

President } 30 Billion Industry
Stuart Silloway } 4 to 5 million Customers
John Callender

REMARKS BY VICE PRESIDENT

HUBERT H. HUMPHREY

THE INVESTMENT COMPANY INSTITUTE

APRIL 29, 1965

✓ Grady Clark

✓ Bill Rogers

✓ Louis J. Hoffmann
Atty Gen

✓ George McKinnon
 ✓ Mrs H
 ✓ Investors Syndicate
 ✓ new Investors Diversified
 ✓ Put me through college

① Mr Richardson

② Mr Sullivan

③ Mr Owens (SEC)

④ Mr Williams

(X) Mutual Funds
Source
7
Stability
 +
Econ Progress

Saturday
 On ~~Sunday~~ our nation will enter the fifty-
 first consecutive month of economic expansion.

That will make this expansion the longest --

as well as the strongest -- in the peacetime history

of the United States.

The record speaks for itself.

Unemployment is lower today than it has been

unemployment

at any time in more than seven years.

Furthermore, we are still moving strongly ahead.

The latest figures show industrial production,

retail sales, construction and profits all moving up.

"Let us Reason together"

Open mind
 Consult
 Balance
 Payments

In fact, during the past quarter, the American economy has advanced as much as it has at any time since the expansion began.

While we can't expect continued gains of the same magnitude throughout the year, all the evidence supports our conviction that the whole of 1965 will be a period of solid economic advance.

∠ All of this has been accomplished within a framework of continuing price stability -- a record *Price Stability*
unequalled by any major industrial nation in the free world.

This is a truly remarkable record of economic achievement.

It is even more remarkable when you consider that it has replaced a postwar pattern of no less than four economic recessions -- *in the 10 yrs 1950-60*
~~three of them in the eight~~
~~years before 1961~~

Peoples Copulation

Break Down of Mutual Shares

Exec. Administrator	21%
Clerical	10.8%
Sales	9.6%
Skilled & Semi S	7.3%
Civil Service - Milt	8.8%
Housewives	3.7%
Retired	2.5%
Miss	3%

The fact that this trend has been reversed,
that business pessimism has been replaced with
business confidence and that our economy has forged
ahead to record highs, is no accident.

It is the direct result of a constructive
partnership for prosperity of private initiative
and government economic policy.

↳ I don't have to tell this audience how
important business investment is to our economy.

↳ By strengthening for such investment, you make
a significant contribution to increasing the
productivity and technical advance of the economy
and to reducing the cost of our products in
markets at home and abroad.

↳ Your investments -
mutual funds -
over 1/2 of shares
held by persons
with incomes under
\$7,500.

Investment is the
food of Competition.

In doing so, you help to fuel the very economic expansion which is so vital to maintaining the increasing prosperity of your own industry -- as well as the prosperity of the entire nation.

L The climate for business investment has never been better than it is today.

L This healthy climate is the direct result of measures designed to give maximum opportunity for private growth.

L These measures were not measures to increase Federal spending. They were measures to strengthen and revitalize the private sector. They included:

L The 7 percent tax credit for new business investment.

L The sweeping reform of the tax treatment of

depreciation, which was liberalized again early
this year.

↳ The tax cut which President Johnson signed
into law only a little more than a year ago -- the
biggest corporate and individual income tax cut in
our history.

↳ Those measures cut corporate taxes this year
by some 5 billion dollars.

~~Those measures raised the profitability of
business investment in new equipment by an estimated
35 to 45 percent.~~

↳ Those measures created an increase in the rate
of return on such investment -- a rate comparable
to the increase which would have resulted from cutting
the maximum corporate tax rate from 52 percent to
somewhere between 29 and 34 percent.

Samuel H. Hays

"The worst crime against
working people is a
company which fails to
operate at a profit"

Those measures have sent investment up. The February Commerce Department-SEC Survey estimated that capital investment spending for 1965 will be 12 percent above last year's level and 41 percent above the 1960 level.

Those measures have helped write a record of faith in our free enterprise system.

And our free enterprise system has fully confirmed that faith.

President Johnson will demonstrate that faith again next month when he sends his recommendations for excise tax reductions to the Congress. These reductions will benefit both consumers and producers, and will help to keep our economy moving strongly ahead.

Excise
Tax

-7-

Furthermore, they have been fitted into a budget reflecting ^{the} ~~the~~ President Johnson's vigorous program of control over government expenditures.

^{the} ~~the~~ war on waste in federal spending has been unrelenting, and it will continue to be unrelenting.

~~if you doubt this for a minute, just look at the record.~~

Public Debt 48% of GNP 1966
1950 - 98% GNP; 1966 = 58% of GNP

During the past ten years, the average annual increase in the federal budget was 3 billion dollars.

President Johnson's two budgets so far have slashed that average annual increase to 1 billion dollars. ~~a cut of more than 66 percent~~

This record of economy in government is not the product of arbitrary budget cuts for their own sake,

It is the result instead of an exhausting analysis
and comparison of government programs which require
that every program justify itself.

As a result, ^{the} President ~~Johnson~~ has been able to
recommend a sound and prudent budget which allows
us to save where we can in order to spend where we
must.

The budget ~~for next year~~ for next year is
much lower than anyone expected. But it still leaves
room for essentials:

- L For an excise tax cut.
- L For a doubling of the poverty program.
- L For investing more than one and a half
billion dollars to aid education.

For proper medical care for
older people.

For aid to the poverty-ridden area we
call Appalachia.

For a comprehensive attack on such
killers as heart disease, cancer, and stroke.

and, For many other measures to make this
country a better place in which to live.

L These programs represent investment in our
most important and productive national resource:
people.

L Such investment pays very high dividends indeed.

The return on this investment in human terms
alone would justify the expenditure. But investigate
the economic return on such investment. You will

*add to
status -
9.3 B.
Doubtless 1961
Investment
in
Human
Resources*

find it so great as to be justified solely on a
basis of economic return.

~~Do you know that~~ ^K the average school dropout ^{delinquent}
costs the American taxpayers 1,800 dollars a year?

~~Do you know that~~ ^T the average family on relief
costs the American taxpayers \$2,500 dollars a year?

~~Do you know that~~ ^T the average prison inmate
costs the American taxpayers 3,500 dollars a year?

President Johnson has proposed a billion-dollar
program to fight cancer, heart disease, and stroke.
This shrinks to insignificance when you compare it
to the money -- both in direct cost and in lost output
-- of which these killers rob us each year: more than
31 billion dollars.

President Johnson has declared war on poverty, to help the 35 million Americans -- one out of every five of our people -- who live in the shadow of economic want.

These people have only 17 billion dollars in their total annual income, including welfare payments, to get along on. The Labor Department has estimated that they need another 12 billion dollars just to meet their basic needs. The cost to the economy in terms of potential annual output from the loss of this additional purchasing power is at least 30 billion dollars a year.

The problem of poverty is closely related to the problem of discrimination against minorities. The incidence of poverty is much higher for

non-whites -- 40 percent compared to 16 percent
for our white population.

These people earn about 30 percent less than whites. This represents a great loss to the people involved. But what many fail to realize is that it also represents a loss to our economy of some 20 billion dollars a year.

When you add up the cost of poverty, ignorance, disease, bigotry and crime in the United States today, the total is staggering.

It should be clear to anyone that any investment we make to increase opportunity will pay tremendous benefits -- not only in human terms, but also in hard dollars and cents terms.

As we spend to increase opportunity for our people, we also increase their ability to contribute to our

expanding economy.

The problem of poverty will only be solved when poor families are given the opportunity to earn enough money to become taxpayers instead of tax-eaters.

As the Great Society moves forward, the economic impact of extending opportunity to those who need it will be tremendous.

As the Great Society moves forward, our nation -- today the wealthiest on the face of the earth -- will become even more wealthy.

But we must not forget that it was not wealth alone that made our country great.

The greatest qualities -- those which have been evident from the beginning of our history are:

-- our concern for others.

-- our willingness to share.

①
Chas Eaton
+
Hutcheson
Mutual
Funds
40 years
ago said
the base
in the
Great
Society

each
Shareholder
may
own a
little bit
of a 100
company

-- our desire for justice and above all

our respect for human dignity.

Today the world has need of greatness. We must, not only for the sake of our own nation, but in response to our role of leadership in the world, respond to this need.

And it is in response to this need that the concept of the Great Society was developed. It is not a society for people merely concerned with an ever-higher standard of living, a new car, a larger house, a membership in the country club.

It is instead a society for people who wish to share their opportunity with others, to work for a better future, and to realize their destiny and that of the world in peace.

In achieving this society we will be
fulfilling the tradition of our history, we will
be fulfilling the role of leadership which the world
requires of us.

And we will be fulfilling the most earnest wish
of any civilized people -- to leave the world a
better place for our children.

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Vice President Hubert Humphrey's Speech at the luncheon before the
Investment Company Institute General Membership Meeting - April 29, 1965 -
The Biltmore

Thank you very much. Thank you, my good friend, Grady Clark. My fellow citizens. I am indeed very honored to be presented and introduced by a gentleman that is highly regarded and greatly respected in our community of the upper Midwest and the state of Minnesota. I came here today because this good friend and this honored businessman and civic leader tendered me this invitation. I thought it might be a good idea if once again we would visit together. First, let me just pay my respects to the officers of the Investment Company Institute, to all of you that have come from these many parts of our great nation. I have had the pleasure of saying hello to a few of you and meeting some old friends. Let me also say that I've had a most pleasant experience this noon-namely ~~of~~ being able to have a lunch rather peacefully, which for a man in public life these days is a rare opportunity and an unusual experience. I want to thank Mr. Richardson, Mr. Sullivan, Mr. Williams and indeed I want to thank each and everyone of you for making

this possible. Then too, let me ~~pay~~ just pay a word of respect to the Attorney General of the State of New York who is here with us. We've been visiting a little bit. I was trying to convert him, ^Bbut he said this was a task for a bigger man than Hubert Humphrey and I said I'll bring you to him as soon as I can. But it's good to see Mr. Lefkowitz and I'm so pleased to see the former Attorney General of the United States, one of the truly outstanding public servants of his country and a very gifted leader, Bill Rogers, who is with us today. There're others that I ought to mention. I said hello to George MacKinnon just a moment ago. George and I, well he's a Minnesotian ^{and} and my friend Dick Hansen out here from Minnesota. George was in Congress. George has been with what was once known as Investors Syndicate, now with Investors Diversified. George MacKinnon was very helpful to me. He was one of those that helped me get through college. He doesn't know this but I think I ought to confess now. You see, when I came back to the University of Minnesota in 1937 after having been away from the university during some of the years of the depression, I was

married and broke. It seems like those two went together at that time of our national life. My wife, then one year my bride, decided that if she was going to have any kind of life worth living she had to get this husband of hers educated. She proceeded to look for a job and she went from place to place in the city of Minneapolis and finally she ended up getting a job at the Investors, ^{which} ~~what~~ was then called Investors Syndicate.

One of the men that was there at that time and was very kind and helpful was a young man by the name of George MacKinnon, so I want George to know and I want you to know, Grady, and I want all the officers of I. D. S. ^{spell out} to know that I am ever indebted to you and, possibly, if I am saying, this there will be some people that won't invest in your company any more. (laughter).

The fact is that Mrs. Humphrey worked while I studied, and I worked too, and we were able to get through the University of Minnesota. So you see, you never can tell what a mutual fund will do (laughter).

I come here today to talk to you about our country. Where it's going, what its burdens are, and how we are going to shoulder those burdens.

I come here also to pay honor to you and to pay thanks to you. Because I happen to believe that our great mutual funds represent a source of political stability and economic progress second to none in this nation (applause).

When people have a share, when people feel a ^sense of ownership, they have a greater sense of order and responsibility. Those of us that are in politics have often said, "look^L, if we can just get somebody to contribute a dollar we have them." You'd be surprised how important that ^{is} just to become more than a verbal participant, or a verbal follower, to become an active participant, to become a shareholder in a political campaign makes the person a harder worker and to become a shareholder, to become a owner in a stock company or in a mutual fund, I think gives that individual a greater ^sense of responsibility as a citizen and a greater sense of love and respect for his country. So there are many ways that we build an orderly society, there are

many ways that we promote economic progress, there are many ways that we engender patriotism. Many people have tried to describe our economy. I remember when I had a rather extended visit with that leader then, now deposed, but that leader then of the Communist world, Mr. Khrushchev. We had some arguments about our respective systems and I explained to him our system as best I could and I regret to tell you that it's very difficult to explain our system in short simple words or sentences. Because the American system is rather unique, it has many variations, it has corporate structure, partnerships, individual ownerships, cooperatives, some public sector, it has a variety that's almost like a garden of varied flowers. But the important key to the whole system is the reliance upon individual initiative and the respect for private property and for private and free enterprise, and when you forget that, then you have lost the way and the means to describe it. So I want to talk to you about that system as I see it, and what we are going to do with it, and what we are doing with it. When I say we, I mean all of us. First of all, for the foreseeable future, my fellow Americans, there is no escaping our responsibilities as a world leader.

Last evening, Mr. Owens, was at the White House, and while he was there I was in the cabinet room with some of the leaders of Congress with the President of the United States, and we were going over some very serious matters. Decisions had to be taken yesterday afternoon, and last evening to protect the lives of American nationals and indeed, to protect the security of the Caribbean. Every day it's another problem, every day it's another crisis, and it isn't going to be any different for the foreseeable future.

Anyone who thinks we are going to have an easy life from here on out is

~~deluding~~
~~diluting~~ himself. But this is the exciting period of human history and I

think the most promising and it belongs to people of vitality and people of confidence and people of optimism. Those who are worn out, tired, those who think negatively, those who have no confidence betray our destiny, but those who believe in what we stand for and really understand the power and dynamism of this country and also appreciate our role and leadership and responsibility, they are the true patriots of the day. Leadership does not

give you the privilege of just "goofing off" as they say, it doesn't permit you the luxury of being unconcerned about matters of home or abroad.

Leadership means just one thing, responsibility and responsibility means sacrifice and sacrifice requires character. If we are going to have this role of leadership which has been thrust upon us, not by our desire, but by the development of the world in which we live. Then, we must have the substance to maintain that leadership. That means the development of our human resources, the development of the character of the American people, their abilities, and they are expected to do things, to think and produce, to distribute and govern, and it also means we must have a strong economy.

Now there are many things that build the spectrum of what we call strength and time forbids us today to discuss all of these many facets or factors. But, surely, one of the items, one of the factors in what we call our national strength is the structure and the functioning of our economic system. It's this economic system that is the tough blade of the sharp edge of our national

security the military; the army, the navy, air force, the marine corps, the coast guard of what we consider to be our defense structure is no stronger than the ^{backing has} that it ~~is~~ in the economic and social structure of the nation.

And, therefore, when we improve our economy, when it expands, and when it grows, in depth as well as on the surface; we are a stronger people and we are more capable of enduring the responsibilities that are ours. Let me repeat just this once more, if we are going to lead in this world and lead effectively, and have goals and common purposes that we seek to achieve —

^{we must do} ~~and to~~ it, or someone else will. And, if we are unable to defend the cause of freedom, who do you think can, [?] If we're unwilling to set the example for ^{of how should} the world ~~and for~~ people ~~to~~ live together and work together; and the respect they should have for one another, Who do you think will set that example?

If we're going to run away from responsibility ^{ies} at home and abroad, who do you expect then will ^{fulfill} ~~fulfil~~ those responsibilities. [?] I guess ^{what I'm} ~~that~~ saying ^{is} to be

a leader in the second half of the 20th century; in business, in government
~~or to be a leader~~ or to be a leading nation imposes incredibly difficult
assignments. But those assignments are challenging, exciting, ~~very~~ *they are*
rewarding in terms of your values; that is, if your value is one of service,
and one of love of country and love of principle. Having said that, I am
happy to report to you that the state of the nation is relatively good. The best
part about America, *it's* it is always restless. We do not need to recite the
achievements of today, or even our weaknesses, because what is important
is now and tomorrow and the day after tomorrow. It's good to know history;
it is better to make it. And we ought to be in the business of making history
that is worthy of our heritage. History that we can point to with great pride.
Well, we have been making some history. We have been making history in
recent ^{*s a new*} day of ~~an~~ attitude between government and industry or government and
business. For a ^{*long*} ~~life~~ time people went around promoting fights. We have a
lot of fight promoters. Since boxing isn't what it use to be they have ^{*other*} ways
to promote fights now, and some people have been brought up in prejudice.

Sometimes it's racial prejudice, sometimes it's religious and sometimes its political and other times it's just that you're brought up to believe that there's a naturally ^Lengrained, inborn, animosity between government and business. Well that may be ^{was} ~~what~~ the case ^{once} ~~was~~. I'm not here to argue the point, I'm simply saying that it no longer can be the case. That is a luxury that we can ill afford; because we are all in this together and this government represents us no matter who is President of the United States. You only have one at one time, and you only have one Congress at one time, and the duty of that President and that Congress is to the best of their respective abilities to truly represent the nation's interests, and

~~and~~ I believe that every President we have ever had has tried to do what is right, I don't believe there has ever been one that consciously tried to do anything that was wrong. Now this President has his way of doing things as other Presidents have had theirs. I know, however, that this particular President believes that the best way to get things done is to talk things out. Therefore, he quotes his favorite prophet-and he's a good prophet-and he gave an awful lot of good sense to the people of his day and our day and for yet years unknown-the Prophet Isaiah who said "Come let us reason together" and that's exactly the spirit that motivates this government, that is the spirit that has motivated my public service when that public service has been well done. We all make mistakes, we all are at times impetuous, we all at times feel our muscle but the response by public servants in this day and age which is one that understands the importance of what has been described as consensus which is more or less seeking agreement through constructive analysis and dialogue with mutual respect and understanding and so, we do sit down at the table and "come let us reason together". Let me give you a number of examples - balance of payments - now you are all businessmen and business ladies, you know of what I speak, the government of the United States, this administration, undoubtedly had enough votes in congress, had it

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been willing to do it and wanted to do it, to jam through a program of compulsory controls, there was quite a victory in the last election but if you want to just look upon those potential congressional votes as a way of hammering through you will, ^{won't have} you soon ^{public support.} The american people do not like bullies, the american people do not enjoy compulsion so that this president said to you-and there are men in this room that I now see he talked to you individually-and said "what are we going to do, we have a critical situation that has been developing for years - the soundness of the dollar is at stake, the integrity of the american financial structure is at stake, our position in world finance is at stake, we ought to make the dollar sound and keep it sound and there ought to be confidence in the dollar we can't devalue we are not going to double the price of gold, we are not going to play games, we are not going to use ^{gimmicks} ~~games~~, what is your suggestion"? Hundreds of hours were expended in consultation. Larger groups were brought together and finally a large group of the most prominent financiers and businessmen in America were brought into the White House and the President and the Secretary of the Treasury and the Secretary of Commerce and the Chairman of Counsel ^{of} of Economic Advisors ~~and~~ all sat down with this group of businessmen and they came to an agreement that voluntarily government and business working

as partners would ask the financial institutions of America and the corporate businesses of America to slow down the rate of investment and bank loans abroad and try to slow down the out-flow of gold and dollars. What is the result², Well, this morning, the Washington Post - I thought I had that little clipping in my pocket - the Washington Post has a lead story saying that it appears that for the second quarter of 1965 we will have a surplus in our balance of payments rather than the deficit which was running at the rate of almost \$5 billion in the last quarter. Ladies and Gentlemen, it's good news for the whole free world and for the rest of the world, too, that a free government working with free enterprise, working in the spirit of voluntarism, working in the spirit of cooperation, can accomplish what some people thought was impossible - a reversal in the outflow of necessary capital and gold or at least to put it in manageable proportions and at the same time to see our exports expand and at the same time to keep our commitments abroad and at the same time to defend the ramparts of freedom wherever they are attacked. This isn't done by being antagonistic² or enemies, it is done through respect, consultation, cooperation and that is the spirit that motivates us and if that spirit does not prevail in this economy today and in the channels of government and industry² than there is little hope for the continuity of the prosperity and the progress that we have thus far witnessed. I am here to testify that that spirit will be maintained.

We seek not to dominate in government, we seek to cooperate. Government is only a part of the structure of this country, and never forget it. And those of us in government must never forget it. Even in our foreign aid program, it isn't just ~~a~~ government. Most of the foreign aid from America, is private. The more that we can make the world understand the nature of our economy, its dynamism, its essential decency, its essential progressivism, the stronger we will be. The Communist^s have perpetrated the greatest fraud in the world that mankind has ever known. They parade around as revolutionaries and progressivists; they are the worst reactionists there has ever been known or conceived. Because their system is one of absolute control, outside control^{and} management with little or no opportunity for the great wellspring of private initiative or private ideas. We represent the future, and may I say, we represent it rather well. We have had ^{fifty-one} ~~51 months~~ of consecutive months of increased prosperity in this country. May I just say, without being boastful, but being reverently and humbly grateful. ^{fifty-one} Fifty-one months this Saturday, ~~51~~ months this coming

Saturday, of continued economic expansion, ^Tthe longest period of an economic growth and expansion that America has ever known, and that any country in the world has ever known since the time of recorded history. Price stability good! In the wholesale price index. We have been able to have continued economic growth with relatively good price stability and the rate of price fluctuation and inflation in our economy is lower by far than any other nation on the face of the earth and yet we progress, we are able, as Grady Clark was saying to me a moment ago, as he travels through America its nothing short of phenomenal every place you go; expansion every place you go, growth, rebuilding cities, whole new communities being established, industry flourishing. And I know a year ago, people said well its good so far, but it can't last and I remember two years ago people said, Yes, it's good so far, but it can't last. Well, it is lasting, and we can make it last. I won't say there won't be a bump or two, but in the period from 1950- 1960, my fellow Americans, we had four serious recessions in two administrations; one ^Ddemocratic and one ^Rrepublican. Why did we have those recessions? I think

because our economic thinking was never as forward looking and

progressive as it is today. Today, our rate of unemployment is lower

than it has been since the early 1950's despite the impact of automation.

Today, private investment is 12% higher this year than it was last year

and 45% higher than it was in 1960. I read the morning papers. General

Motors had broken all profit figures and yesterday it was Ford and two

weeks ago it was A.T. & T. and the Dow Jones Index seems to be rather

encouraging and mutual funds today have \$30 billions of approximately all

investments and about 5 million customers. We're just beginning to

scratch the surface, my dear friends, of the possibilities that are ours.

If we're wise, if we're careful, and yet at the same time forward looking.

PART II

Now, how did this all happen? Well, I think I have given you a key, ^Mmainly it happened because we started to remove, to the best of our ability what were commonly called the natural antagonisms. You know, and I know that you know, that you're as welcome today in the councils of government as you are in your own home. You know that your word is listened to, not always ^{ac}excepted, but we do have the dialogue and we do have this exchange of views.

There is an open^{ed}mindness today. ^TThere is no dogma. There is no doctrine.

^Wwe're not dogmatic people. We believe in a profit system, and I can't help

but recall what Samuel Gompers said, once, ^Hhe said the greatest crime against

the working people ^{is}in a company that fails to make profit. Profit is an honorable

attribute and people in government are being taught it, just like people in

industry are being encouraged to make it. We are doing things. This attitude,

now I say, the enviromental attitude had a great, good deal to do with it, but

there was something else that happened, ^Itoo, I remember, for example,

when we proposed the investor's tax credit some of you here talked to me

about it. We advanced a program in 1961, and passed it in 1962, of investment

tax credit of 7%. I supported that. Why some of my more ideologically liberal friends thought that was heresy. But they're learning, and so am I. It was necessary, if you want to improve production, if you want to improve technology, if you want to have jobs, you must have investment, and we encouraged it. A 7% tax credit on investment, and then there was a new program of accelerated depreciation allowances, ^{of} ~~or~~ a whole new depreciation schedule, that was devised. In order to even further improve the capital structure of the American productive plant, ^A and then, you recall, the income tax reduction and the corporation tax reduction. Now, my friends, this violated every tradition. We had a national budget deficit of over \$8 1/2 - about 9 billion, and when somebody suggested that you have a tax reduction with a deficit like that, they said, well this is just absolutely madness. They dragged out Ben Franklin and his Almanac (laughter), they got together all of the old sages, and said that this just violates ~~in~~ all tradition, ^{It} ~~it~~ even violates the Constitution, according to some people, but I am happy to tell

you that better minds prevailed and we proceeded to do something about

it. We cut taxes \$11 1/2 billion, ^Tthe largest corporate and income tax

reduction in the history of the United States, and we ^{O.K.}~~improved not only~~

~~helped improve~~ by that measure business, and the climate for investment

and corporation profits and gross national product; because it's been

soaring up, but we improved government revenues, and yesterday your

President was able to announce that the deficit for this year would be about

^{less}
\$ 1 1/2 ¹ than it has been originally projected. Why? Not just because people

in government are better. You can debate that. But, I'll tell you why.

Because the economy was better. And the economy produces the revenues

and those revenues are now being put to the constructive use. I analysed this

the other night and found, if you put together the investment company tax credit,

the depreciation allowances, the new schedule and the corporate tax reduction

you will find that these measures created an increase in the rate of return on

investment a rate comparable to the increase which would have resulted from

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~~-4-~~

cutting the maximum corporate tax rate from 52% to approximately 30.

That was a substantial reduction when you put the package together.

These measures sent investment skyrocketing; ~~and each quarter there is~~

~~always those that say it can't continue, but each quarter it does continue;~~

~~and this quarter is running ahead of any quarter.~~

EAGLE-A

TYPE-41ASE

25 X 30 100 HBL

And

~~At~~ each quarter there are always those that say it cannot continue.

But,

~~At~~ each quarter it does continue and this quarter is running ahead

of any other quarter. I hope that it can, and we are going to do our

level best, may I say, to see that it does, with your help. We are

trying to restore this mutuality of confidence, ladies and gentlemen,

I had a group of business men visiting me one day and when/^{they}~~we~~ got

there, they said "What we need is confidence- we need to engender

confidence" and I said "This is a two-way street." We must have

confidence in you and you must have confidence in us, and the only

way that we can have it is when we sit down together and understand

exactly what we are trying to do. Now figures can be somewhat deceiving,

and somewhat useful and tricky, and I can say to you that everything is

relative, as you well know. The public debt is only 48% of our gross

national product; 15 years ago it was 98%; 5 years ago it was 58%,

and it is a matter of relativity, - our capacity to finance it, as you

good people here well know. Now there is more yet to be done, and we

have a program ahead, and I want just to take for a few minutes - a

few moments - to tell you a little about it. It is not a program for the welfare state. I had a newspaper reporter ask me last week - he said, "Mr. Vice President" - you know, one of those kindly questions - ^{are} that ^{somewhat} ~~are~~ tossed at you - ~~like~~ like swallowing Gillette blades. (Laughter). And he said "Mr. Vice President, isn't it true that what you are proposing is a welfare state?" And I said as clearly as I could ~~that~~ "No, we are not proposing one - we are not advocating one, and we do not want one." What we are proposing, however, with your help, in cooperation with business and labor and finance, with our universities, and with all the American people - we are trying to work out a system so that there is a state of opportunity for every person that wishes to seize it and to have it. Opportunity - that is the key word, and that should be the theme of our time. Frankly, of course, we are interested in human welfare - who is not? Your mutual funds are dedicated to human welfare; you guard the value of these funds; you wisely invest these funds; you have many retired people who give you their money to invest and they trust you. You are interested in their welfare.

Our large corporations are more generous in their fringe benefits to workers than the government is in any of its welfare programs. Welfare has always been at the top of the list for the American people, but your government does not believe in a welfare state and neither do you. We believe in a state of activity, of opportunity. We believe in a state that is a set of conditions where people can put themselves to work to the fullest of their capacity. We also believe that you should release the energetic forces of our enterprise system.

We are going to propose in a very few days by formal message to Congress a sharp reduction in excise taxes - another tax reduction, and I want to tell you, here, that it will yield benefits to the consumer, to the government and to the economy.

We are also making some other proposals which have been in the budget. We are doubling our efforts in the War on Poverty. We are investing more than \$1-1/2 billion additional funds this year in Aid to Education - elementary, secondary and higher. We are proposing and will pass within a very few weeks a program of hospital care, and some medical

assistance for persons aged 65 and over, and we are proposing to wage a mighty war upon the poverty-stricken areas of the Appalachia - an area in America regrettably where income is down and job opportunities are falling off. And we have a huge attack, a comprehensive attack, upon such killers as heart disease, cancer and stroke. You say, how can you do all of this and do it without inflation, and do it without violating the guidelines that have been set down for wage, price standards. The answer is by the most careful scrutiny of the budget and a careful management of a fiscal policy. It is a simple fact, and by the way, I want to present to my good friend, Grady Clark, and these are available for all - here are the budget sheets, charts on what we have been doing in this budget process. The average increase in budget increase for the past 10 years has been \$3 billion per year. Not because ~~increase~~ any President wanted to spend more money - ~~increase~~ not because he cared not for the dollar, but because this population is growing. It is just a bigger country. Things cost a little more - national security requirements, but for the last two years that budget increase has been slashed

to \$1 billion, and out of the extras that we have - the monies that we have been able to save in closing up obsolete bases, some obsolete hospitals, some obsolete and unneeded research stations - and the struggle that we are waging in our war on waste within government itself - that the finest management consultants that this country has to offer out of private industry are called in to go through every department of our government - we have been able to save in the past year \$1-1/2 billion. We were able to save over \$400 million in the civilian agencies alone. And we have taken that money and we are putting it back into an effort to do something about stroke, cancer and heart disease that cost this ~~world~~ country, according to the Medical Association, last year \$31 billion in lost income. And I say that if you can spend \$1 billion trying to get at those killers, the odds are on your side.

We find something else. We find that one of the most terrible threats to our economy has been discrimination. We find that the "poor" begets the poor. We find that the illiterate become unemployed, and we

We can do something about it. We know that there are technical changes - technological changes - when you take people from the rural sharecropper environment of the South and they ~~are~~ ^{flood} into Chicago, Cleveland, and they are no longer producers and they are ^{not} ~~no longer~~ consumers. They become problems. But they are going to move - there is a change. And therefore, programs must be designed to see that these people get work ^{discipline}, work habits, and are prepared for urban living and industrialized living, and industry and government are working together.

Yesterday I met with 35 of the top corporation leaders ^{of} America, - yesterday afternoon. Now these corporation leaders are going out to negro colleges and universities and high schools, and where there is a predominant negro population, and they are going out to sell the story of education. They are going out to sell the opportunity that lies ahead. Many of these corporation executives, vice presidents, and sales managers are negroes themselves, that have made it. They were 1 of the 10 that made it - 9 were casualties.

There is a new day in America, dear friends, and we have to get the message of the new day. For the next 10 that try it, 9 will make it, and 1 will fall by the side. If they have the will - if we have the program - if they get the message, but when for 100 years they have been told to get in the back of the bus, it takes a little bit of doing - look, if you have enough on the ball, if you are experienced, if you are trained, if you are educated, if you prepare yourself, you can drive the bus; you can be in the front seat." We will consider you on merit. This is the way we advance our country. This is the way we build it, and we are going to build it this way. We are going to do it because, first of all, it is morally right, secondly, it is imperative.

The government through its work with industry can help train people.

Yes, but you, through your governments, must provide the structure,

that employees the people. It takes investments to make jobs, and believe

me it takes a lot of them. And, I am happy, to tell you, that one of the

great investments in the great society, ^{the} is mutual fund. My friend, Charlie

Eaton, came by and said that to me awhile ago, and, I said, Gee! Isn't

that interesting you and I are both wise men. I had ^{that} ~~the~~ same thought.

But it is a fact, ^T the mutual fund, the mutual fund that gives millions of

people ^{a share} ~~in~~, in hundreds of companies, ^F every time you buy a mutual stock.

I own some, I'm happy to tell you, and so do my children, I'm happy to

tell you and I didn't buy them just before I arrived here so that I would say

it. (laughter). I happen to believe this gives us an interest in, a concern

about, and a reason to be very proud of our enterprise system. So, I ask you

to join with me, and I want to join with you in building this greater society

that we talk about these days. It's sort of a slogan, but also a challenge to

us and that great society isn't just more income, it isn't just an extra car, or a better house, that great society above all is one in which everybody feels that he is a participant, in which he feels that this concept of human dignity is no longer a phrase but a reality. It's a great society in which he knows that he can contribute something to the well being of our nation. The greatness of our country is not only in its wealth but the greatness of our country, in its basic moral and idealistic values. We are a people that shares, we are a people that believe in justice, we are a people that believe in opportunity and we are a people that are unafraid. It's the courage and the sense of justice and this willingness to try and try again, and if we fall down, get up and try again. It's these things that I think builds us, and rest assured that today we have a working partnership the likes of which we never had before. There is still room, Yes, partisanship, but there is no room in America for just trying to find fault with one another. What we need more than ever before, is a willingness to work together and a recognition that even through accident or design this nation has been marked for greatness and that greatness will require the best from all of us.

An Address by
The Honorable
HUBERT H. HUMPHREY
Vice President of the United States

at the
General Membership Meeting
of the
Investment Company Institute

HOTEL BILTMORE
New York City
April 29, 1965

I come here today to talk to you about our country. Where it's going, what its burdens are, and how we are going to shoulder those burdens. I come here also to pay honor to you and to pay thanks to you. Because I happen to believe that our great mutual funds represent a source of political stability and economic progress second to none in this nation.

When people have a share, when people feel a sense of ownership, they have a greater sense of order and responsibility. Those of us that are in politics have often said, "Look, if we can just get somebody to contribute a dollar we have them." You'd be surprised how important that is—just to become more than a verbal participant, or a verbal follower, to become an active participant, to become a shareholder in a political campaign makes the person a harder worker and to become a shareholder, to become an owner in a stock company or in a mutual fund, I think gives that individual a greater sense of responsibility as a citizen and a greater sense of love and respect for his country.

So there are many ways that we build an orderly society; there are many ways that we promote economic progress; there are many ways that we engender patriotism.

Many people have tried to describe our economy. I remember when I had a rather extended visit with that leader then, now deposed, of the Communist

world, Mr. Khrushchev. We had some arguments about our respective systems and I explained to him our system as best I could and I regret to tell you that it's very difficult to explain our system in short simple words or sentences.

Because the American system is rather unique, it has many variations, it has corporate structure, partnerships, individual ownerships, cooperatives, some public sector; it has a variety that's almost like a garden of varied flowers. But the important key to the whole system is the reliance upon individual initiative and the respect for private property and for private and free enterprise, and when you forget that, then you have lost the way and the means to describe it.

So I want to talk to you about that system as I see it, and what we are going to do with it, and what we are doing with it. When I say we, I mean all of us.

First of all, for the foreseeable future, my fellow Americans, there is no escaping our responsibilities as a world leader. Last evening, I was in the cabinet room with some of the leaders of Congress, with the President of the United States, and we were going over some very serious matters. Decisions had to be taken yesterday afternoon and last evening to protect the lives of American nationals and indeed, to protect the security of the Caribbean.

Every day it's another problem, every day it's another crisis, and it isn't going to be any different for the foreseeable future. Anyone who thinks we are going to have an easy life from here on out is deluding himself. But this is the exciting period of human history and I think the most promising, and it belongs to people of vitality and people of confidence and people of optimism.

Those who are worn out, tired, those who think negatively, those who have no confidence betray our destiny, but those who believe in what we stand for and really understand the power and dynamism of this country and also appreciate our role and leadership and responsibility, they are true patriots of the day.

Leadership does not give you the privilege of just "goofing off" as they say. It doesn't permit you

the luxury of being unconcerned about matters at home or abroad. Leadership means just one thing—responsibility—and responsibility means sacrifice, and sacrifice requires character. If we are going to have this role of leadership which has been thrust upon us, not by our desire, but by the development of the world in which we live, then, we must have the substance to maintain that leadership.

That means the development of our human resources, the development of the character of the American people, their abilities. We are expected to do things, to think and produce, to distribute and govern, and it also means we must have a strong economy.

Now there are many things that build the spectrum of what we call strength and time forbids us today to discuss all of these many facets or factors. But, surely, one of the items, one of the factors in what we call our national strength is the structure and the functioning of our economic system. It's this economic system that is the tough blade of the sharp edge of our national security. What we consider to be our defense structure is no stronger than the backing that it has in the economic and social structure of the nation.

And, therefore, when we improve our economy, when it expands, and when it grows, in depth as well as on the surface, we are a stronger people and we are more capable of enduring the responsibilities that are ours.

Let me repeat just this once more, if we are going to lead in this world and lead effectively, and have goals and common purposes that we seek to achieve—we must do it, or someone else will. And, if we are unable to defend the cause of freedom, who do you think can? If we're unwilling to set the example for the world of how people should live together and work together, and the respect they should have for one another, who do you think will set that example? If we're going to run away from responsibilities at home and abroad, who do you expect then will fulfill those responsibilities?

I guess what I'm saying is to be a leader in the

second half of the 20th century, in business, in government or to be a leading nation, imposes incredibly difficult assignments. But those assignments are challenging, exciting; they are rewarding in terms of your values; that is, if your value is one of service, and one of love of country and love of principle.

Having said that, I am happy to report to you that the state of the nation is relatively good. The best part about America is that it's always restless. We do not need to recite the achievements of today, or even our weaknesses, because what is important is now and tomorrow and the day after tomorrow.

It's good to know history; it is better to make it. And we ought to be in the business of making history that is worthy of our heritage. History that we can point to with great pride.

Well, we have been making some history. We have been making history in recent days of a new attitude between government and industry, or government and business.

President Johnson has his way of doing things as other Presidents have had theirs. I know, however, that this particular President believes that the best way to get things done is to talk things out. He often quotes the Prophet Isaiah, who said, "Come let us reason together." And that's exactly the spirit that motivates this government.

He believes in consensus. Consensus involves seeking agreement through constructive analysis and dialogue, with mutual respect and understanding.

Let me give you a number of examples. First, balance of payments. This administration, undoubtedly had enough votes in Congress, had it been willing to do it and wanted to do it, to jam through a program of compulsory controls. But the President talked to businessmen individually—and said "What are we going to do? We have a critical situation that has been developing for years. The soundness of the dollar is at stake, the integrity of the American financial structure is at stake, our position in world finance is at stake. We ought to make the dollar sound and keep it sound. What is your suggestion?"

Hundreds of hours were expended in consultation. Larger groups were brought together and finally a large group of the most prominent financiers and businessmen in America was brought into the White House and the President, Secretary of the Treasury, Secretary of Commerce, and the Chairman of the Council of Economic Advisors all sat down with this group of businessmen. They came to an agreement that voluntarily, government and business working as partners, would ask the financial institutions and corporate businesses of America to slow down the rate of investment and bank loans abroad, and try to slow down the out-flow of gold and dollars.

What is the result? Well, this morning, the *Washington Post* had a lead story saying that it appears that for the second quarter of 1965 we will have a surplus in our balance of payments rather than the deficit which was running at the rate of almost \$5 billion in the last quarter.

Ladies and gentlemen, it's good news for the whole free world and for the rest of the world, too, that a free government working with free enterprise, working in the spirit of voluntarism, working in the spirit of cooperation, can accomplish what some people thought was impossible—to reverse the outflow of necessary capital and gold, or at least to put it in manageable proportions, and, at the same time, to see our exports expand and keep our commitments abroad, and defend the ramparts of freedom wherever they are attacked.

This isn't done by being antagonists or enemies. It is done through respect, consultation, cooperation and that is the spirit that motivates us. If that spirit does not prevail in this economy today and in the channels of government and industry, then there is little hope for the continuity of the prosperity and the progress that we have thus far witnessed.

I am here to testify that that spirit will be maintained. We seek not to dominate in government, we seek to cooperate. Government is only a part of the structure of this country, and never forget it. And those of us in government must never forget it.

Even in our foreign aid program, it isn't just gov-

ernment. Most of the foreign aid from America is private. The more that we can make the world understand the nature of our economy, its dynamism, its essential decency, its essential progressivism, the stronger we will be.

The Communists have perpetrated the greatest fraud that mankind has ever known. They parade around as revolutionaries and progressivists; they are the worst reactionists that have ever been known or conceived. Because their system is one of absolute control, outside control—and management—with little or no opportunity for the great well-spring of private initiative or private ideas.

We represent the future, and may I say, we represent it rather well. We have had fifty-one consecutive months of increased prosperity in this country. May I just say, without being boastful, but being reverently and humbly grateful, fifty-one months this coming Saturday, of continued economic expansion. This is the longest period of economic growth and expansion that America has ever known, and that any country in the world has ever known, since the time of recorded history.

Price stability, good! In the wholesale price index. We have been able to have continued economic growth with relatively good price stability and the rate of price fluctuation and inflation in our economy is lower by far than any other nation on the face of the earth; expansion every place you go; growth; rebuilding cities, whole new communities being established; industry flourishing. We can make it last.

I won't say there won't be a bump or two, but in the period from 1950-1960, my fellow Americans, we had four serious recessions in two administrations; one Democratic and one Republican. Why did we have those recessions? I think because our economic thinking was never as forward looking and progressive as it is today.

Today, our rate of unemployment is lower than it has been since the early 1950's, despite the impact of automation. Today, private investment is 12% higher this year than it was last year and 45% higher than it was in 1960. I read the morning papers. General Motors has broken all profit

figures, and yesterday it was Ford, and two weeks ago it was A.T. & T., and the Dow Jones Index seems to be rather encouraging, and mutual funds today have approximately \$30 billion of investments and about 5 million customers.

We're just beginning to scratch the surface, my dear friends, of the possibilities that are ours, if we're wise, if we're careful, and yet at the same time forward-looking.

Now, how did this all happen? Well, I think I have given you a key. Mainly it happened because we started to remove, to the best of our ability, what were commonly called the natural antagonisms. You know, and I know that you know, that you're as welcome today in the councils of government as you are in your own home. You know that your word is listened to, not always accepted, but we do have the dialogue and we do have this exchange of views. There is an open-mindedness today.

There is no dogma. There is no doctrine. We're not dogmatic people. We believe in a profit system, and I can't help but recall what Samuel Gompers said, once. He said that the greatest crime against the working people is a company that fails to make a profit. Profit is an honorable attribute and people in government are being taught it, just like people in industry are being encouraged to make it. We are doing things. This attitude, now I say, the environmental attitude had a good, a great deal to do with it, but there was something else that happened, too.

I remember, for example, when we proposed the investor's tax credit, some of you here talked to me about it. We advanced a program in 1961, and passed it in 1962, an investment tax credit of 7%. I supported that. Why, some of my more ideologically liberal friends thought that was heresy. But they're learning, and so am I. It was necessary. If you want to improve production, if you want to improve technology, if you want to have jobs, you must have investment, and we encouraged it.

And then there was a new program of accelerated depreciation allowances, of a whole new depreciation schedule that was devised. In order to even fur-

ther improve the capital structure of the American productive plant.

And then, you recall, the income tax reduction and the corporation tax reduction. Now, my friends, this violated every tradition. We had a national budget deficit of over \$8½—about 9 billion, and when somebody suggested that you have a tax reduction with a deficit like that, they said, well this is just absolutely madness. They dragged out Ben Franklin and his Almanac, they got together all of the old sages, and said that this just violates all tradition. It even violates the Constitution, according to some people.

But I am happy to tell you that better minds prevailed and we proceeded to do something about it. We cut taxes \$11½ billion, the largest corporate and income tax reduction in the history of the United States.

And yesterday your President was able to announce that the deficit for this year would be about \$1½ billion less than it had been originally projected. Why? Not just because people in government are better. You can debate that. But I'll tell you why. Because the economy was better. And the economy produces the revenues and those revenues are now being put to constructive use. I analysed this the other night and found, if you put together the investment tax credit, the depreciation allowances, the new schedule and the corporate tax reduction, you will find that these measures created an increase in the rate of return on investment, a rate comparable to the increase which would have resulted from cutting the maximum corporate tax rate from 52% to approximately 30%. That was a substantial reduction when you put the package together. These measures sent investment skyrocketing.

I had a group of business men visiting me one day and when they got there, they said: "What we need is confidence—we need to engender confidence" and I said "This is a two-way street. We must have confidence in you and you must have confidence in us, and the only way that we can have it is when we sit down together and understand exactly what we are trying to do."

Now figures can be somewhat deceiving, and somewhat useful and tricky, and I can say to you that everything is relative, as you well know. The public debt is only 48% of our gross national product; 15 years ago it was 98%; 5 years ago it was 58%, and it is a matter of relativity—our capacity to finance it, as you good people here well know. Now there is more yet to be done, and we have a program ahead, and I want just to take a few minutes—a few moments—to tell you a little about it.

It is not a program for the welfare state. I had a newspaper reporter ask me last week: "Mr. Vice President, isn't it true that what you are proposing is a welfare state?" And I said as clearly as I could, "No, we are not proposing one—we are not advocating one, and we do not want one." What we are proposing, however, with your help, in cooperation with business and labor and finance, with our universities, and with all the American people—we are trying to work out a system so that there is a state of opportunity for every person that wishes to seize it and to have it.

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excise taxes—another tax reduction, and I want to tell you, here, that it will yield benefits to the consumer, to the government and to the economy.

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You say, how can you do all of this and do it without inflation, and do it without violating the guidelines that have been set down for wage, price standards. The answer is by the most careful scrutiny of the budget and a careful management of a fiscal policy.

Available for all here are the budget sheets, charts on what we have been doing in this budget process. The average increase in the budget for the past 10 years has been \$3 billion per year. Not because any President wanted to spend more money, not because he cared not for the dollar, but because our population is growing. It is just a bigger country. Things cost a little more—national security requirements—but for the last two years that budget increase has been slashed to \$1 billion. Out of the extras that we have—the monies that we have been able to save in closing up obsolete bases, some obsolete hospitals, some obsolete and unneeded research stations—and the struggle that we are waging in our war on waste within government itself—and with the help of the finest management consultants that this country has to offer, who have been called in to go through every department of our government—we have been able to save \$1½ billion in the past year. We were able to save over \$400 million in the civilian agencies alone. And we have taken that money and put it back into an effort

to do something about stroke, cancer and heart disease that cost this country, according to the Medical Association, \$31 billion last year in lost income. And I say that if you can spend \$1 billion trying to get at those killers, the odds are on your side.

We find something else. We find that one of the most terrible threats to our economy has been discrimination. We find that the "poor" begets the poor. We find that the illiterate become unemployed, and we know it just as surely as we know the facts of our business operation.

We know that, for example, that the non-whites have a higher rate of poverty than whites. We also know that a white man with the same college education gets paid more than a colored man. We know it—it is not just a matter of guessing any more. These are facts that are available—many of them developed by private industry itself. We also know that there is a record that you can trace in the welfare statistics and the welfare records of two or three generations where families on relief tend to stay that way, and we say this is wrong.

We say that it is wrong to have a country—to have in our country—an average expenditure of \$450 a year per child for education, and \$1,800 a year for a school drop-out. It costs you four times as much for a school drop-out, a kid that drops out of school after the freshman year of high school. You pay four times more per year when he drops out than if he stayed in school. He becomes a tax eater and never a taxpayer.

We know that it costs a minimum of \$2,500 a year for a non-productive relief family, and we know that it costs a minimum of \$3,500 a year for an inmate of a state prison and \$4,400 in a federal institution.

We know that crime and disease and discrimination and poverty eat at the very fabric of our society, and, my fellow Americans, we are not going to stand by and know these things and not do something about them. And when we are doing something about them, we don't believe that the way you do it is just dish it out.

We do not believe that public works is the an-

swer. We believe that some public works are needed as a part of the superstructure, or the basic structure, of your economy. Good roads, good sewers, good streets, yes, but we have found out that you can appropriate, my dear friends, \$5 billion of public works this year and it will be two years later before it starts to take any effect. But you can have a tax cut this year and it takes effect next month.

Now, these are facts. We know these things; and that is why we are working with the facts that we know. We know, for example, that if one out of every five people in the United States is listed as poor, then 35 million people have a total income of less than \$17 billion including welfare payments. This is no market. You do not sell these people much. This is a drag on the economy, and therefore any program that we can initiate that will train people for jobs—that will combat illiteracy—that will check, or at least improve, the conditions of health and check disease—that those programs are dividends and those programs are wise investments, and so, slowly, methodically, we approach it.

Now, let me just say this. I know that we are not doing all that some of you think we should do, and we are doing more than others think we should do.

Of course, we cannot cure poverty with what we are doing this year, but the longest journey is the first step, and what we are beginning to do now is attack the root causes of poverty which we know to be a fact. Just as surely as we know the sun rises in the east is the fact of illiteracy. And my fellow Americans, the rate of illiteracy in America is growing—at the time of our greatest prosperity. The most civilized, industrialized, urbanized, rich economy in the world has a higher rate of illiteracy than Japan.

We can do something about it. We know that there are technical changes—technological changes—when you take people from the rural share-cropper environment of the South and they flood into Chicago, Cleveland. They are no longer producers and they are not consumers. They become problems. But they are going to move—there is a

change. And therefore, programs must be designed to see that these people get work discipline, work habits, and are prepared for urban living and industrialized living, and industry and government are working together.

Yesterday I met with 35 of the top corporation leaders of America. Now these corporation leaders are going to Negro colleges and universities and high schools, and where there is a predominant Negro population, and they are going out to sell the story of education. They are going out to sell the opportunity that lies ahead. Many of these corporation executives, vice presidents, and sales managers are Negroes themselves. They were the one of the ten that made it—nine were casualties.

There is a new day in America, dear friends, and we have to get the message of the new day. For the next ten that try it, nine will make it, and one will fall by the wayside; if they have the will—if we have the program—if they get the message. When for 100 years they have been told to get in the back of the bus, it takes a little bit of doing. "Look, if you have enough on the ball, if you are experienced, if you are trained, if you are educated, if you prepare yourself, you can drive the bus; you can be in the front seat. We will consider you on merit."

This is the way we advance our country. This is the way we build it, and we are going to build it this way. We are going to do it because, first of all, it is morally right; secondly, it is imperative.

The government through its work with industry can help train people. Yes, but you, through your governments, must provide the structure, the employees, the people. It takes investments to make jobs, and believe me it takes a lot of them. And, I am happy to tell you, that one of the great investments in the Great Society, is the mutual fund.

My friend, Charlie Eaton, came by and said that to me a while ago, and, I said, "Gee! Isn't that interesting; you and I are both wise men. I had that same thought."

But it is a fact. The mutual fund gives millions of people a share in hundreds of companies, every time they buy a mutual stock.

I own some, I'm happy to tell you, and so do my children. I'm happy to tell you and I didn't buy them just before I arrived here so that I would say it. I happen to believe this gives us an interest in, a concern about, and a reason to be very proud of our enterprise system.

So, I ask you to join with me, and I want you to join with me, and I want to join with you, in building this greater society that we talk about these days. It's sort of a slogan, but also a challenge to us. That Great Society isn't just more income, it isn't just an extra car, or a better house. That Great Society, above all, is one in which everybody feels that he is a participant, in which he feels that the concept of human dignity is no longer a phrase but a reality. It's a Great Society in which he knows that he can contribute something to the well-being of our nation.

The greatness of our country is not only in its wealth, but the greatness of our country is in its basic moral and idealistic values. We are a people who share; we are a people who believe in justice; we are a people who believe in opportunity, and we are a people who are unafraid. It's the courage and the sense of justice and this willingness to try and try again, and if we fall down, get up and try again. It's these things that I think build us, and rest assured that today we have a working partnership the likes of which we never had before.

There is still room, yes, for partisanship, but there is no room in America for just trying to find fault with one another. What we need, more than ever before, is a willingness to work together and a recognition that through accident or design this nation has been marked for greatness and that greatness will require the best from all of us.



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