreciation is only one aspect of the over-all taxation of business income. Since 1962 the Administration has afforded business not only the new liberalized depreciation guidelines, but also the investment credit, a much lower tax rate for small corporations, and an over-all 4-point reduction in the corporate tax rate becoming fully effective in 1965. In combination, all of these provisions operate to increase the rate of return on investment by about 35 percent for most classes of assets. Investment incentives have been greatly strengthened, which helps account for the recent sizeable increases of business investment spending.

Gov Peabody
Gov Bellette
Boston Arena
Mayor Collins

Ted Kennedy
Speaker McCormack

We meet here in the shadow of titanic events.

✓ Last week, within 24 hours, Nikita Khrushchev tumbled from power and the Chinese Communists set off their first atomic blast.

✓ We cannot be sure what policies the new men in the Kremlin will pursue -- or whether other men with other policies will fight their way to the top.

✓ We cannot be sure how the Chinese will behave as the newest and the least responsible nation in the nuclear club.

✓ Last week we were indeed fortunate to have a wise, stable, experienced and careful government to respond to these dramatic changes.

and ✓ We were indeed fortunate to have had John Fitzgerald Kennedy as President of the United States for 1000 days.

✓ It was his dedication and his vigor that got America moving -- moving forward to the unparalleled

our
young
People!

military and economic strength we need in these turbulent times.

∠ He lived gallantly for his country -- and died nobly in its service.

and ∠ We were indeed fortunate he ~~chose~~ ^{selected} Lyndon Johnson as his Vice-President.

∠ In that time of national grief and tragedy, President Johnson stood before us. With the three simple words, "Let us continue," he summoned all that was best in America for the unfinished task ahead.

∠ He did more than speak for us and to us. He acted for us.

∠ With determination and firmness of purpose, he sustained the achievements of President Kennedy. He retained the confidence of our friends and the respect of our enemies. And he continued to move America forward -- both at home and abroad.

If there is one issue dominating all others in this

campaign it is this: which candidate for President of the United States is better prepared to assume the fearful responsibility for the destiny of America both at home and abroad?

✓ The choice is a simple one: between the radicalism of Senator Goldwater and the responsibility of President Lyndon Johnson.

✓ The leader of the Goldwater Party -- through public statement, written word, and basic philosophy -- has left responsible Americans with only one course of action: an overwhelming vote of confidence for President Johnson on November 3.

✓ By every standard of American life, Senator Goldwater is a radical -- and he preaches and practices the doctrine of radicalism.

✓ He seeks to destroy the social and economic achievements of the past generation.

✓ He repudiates the bipartisanship in the conduct of

our foreign affairs -- a tradition established by Senator Arthur Vandenburg and President Franklin D. Roosevelt and upheld faithfully by leaders of both political parties.

↳ He distorts the past, misrepresents the present, and misunderstands the future.

↳ He accepts the support of irresponsible extremist groups and alienates loyal and responsible members of the Republican Party.

↳ He preaches the doctrine of selfish irresponsibility -- a doctrine uninformed by history, uncontrolled by reason, and untempered by charity.

↳ It is not surprising that the harshest denunciations of Senator Goldwater have come from members of the Republican Party.

Former Vice President Nixon said: "...it would be a tragedy for the Republican Party if every Goldwater view as previously stated were not challenged, not repudiated." (Des Moines Register, June 10, 1964.)

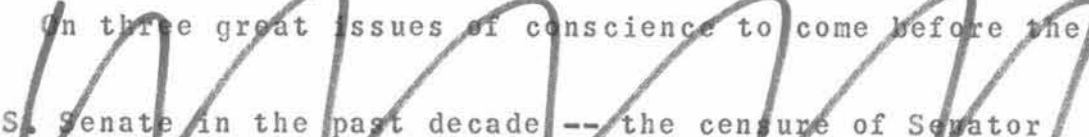
↳ Governor Nelson Rockefeller described Goldwater as the candidate of "an extremism outside the main currents of American political life." (Kansas City Star, April 28, 1964)

↳ Governor William Scranton termed Goldwater's view "a weird parody of Republicanism...the echo of fear and reaction, the echo from the never-never land that puts our nation backward to a lesser place in the word of free men...the fast draw and the quick solution." (as quoted by Arthur Krock, New York Times, July 10, 1964)

↳ It was Senator Goldwater who repudiated the 1960 Republican platform by casting his vote in the Senate against 25 of its key provisions.

In his heart, Senator Goldwater is neither a loyal Republican nor a true conservative. He is a radical in the true and basic meaning of that word.

On three great issues of conscience to come before the U.S. Senate in the past decade -- the censure of Senator



Joseph McCarthy, the nuclear test ban treaty, and the civil rights bill-- Senator Goldwater voted "No" on each occasion.

The overwhelming majority of Americans repudiate the politics of radicalism -- whether of the right or of the left. They agree with President Johnson, who said:

"Let us put an end to the teaching and the preaching of hate and evil and violence. Let us turn away from the fanatics of the far left and the far right, from the apostles of bitterness and bigotry, from those defiant of law, and those who pour venom into our nation's bloodstream."

I believe ~~profoundly that~~ America will repudiate Goldwater radicalism at the polls on November 3rd.

The American people know that performance --not promises -- is the true test of a man.

The American people know the challenges of the 1960s call for responsible, moderate, progressive, and enlightened leadership.

In Lyndon Johnson we have a man who can provide this kind of leadership. He has been tested as few men in our history: by public service under four Presidents, by leadership in the Congress of the United States, by sudden elevation under tragic and dreadful circumstances to the White House.

To every post he has held, President Johnson has dedicated all his great talents and all his abundant energy. He has given every waking hour -- and including many when most of us would have been asleep -- to the job in hand, whether as a young Congressman from Texas or as President of the United States.

In Lyndon Johnson we have a man who possesses the qualities to create unity from diversity and consensus from conflict -- who pursues his duties as commander-in-chief with responsibility and restraint.

~~In Lyndon Johnson we have the one man who can~~

In Lyndon Johnson we have the one man we can trust with our nuclear arsenal. This is one area of Presidential responsibility where there can be no mistakes, no rash decisions, no second thoughts, no impetuous actions, no shooting from the hip.

This is the question each American must ask before voting on November ^{3rd} whose finger do I want on the nuclear trigger?

I am confident you will join the overwhelming majority of Americans in voting for President Lyndon B. Johnson.

Remarks of Senator Hubert H. Humphrey
Associated Industries of Massachusetts Meeting
Statler-Hilton Hotel
Boston, Massachusetts
October 22, 1964

Senator Humphrey. Thank you very much. Thank you very much, Mrs. Edward Kennedy, my dear friend Joan. If I ever had any meanness in me, you have sure taken it out of me right now, I will tell you that. That is the sweetest, nicest, kindest, most generous introduction I have ever had by the loveliest lady that I can imagine. (Applause)

I want you to know, Joan, that I told my Muriel that I was going to be here tonight and that you were going to introduce me, and she said, "Well, I trust Joan, but I don't trust you." (Laughter)

And she is so wise. (Laughter)

But it is such a wonderful, wonderful privilege to be here in your company, and as you know, a little later we are going over to see Teddy. It will be somewhat later tonight, I might add.

Mr. Speaker and President Yeager and the officers of the Associated Industries of Massachusetts, my friend from the Congress, Congressman Boland, and Governor Peabody, this distinguished Governor of your great Commonwealth, and, Mrs. Bellotti, I understand that the Lieutenant Governor will be here. He may have come in while I wasn't looking. And my dear friends of Massachusetts and of this great New England area.

I really am apologetic and somewhat in a whirl. We arrived late in Boston tonight because, as you know, the very great and beloved man of our country, whose stature grew every hour of his life, and whose place of honor in America grew with every year of his life, the former President, a great American, Herbert Hoover, passed away, and today there were memorial services for him in New York City.

I joined with my colleagues of the Congress and with the President of the United States and the Standard Bearer of the Republican Party, Mr. Goldwater, in paying our respects to this good man, to this man that gave so many years of faithful service to this Republic.

Following that memorial service, this well-deserved tribute by thousands, yea, many thousands of people, to a great American

and a great humanitarian, some of us sat down to talk a little bit about the affairs of the nation, and I should tell Mr. Yeager we even talked a little bit about the affairs of the Democratic Party and the prospects for this election.

I noticed on your program that you said tonight's banquet will feature the Honorable Hubert Humphrey expressing the Democratic viewpoint of America's needs, and I understand that you had my eloquent friend, the distinguished Minority Leader, Senator Dirksen from Illinois here earlier. (Applause)

Well, I want you to know I feel just the same way about him. I think he is a wonderful man. (Applause)

He has just one minor limitation. (Laughter) Namely, his political preference. Other than that he is great. (Laughter) (Applause)

And I gather that you don't think that is a limitation. (Laughter) But I can assure you that those of us that serve in the Senate with him have grown to love him, to respect him and to honor him for his great ability as a Senator and as a political leader.

But I want to tell you that there are no better or greater political leaders, no finer artisans or skilled craftsmen in the legislative arts than a gentleman from this state who honors us tonight by his presence, who holds the second highest office in the land, namely, the Honorable John McCormack, Speaker of the House of Representatives. (Applause)

And, Mr. Speaker, I don't know whether you get all these votes, but I am sure you have all the respect. And I also know that America is a better country to live in because of the Speaker of the House of Representatives and the service he has given to this Republic. (Applause)

Massachusetts has given so much to America. From its very earliest days, this great city of Boston was indeed the scene of the inspiration of independence, and this city has given to America and this state has given to America some of its truly great leaders, its greatest conservative leaders, and I think its greatest progressive leaders. It has given to America a John Adams, yes, a Samuel Adams, and it has given to America in our time one of the most gifted, one of the most courageous, one of the most creative and one of the most ingenious minds and personalities of this century, the late and beloved John

Fitzgerald Kennedy. (Applause)

But it has given more than persons. It has given commerce and industry, and it has given great ideas, the ideas of the very foundation of our Republic. Some of the great literature of America comes from the poets and the authors of Massachusetts. Some of the great inventions of this nation came from the sons and daughters of this great state.

Tonight I speak on behalf of the Kennedy-Johnson Administration, and I am very much like the late Speaker of the House of Representatives, so that I do not travel under any false colors. Sam Rayburn used to say I am a Democrat without prefix or suffix and without apology. And that is exactly the way I feel. (Applause)

I also feel with even greater pride the privilege of my citizenship in this great land of ours, and I hope that through whatever deeds or words that may be mine I can be worthy of the greatest honor that can be bestowed upon any human being by a political society, namely, to be a citizen of the United States of America, a greater honor than to be king or emperor, a greater honor than to be the richest man on the face of the earth, because the man that is a citizen of this Republic, like in earlier days when there were citizens of Rome, has the power and the prestige and the honor of the American Republic at his side.

What greater authority, what greater claim to honor, what greater prestige could you ask for?

Tonight we come to recognize a great partnership, a partnership that often has been forgotten but always exists, a partnership that has even been ignored by some or denied, but nevertheless is a reality.

I talk of the great partnership between business and government in the United States, and this partnership has grown up or grown upon a mutual recognition that if America is to be strong, and strong it must be, if it is to be prosperous, and prosperous it must be to assume the burdens of world leadership, and if it is to be free, and without freedom the rest would not be worthwhile, then American business and American government must work together and respect one another. And I am happy to say that American business and government are working together, and that partnership can even be closer if those in government and in business will forget the yesterdays,

prejudices, doubts or suspicions and seek to learn to know one another in truth rather than in fancy.

The White House, which is in a very real sense the focal point of the attention of the world, has become the conference house for business and labor, for employer and worker and financier. American management is highly regarded in that house as it is on Capitol Hill, and American labor leadership is respected, and this Administration from President Kennedy to President Johnson has placed its trust in the workings of fair competition as the principal guardian of the market place.

The Kennedy-Johnson Administration has exercised even to the most severe of critics prudent and responsible fiscal and monetary policies. Those that are interested in these policies know this to be a fact. The stock market knows it, the financial community knows this.

Now, before this campaign started, there were those that contended that American business leaders were just automatically or forever dedicated to whichever candidate gained control or gained the nomination of the Republican Party. I never believed this. I have worked with many business people and I know many of you.

I was and I am convinced that the intelligence and the objectivity required in the management of a business or even in the creation of a business would rule against evaluating the respective candidates and proposals strictly on a partisan basis, and I am happy to say that that observation has proven to be true because if there is one salient fact of the year 1964, campaign year -- I say this in the presence of those who will obviously not agree with me -- that fact is that more leaders of industry and finance and business are today supporting the Presidential candidacy of Lyndon Johnson than ever before in my memory for any Democratic nominee for the office of President. (Applause)

Just today I saw the Standard Bearer of the opposition. I want to be very frank with you. I consider him to be a man of good character, patriotism and complete sincerity, and it bothers me sometimes about the sincerity of his commitments because I worry about those commitments.

I do not come here with the purpose of attempting to change your mind. I come here with the objective of stating my case.

It is my view, and apparently the view of many, as I read the press, New York Herald Tribune, Life Magazine, Curtis Publishing Company, Saturday Evening Post, the newspapers in Philadelphia, and I gather in Boston, and in many other areas, that Mr. Goldwater's nomination produced some concern, not only in the political circles of the United States but among the top financiers and industrialists in America. It also did produce concern in the financial circles of Europe and of Asia and of Latin America.

This is not a political statement. It is factual; that can be completely documented by the careful review of any financial journal in the land or abroad.

From what we see in the foreign press, the election of Mr. Goldwater to the Presidency could well weaken the confidence of the international banking community in American monetary and trade policies.

The prospect of Mr. Goldwater at the helm of the United States Government has been expressed as a matter of concern to many bankers, industrialists and investors in the Free World, and I think that is precisely why many of the captains of industry in this nation, men like Mr. Ford, just to mention one, and others, leading industrialists and bankers, who are genuine conservatives have expressed their support for the Democratic incumbent.

I say this in all sincerity to you because I am convinced that not only is the issue one of international foreign policy that we face today, but it is also one of monetary and fiscal policy, because America has become the world's banker. America has become the largest creditor nation on the face of the earth, and therefore, the management of monetary and fiscal policy is of the utmost importance, not only to the economic prosperity of the United States but of the entire financial stability of the whole Free World.

Therefore, prudent men, not partisans, men of business, men of finance, men who view things in terms of the value of currency, men who view things in terms of the flow of commerce, are carefully watching the development of this election.

Now, I respectfully submit that our opposition has not presented a thoughtfully conceived plan or outline for promoting the American economy, and that economy is a very sensitive one. I submit that they have failed to recognize the

impressive progress that has been made in building an environment of cooperation and confidence between business and government, and this Senator does not underestimate that word "confidence." It is an intangible, but it is a very vital factor.

The Administration of our late President and now of President Johnson has faith in our free enterprise system, and, my dear friends and fellow Americans, I believe it has demonstrated that faith in policies and programs to encourage business enterprise.

I ask you to view with me for a moment the record of the last four years. For 44 straight months business has been expanding steadily in this country. Employment has been rising steadily. And incomes have been growing steadily.

I repeat the word "steadily," not fitfully, but steadily.

This is unprecedented in the language of any economist or any economic historian. In 100 years only two periods of peacetime business expansion have ever lasted more than three years. Today we are in the fourth year of steady, continuous economic expansion.

The Kennedy-Johnson Administration will be the first peacetime administration in the history of this Republic without a recession or a depression. In the 1950's there were three recessions, '53 to '54, '57 to '58, and in 1960.

But it is not simply an unparalleled four years of prosperity which is impressive. It is also the size of the economic gains. During the last four years the rise in real output of goods and services, screening out now all price changes, is more than the entire rise in real output during the preceding eight years. And if you look at the average yearly growth rate and you check this with your Federal Reserve bulletins, you find that it rose 4.1 percent during the Kennedy-Johnson years, up from 2.7 percent growth rate of the previous eight years, a fact that cannot be disputed.

Now, these percentages reflect bigger profits for business as well, of course, as big risks, more jobs for working people and above all better living for all Americans.

During the last four years the average per capita income, that is, the income for every man, woman, and child, in the United States went up \$320 in real income. For a family of four

this means a gain of \$1200 in added real purchasing power.

Now, these gains in economic welfare of individuals, which are significant and represent purchasing power for shoe manufacturers, for textile manufacturers, for jewelry manufacturers, this real purchasing power which is the heart and the core and the bloodstream of business, stands along side of the greatest gains in profits of business in the history of this country.

I speak now of net profits, because those are the profits that really count.

Recognizing that profits are the engine of progress, this Administration has contributed to the spectacular increase in corporate profits after taxes, an increase net of \$13 billion or 67 percent in just three and a half years.

This is money left over after taxes, after expenses, for business to invest or to divide up in dividends.

Now, this is not paper prosperity nor is it an illusionary prosperity because you can't have 44 months of illusion. You have to have some substance. This is not a phony feverish prosperity based on rising prices and inflation. No indeed.

I repeat, our economic growth has been solid and steady. The average level of wholesale prices is no higher today than it was when President Kennedy took office almost four years ago, and the average level of consumer prices has gone up only one percent a year, a better record of price stability than any other industrial country in the world, bar none.

Now, these achievements --- (Applause)

Yes, that is a mighty good opportunity to applaud what happened in America's economy. (Applause)

I see my good friend Tip O'Neill there.

These achievements, prosperity and price stability, are certainly not just the result of government action. We are deeply indebted, in fact, to this partnership that I spoke of, to the initiative, the enterprise and the genius of American industry, and the skill and the energy of American workers, and I might add the selectivity of American consumers.

Business and labor have contributed to the health of the current expansion by some restraint and moderation in wage and price policies, and business has been very careful to cut costs and to avoid excesses in inventories and in plant and equipment, and yet to remain responsive to the opportunities for sound and profitable investment.

Now, the policies of the Federal Government need to be understood as to their importance because they played a very vital role, including the policies of the Federal Reserve System.

For the first time in our history federal fiscal policy has combined rigorous economy and efficiency in government with due attention to the impact of the budget and taxation upon the private economy. Monetary policy, credit policy, has also contributed to a deliberate steady and controlled expansion. There has been no repetition of the sudden shift from easy money to tight money, tight money that cut off previous expansions, nor will there be so long as business expansion remains healthy, well balanced and non-inflationary.

A major contribution has come from the tax policies of the past four years. The investment tax credit should not be forgotten. This investment tax credit passed in the 87th Congress, initiated by the late President Kennedy and his fiscal advisers, has provided one of the better ways of modernizing plant so that American industry can be in a better position to compete.

And the recent tax bill surely had its impact.

These have played a key part in providing the climate and the expansionary fuel for a sustained prosperity.

Another factor is the renewed confidence of business and government to which I referred. Business I think likes a businesslike administration of government and of the programs and of the funds and resources of government, and that is precisely what we have had.

Now, people have their little jokes about turning off those lights in the White House, but I might say that this is in fact a symbol of a cost-conscious spirit in the Federal Government. The federal budget -- (Groans and applause) -- well, you have to expect me to do that much for my President, wouldn't you?
(Applause)

Apparently your folks weren't like mine. As long as I can remember my mother, she was saying please turn off the lights. (Applause)

But may I say that while we may have turned off a light or two at midnight in the White House, we have turned on a lot of lights across America that have made it mighty good. (Applause)

And I am looking at some of the folks that have been in that light. You look mighty good. (Applause)

The federal budget for fiscal 1965, that budget calls for a decrease in expenditures. It is the second budget in nine years to ever do so. The budget expenditures this year are smaller in relation to the Gross National Product than any time since 1951.

Instead of increasing government civilian employment, this budget calls for a further reduction. This is the first budget to do so in the last eight years. Civilian employment in the Executive Branch in September 1964 -- and I have always heard my business friends talk about the number of civil servants we have -- was down 21,000 from the beginning of the Johnson Administration, and it is the lowest level in the past two and a half years. During the first two months of fiscal year -- this fiscal year -- the budget expenditures are down \$675 million below the same period of last year. I believe that this indicates proper fiscal management. (Applause)

Now, my friends, we do not want a government which pinches pennies when human needs are concerned, but we do need a government which recognizes that saved pennies mount into saved dollars, and we need a president who demands a dollar of value for a dollar spent.

The chief role of government as I see it is to support and to supplement and not to supplant the private enterprise system. In other words, to encourage and not to harass.

When there is a lack of private credit, then government may or could step in and stimulate a flow of credit. When tax incentives are needed to encourage private investment, and we thought they were -- and I can say in the presence of my esteemed colleagues of the Congress, we passed the largest tax cut in the history of this Republic -- it was endorsed, I gather, by this association, by the Chamber of Commerce, by the AFL-CIO, by the National Association of Manufacturers, by practically

every responsible economist and businessman in America, and it was passed with the help of two political parties, and it has had a tremendous impact upon this economy.

I can't help but say, because it is a fact, that the gentleman who stands as our opposition in this national election did not see fit to vote for it when the opportunity was there. Now he has a five year tax plan that would cut more in one year than the plan that we have had adopted, but I learn that if you are in Congress, the time to register your opinion is when the roll is called and not when you leave. (Applause)

When business firms seek to compete successfully in the markets of the world, government must try to remove international trade barriers. When massive investment beyond the means of private business is required for pioneering in efforts such as space, communications, atomic energy, or aviation, government has a crucial role as an investment partner.

In other words, we need a government that is not afraid of mere bigness in business for its own sake, but understands that expanding markets and growing economic opportunities provide business with the means to stimulate competition and to avoid restraints on trade, and in this role of creative and constructive partnership, government must always recognize, and this government does, the legitimacy of healthy profits because profits are the reward for successful risk-taking, for ingenuity and hard work.

Not only are such profits fair, but their reinvestment in an expanding economy benefits everyone, and this Administration recognizes that principle. (Applause)

Now, as you know, New England has shared in our general prosperity. You might ask the question, has it shared enough? And I think the answer would be of course not. New England, like my part of the country, has some special problems that have received special attention and will require more special attention in the future. Efforts to help the textile industry have occupied a great deal of time and energy and have had top priority. The Senator from this State, the Junior Senator, and your Senior Senator, Ted Kennedy and Senator Saltonstall, have worked tirelessly to be of help to this textile industry as have your congressmen.

Right now we are working to help the wool textiles, the wool textile industry, to good health, to good health and have

been talking to other wool textile producing countries in an effort to stabilize imports at reasonable levels.

This government is committed to helping the textile industry, whether it is cotton or synthetic or wool, to be a profitable and an expanding industry at home and abroad.

Now, we are looking forward to other things. We are looking forward to improved conditions in your fishing industry through the Commercial Fisheries Research and Development Act encouraged and enacted by this Congress, and we are fully aware of the shoe industry. I remember speaking to the shoe industry in Chicago, and here again your government must be careful to watch the market and to see to it that the domestic producer is not the victim of unfair foreign competition, and this government is committed to that endeavor.

And let me mention our space program. This will continue to draw on your areas immense concentration of scientific and technical know-how because here in the Boston area, right here in this great marvelous area of technical, scientific and academic progress, the largest electronic center in the world is to be constructed, and this, of course, means unbelievable investment and expansion of the economy of Massachusetts and of all of New England.

And as we look ahead hopefully to some easing of the arms race, I think you can be sure that this Administration will act effectively to ease the adjustment for defense dependent industries, for both capital and labor, and we ought to be prepared for this because just as surely as we are in this room, weapons systems become outdated, and the change in weapons technology causes many shifts in industry, and because government demands so much of industry in the defense area, we need to do some advance planning lest capital and workers alike are left idle due to a change of policy on the part of government.
(Applause)

We shall do our very best, therefore, to preserve this general prosperity that will permit the labor and the capital that is released from these industries to be used constructively in civilian purposes, and we shall devise additional means to keep the human costs of the changeover as low as possible.

But I want to be frank with you. We shall spend whatever is necessary for national security. We will not skimp nor shall we in any way unnecessarily reduce the costs of national security,

because there is no market, there is no free enterprise, there is no peace, there is no freedom if you in any way fail to maintain the defense structure and the security structure of this Republic and our allies. (Applause)

Now let me finally call to your attention what I consider to be the most urgent matter before us. I said a moment ago without peace and security there is no freedom and there is no prosperity and there is no free enterprise, and here we touch on the heart and core of this presidential campaign. And that question is who will bear the burden of the security of our families, of our communities and our nation? Who will be the man to whom we can entrust the fateful decisions of peace and war, the control of the dreaded nuclear weapon, and who will be the man in whose hands for the next four years we shall place our lives, our fortunes and our sacred honor.

And may I add that the decisions of the next four years could well determine the decisions of the next generation.

Now, this is a deadly serious question, and it is the question, I think, that has caused the greatest shift in political support in recent history. This is one about which there can be no games, no frivolity, no gimmicks, no slogans, no simple answers and no instant victories. And as I see it, and the menace I see before me, you people who are entrusted with decision-making every day in great enterprises, I know that I am addressing people who understand the meaning of decision making, the meaning of trust, and the meaning of responsibility.

I believe that we have a man who has assumed the heavy burdens of the presidency, who bears our trust, who has spent a lifetime training himself for the great decision-making of the presidency. I believe that we have the right man. I believe that he has demonstrated the qualities of prudence and judgment, the qualities of fairness and reason, the qualities of responsibility and restraint which power requires, and which the use of power necessitates. And I am very happy to stand here tonight and say with complete confidence that the American people will see that that man is elected for four years as President of the United States, President Lyndon Johnson. (Applause)

And I ask my friends of this distinguished audience that has been so gracious as to give me this platform and this forum, I ask you to do what millions are doing. I ask you to analyze platform and program. I ask you to analyze statements and

commitments. I ask you to analyze the record, not of two perfect men but of two contestants, because the choice that we have is not between perfection and imperfection. The choice is between two men with two philosophies of government, with two different sets of views in terms of our national security and our quest for a just and an enduring peace, and I believe that if you will make an objective, thoughtful analysis, that you will rise above party and partisanship as millions have, and I ask your leadership and I ask your support for what I consider to be the most fateful decision of our time, a decision as to who will be the President of the United States at a period of time when the Communist world is in confusion, at a period of time when the proliferation of nuclear weapons is not only a possibility but a reality, at a period of time when America's commerce is being challenged in every land and on every sea.

I ask you to thoughtfully weigh in your mind the qualifications of the two contestants, the platforms of the two parties, the statements of the two exponents, and I think if you do, you will in the main come to the conclusion that you now have leadership that can be trusted, and that you now have a President that will know how to exercise the use of power with restraint and will be able to guide the destiny of this nation prudently and cautiously towards the great and noble objective that was outlined for us by our late beloved President, the pursuit of peace.

Thank you very much. (Applause)

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Remarks of Senator Hubert H. Humphrey
G & G Delicatessen
Boston, Massachusetts
October 22, 1964

Senator Humphrey. Thank you very much, Mr. Speaker. Well, thank you, thank you,

You know, I always heard that Ward 14 was a special type of ward. I always heard that it was the best Democratic ward on the Eastern Seacoast, and now I know it is true. (Applause)

Mr. Speaker, a while ago you said -- a while ago you indicated that I had been a rather busy man today, and that is true. But I want to tell you that the last message that President Lyndon Johnson gave to me was -- he said, "You get up there to that G & G rally out at the 14th Ward in Boston, Massachusetts." And I want you to know that when the President asks Hubert Humphrey to do something, Hubert Humphrey does it. (Applause)

And he asked me to do some other things. He said to me, "Do you know that the folks up there in Boston, that they have even gotten to a point where they are willing to even have somebody even run against the Speaker?" I said tonight I didn't even know the Speaker ever had to be elected. I thought he served for life. (Applause)

Ah, this Speaker of yours, this John McCormack! Let me tell you something. You people in this Congressional District are the luckiest people in the world because you have one of the finest men that ever served in public office to represent you. (Applause)

I am so happy to be here with my friends, Governor Peabody, "Chub" Peabody to you, and I am very happy to be here tonight with a young friend of mine who is going to be the next Governor of the State of Massachusetts, Frank Bellotti. (Applause)

And I am very, very pleased to be able to ask this wonderful audience tonight to do for a distinguished young American what you did for his great and distinguished brother. I ask you to elect with an overwhelming majority Ted Kennedy to the United States Senate. (Applause)

And by the way, don't forget Julie Ansel either. And don't forget the rest of the Democratic ticket either. They are all all right.

Now, how many folks out here think that we ought to elect for four years Lyndon Johnson as President of the United States? (Applause)

You know, my dear friends, I have been getting around the country a lot, and when I am around the country, I run into some folks that say they are Republicans, and they say to me, "You know, things have changed. There was a time that GOP stood for Grand Old Party. Now it stands for Goldwater's Our Problem." (Applause -- Laughter)

Let me ask you something. Can you imagine the American people electing a man to the high office of the presidency whose calendar has no months, whose watch has no hands, and whose glasses have no lenses? (Applause -- Laughter)

I don't think so. But my good friends, I didn't come here merely to joke with you. I know that the G & G Rally out here in Ward 14, that this rally has always been one that has been visited by the top leaders of our national Democratic ticket. I know that Franklin Roosevelt loved to come here. (Applause) I know that that one and only, that fighter, that man from Independence, Harry Truman, loved to come here. (Applause)

And I know that that good man that did so much for our Party during those difficult years, Adlai Stevenson, loved to come here. (Applause)

And I know that John Kennedy got a big inspiration out of coming here. (Applause)

And let me tell you, my dear friends, your presence here tonight makes Hubert Humphrey and Lyndon Johnson feel mighty good, too. (Applause)

Well, just a little word or two about the serious aspects of this campaign. We have a big decision to make, and it is a decision that affects the lives of everyone in this ward, everyone in this city, everyone in this state and nation. We have a decision as to whether or not we want to have an administration that worships a past that never existed or whether or not we want an administration in Washington that wants to look to the future and make it worthy of the American people. And I think I know what your decision will be. But I want to be sure of it.

Some time ago President Johnson was asked this question: "Mr. President, Franklin Roosevelt had his New Deal; Harry

Truman called his administration the Fair Deal. John Kennedy called his administration the New Frontier. President Johnson, what will you term or call your administration?" And this big man from Texas who has taken on these burdens of the presidency under the most difficult of circumstances following a tragic death of a great and beloved President, this man looked at that reporter and said, "Well, I guess what I want is a better deal for all humanity and all Americans." (Applause)

And my dear friends, that is what we want. We want a better deal. We want a better deal for our young; better schools, better opportunities in education, a better chance for a good job and a better future.

We want a better deal for our sick and our needy. And let me say in the presence of the great Speaker of the House, of your Governor and of your Governor Nominee and your state officers, let me say that we do not consider as Democrats that compassion for the needy is weakness nor do we believe that concern for the afflicted and the sick is socialism. We believe that all of this is good, solid, decent Americanism. (Applause)

And my friends, we don't believe as our opponents do in this election that the word "minority" is ugly. We don't believe that America is governed and ruled, as the spokesman of the opposition says, by just minorities. We believe that America is the richer and the better because there are many people here of different races, creeds, and nationalities. (Applause)

We love this America. We love this America. We love this America that is a symphony of many people, many creeds, many races, and many ethnic groups. And I hope that the people in this great Congressional District will remember that because our opposition, my friends -- don't worry about that. They will come out of it all right up there. (Laughter) You know, we love to see our young friends work their way up in the world. (Laughter) And particularly may I say when they are for Bellotti for Governor and President Johnson for President. (Laughter -- Applause)

But let me say to these good young friends that this election is for them and not for their grandparents. This election is for the future of our country. It is, as I said, for a better deal for the young. It is for some dignity and respect for the elderly. It is for some care for the afflicted and the needy. And it is for the worker who needs a friendly

government. And it is for the businessman so he can expand his enterprise. And above all, this election is for, may I say, the peace of this world because without it there is nothing else.

I am happy to come to this audience and say that we have a President in the White House who understands that the power and the wealth of America is not for conquest or luxury but rather that it is for social justice and for peace, for all of humanity. (Applause)

I call upon this wonderful audience tonight to take their citizenship responsibilities seriously. In many parts of the world there is a better record of democracy in terms of voting. I can call to your attention the following: About a year and a half ago an election in Italy, 93 percent of the eligible voters in Italy went to the ballot box to vote.

In Great Britain, in recent days, 85 percent. Even in India, far, far away, over 75 percent. In that little democracy in the Middle East that has withstood the attack of the aggressor, the oppression of those who would grind it into the dust, in that little democracy that today is a symbol of freedom and progress and democracy, in the last election in the State of Israel, 97 percent of the people voted. (Applause)

I wonder, then, why, my friends, it is in America in this the greatest of all countries that in the last election even when we had a brilliant man like John Kennedy as our standard bearer, -- (Applause) -- even then only 63 percent of the eligible voters of America took time out to love their country.

I have found in my public life that the people that gripe the most are the ones that do the least. I have found out that those who complain the loudest are those who vote least often.

I call upon everyone in this audience who loves this nation, who believes the forces of hate and the forces of bitterness, and the forces of division which are represented, may I say, regrettably, in this campaign by our opposition, that those forces are defeated and that they are defeated with an overwhelming vote of the American people. (Applause)

So, the hour is late. The evening is cool. The blood is warm. And the votes that you have are good. Put those votes to work. See to it that the Democratic ticket wins. See to it that your next President of the United States is the man who serves you now, President Lyndon Johnson. (Applause)

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TEXT FOR DELIVERY
TO HARVARD RALLY
OCTOBER 24, 1964

HELLO MY FRIENDS AT HARVARD. WHAT A PLEASURE IT IS TO TALK TO YOU THIS EVENING. YOU WILL MEET TONIGHT ~~A GROUP OF US~~ TO DISCUSS THE CHOICE THIS NATION FACES ON NOVEMBER 3RD. THE CHOICE IS BETWEEN THOSE WHO ~~WOULD~~ ^{with pleasure} TURN BACKWARD AND THOSE WHO LOOK TO THE FUTURE WITH FAITH AND CONFIDENCE.

WE MUST ON NOVEMBER 3RD VOTE FOR ^{Reason} ~~REASON~~, EXPERIENCE AND RESPONSIBILITY. WE CANNOT AFFORD TO GAMBLE ON THOSE WHO GIVE SIMPLE ANSWERS, THEN EXPLAIN THEM, AND EXPLAIN THEM, AND EXPLAIN THEM, AND EXPLAIN THEM. ^{to complex problems}

I KNOW THE ANSWER THAT THE AMERICAN PEOPLE WILL GIVE ON NOVEMBER 3RD. THEY WILL ^{Choose} ~~CHOOSE~~ THE POLICIES AND PROGRAMS OF THE KENNEDY-JOHNSON ADMINISTRATION. THEY WILL ^{vote} ~~CHOOSE~~ THE FUTURE NOT THE PAST.

THE ^{challenge} ~~TASK~~ IS ~~A TASK~~ FOR ALL OF US. THE TASK IS TO WORK, TO ACTIVATE, TO GET OUT THE VOTE.

WITH YOUR HELP WE WILL WIN AN OVERWHELMING VICTORY ON NOVEMBER 3RD.

^{We thank you.}
~~GOOD LUCK TO YOU ALL.~~

UNITED STATES GOVERNMENT

Memorandum

N.H. VT.
R.I. Maine
Mass

TO : Otto Eckstein

DATE: October 14, 1964

FROM : Lester C. Thurow *L.T.*

Jack Conn

SUBJECT: New England Data for Humphrey

1. Per capita personal income in New England rose by \$301 from 1960 to 1963.
 - After accounting for price changes, per capita income rose more than 3-1/2 times as fast from 1960 to 1963 as it did from 1956 to 1960.
 - From 1956 to 1960 personal income rose 0.8% per year, but from 1960 to 1963 personal income rose 2.9% per year.
 - From 1960 to 1963 New England's per capita income grew faster than the national average even though it is more than \$310 above the national average in 1963.
 - In contrast from 1956 to 1960 New England's per capita income grew slower than the national average.
2. Nonagricultural employment rose by over 35,000 jobs per year from 1960 to 1963.
 - Less than 15,000 new jobs, 15,000 per year, were added between 1956 and 1960.
 - Over the period from 1952 to 1960, just 24,000 jobs were added each year.
3. Unemployment has dropped markedly under the present Administration.
 - From July 1961 to July 1964 unemployment
 - fell from 7.3% to 5.1% in Connecticut,
 - fell from 6.0% to 4.1% in Maine,
 - fell from 3.9% to 3.3% in New Hampshire,
 - fell from 5.7% to 4.8% in Vermont.
 - Unemployment figures are not available for Massachusetts and Rhode Island.

4. But more needs to be done.

- New jobs need to be created for 604,000 workers who will enter the New England labor force between 1960 and 1970.
- Poverty afflicts 13.6% of the families of New England.
 - This is far below the national average of 21.4%.

5. General benefits to New England of the tax cut. When the tax cut is fully effective it will

- generate an increase in total income of \$1.9 billion,
- create 129,000 new jobs,
- increase State and local tax revenues by \$180 million,
- cut New England's withholding payments by \$528 million,
- by stimulating the State's economy, generate an increase in the average family's income of \$489,
- cut the average family's withholding payments by \$178,
- by stimulating the State's economy generate an increase in the typical family's withholding payments by \$356,
- cut the typical family's withholding payments by \$130.

NOTE: The typical family has an income such that half of all families receive less, half receive more.

The average income is greater than the typical income because rich families pull up the average.

6. Many specific programs have been developed to meet the needs of New England and the Nation. All of these programs require joint Federal, State, local and private initiative if they are going to be successful in solving complex problems.

- Under the Manpower Development and Training Act in 1963 almost 11,000 individuals acquired the skills needed in a modern New England economy.
- In FY 1964 the Small Business Administration made 3326 loans worth \$167 million in New England.

- . Federally aided vocational training programs in New England in 1962
 - trained 53,600 individuals for vocations in trade and industry,
 - trained 3,400 individuals for vocations in the distributive occupations,
 - trained 7,200 individuals for technical vocations.

- 7. New England fishing industry will be aided by The Commercial Fisheries Research and Development Act passed by the 88th Congress.
 - . This act authorizes a \$28 million program of grants to States for Commercial fishing research and development.
 - . The act uses the subsidy that can be given for the construction of a commercial fishing vessel from 33-1/3% to 50%.
 - This is important since foreign fishing vessels can be built for about half the cost of American ones and there is an old law which says that fishing vessels cannot be built abroad.
 - Under the old 33-1/3% subsidy 6 vessels have been built and 4 are under construction in New England.
 - The new subsidy should substantially up the construction of new vessels in New England.

- 8. Several other programs are of vital importance to New England fishing.
 - . 185 loans worth almost \$5 million have been made to repair or replace lost or damaged fishing vessels in New England.
 - . The research station at Woods Hole is conducting biological research for the fishing industry in New England.
 - . The research station at Gloucester, Massachusetts is conducting research on improving the techniques of preserving fish.
 - In cooperation with the Atomic Energy Commission they are working on using techniques of low-level irradiation to preserve fish products.
 - A research vessel is also conducting exploratory fishing and gear research.

- . Booth Bay Harbor research station is studying the herring and lobster industry of Maine.
- . Milford, Connecticut research station is studying the shellfish industry and the problems that pollution is causing this industry.
- They are working on growing shellfish under controlled conditions.

9. Education will play a vital role in the economy of New England.

- . The median number of school years completed rose from 8.6 years in 1940 to 11.2 years in 1960.
- . The number of students enrolled in higher education rose from 163,000 to 292,000 from 1950 to 1963.



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