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STENOTYPE TRANSCRIPT  
OF  
PRESS CONFERENCE



*Int'l Council  
of Industrial  
Editors  
5-18-65*

ALDERSON REPORTING COMPANY, INC.

General Stenotype Reporting

Washington, D. C.

306 Ninth St., N.W.

NA. 8-3406

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INTERNATIONAL COUNCIL OF INDUSTRIAL EDITORS

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Press Conference

of

HON. HUBERT H. HUMPHREY

VICE PRESIDENT OF THE UNITED STATES

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Tuesday

May 18, 1965

1:45 P.M.

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Room 1224, Senate Office Building

Washington, D. C.

P R O C E E D I N G S

MR. PAUL S. FORBES (MODERATOR): Ladies and gentlemen, the Vice President of the United States.

VICE PRESIDENT HUMPHREY: I am very pleased to be here with you. I do apologize for keeping you waiting just a few moments, but the life of a Vice President is rather unpredictable, particularly when you are over in the Capitol.

On the way coming out I met two groups of young people, school youngsters. Believe it or not, they do want to talk to you. It is kind of hard just to push them aside.

I understand that the format which you would prefer to use today is primarily one of question and answer, which is entirely to my liking. I believe it is that way that we will be able to have a better exchange of views and you will be able to ask questions that are on your mind. I will try my best to provide some answers.

I am sure that you are primarily interested in the attitude of the Administration on matters of economic policy, the whole matter of the expansion of our economy, the stability of this economy, as well as its expansion, and the competitive position of the American economy in respect of the rest of the world.

I am very happy to tell you what you already know, but it is good to repeat it because it is such good news: that the economy is doing very well. In fact, it is doing extraordinarily

well, and the predictions for the foreseeable future are also very encouraging.

The President's Council of Economic Advisers has recently given the President an optimistic and an encouraging report for the balance of the calendar year 1965 and for, as a forecast, the calendar year 1966. The rate of expansion seems to be holding up well. The rate of investment, which I think is a good yardstick as to the sense of confidence on the part of the American business and finance community in the economy, that rate of investment is holding well. I believe it is running now a little over \$50 billion a year in plant expansion, or plant improvement.

Profits are good, dividends are good, the stock market is good and sound and has a modest upswing, which is a sound curve, I would say, on the economic horizon.

The price structure, wholesale price index, has been holding fairly well. I believe it can be said that the American economy has had less inflation in these recent years than any other economy. The rate of inflation, if you can call it inflation, is very small. Some people would say negligible. I would say that it is very limited.

A few points that ought to be noted are these: There is an attitude of cooperation on the part of the Administration with the finance and business and labor community; that is, the economic structure. The President has encouraged a much wider

participation by business in the councils of Government. No important decision relating to this economy is made without considerable preliminary consultation, sometimes on an individual basis, sometimes with a group. I believe there is a better dialogue between Government today and the business community than there has been for many years.

I think there has been a good deal of learning also taking place. Some of the artificial hostility which was generated for what purposes I can't quite ascertain, but there was some artificial hostility, some of this has been eliminated. I believe that business people now feel that the Government is truly interested in the private enterprise system, in the expansion of this enterprise system, in legitimate profit, in permitting the economy itself to take up its own slack by the use of fiscal and monetary tools.

In other words, the Government and the business community are working partners, much better than they have been for a long, long time.

I have said on many other occasions that some people enjoy promoting a certain degree of dissension. That is not unusual in politics or in competitive enterprise, but this Administration, the President and the Vice President, are interested in promoting understanding. We are here to heal the wounds, not to open them. We are here to unite our people, not to divide them. We are here to try to encourage participation

rather than to discourage it.

We do believe that our country bears terrible burdens for the foreseeable future and, therefore, we need a strong base, not only an economic base but a political base. We need to have a better political understanding in our country, of our responsibilities at home and abroad. We need to have the strong economic base so that we can undertake our programs of national security and international cooperation and military and economic assistance in many other parts of the world.

You cannot sustain a major international effort on the part of this country with a crippled economy. You need a strong economy. It is because of this belief that we have advanced policies and programs such as the investment tax credit, which I think was helpful, the reduction in the corporate and personal income tax rates, which I know has been very helpful, and recently, yesterday, the President presented to the Congress our excise tax reduction bill, which we trust and hope will be helpful to the consumer as well as helpful to the general economy.

These measures, plus attitude, plus the attitude that I have been speaking about, one of cooperation, of understanding of discussion, of dialogue, of constructive partnership -- I think these attitudes, plus these fiscal and monetary measures have brought about the longest sustained period of economic expansion in the history of the world, not just in the history

of our own country. It is a very interesting development.

In the preceding 10 years, prior to 1961, you had four major recessions. Since 1961 you have had none. I believe that both Government people and people in the private economy have learned a great deal about modern economics. Imagine 10 years ago, 25 years ago, saying that you were going to reduce taxes, when you had unemployment and when you had a big Federal deficit in the revenues, in the budget. Had you advanced that theory, you would have been called every conceivable name. Yet in 1962, people started talking about it openly.

In 1963 we started doing something about it. In 1964 we did something about it. Actually, many of us that were classified as so-called political liberals led the fight to do something about it.

I was pleased to note that the Chamber of Commerce and the AFL-CIO, and many of the -- the CED and many other groups -- groups supported this kind of advanced economic thinking. This advanced economic thinking is based upon the assumption which I think has been verified, at least in part, that by adjusting the tax schedule, releasing capital for private use, and for private choice, on the part of management, as to how it will be used, this will generate greater productivity, greater consumption and, therefore, greater revenues to the Government, and all of it has worked out.

The deficit this year is substantially less than it

was a year ago, and much less than it was two years ago. The economy is substantially higher. The gross national product is surely up, and all the other indicators that I have given to you stand the test of careful examination.

So we have learned something about economics. We think we are learning more all the time. In the meantime, we have come to grips with some other tough problems. We have international financial problems, the so-called balance-of-payments problem. We are beginning to understand that to properly capitalize and finance the developing countries, there is a much greater need of what we call international liquidity, so that there is a capital structure that can be available for the capital needs of capital-short countries.

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We also understand more clearly now that we have to maintain a degree of prudence in our own international monetary and financial transactions. Therefore, we have appealed to the business community to help us in terms of slowing down the outflow of dollars which are callable for gold, particularly to the Western European countries where there is no real capital shortage.

We passed certain legislation here that put certain taxes, excises, upon certain types of international transactions. But basically we have relied upon volunteerism. As you know, the President spent a good deal of time talking to bankers and corporate executives, investment bankers, exporters, about how we could slow down this outflow of capital from the United States.

We are happy to report that it has had some beneficial effect. The request of the government to the financial and business community has been honored in the main, and a substantial reduction of the outflow of capital has already taken place.

We are hopeful that this voluntary program will do the job. I am one that happens to believe that our balance of payments situation is sufficiently serious so that we ought to do everything possible to bring it in balance. Of course, the main problem here is not related to our exports. Our exports are much greater than our imports. As a matter

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of fact, we are a tremendously plus country in terms of international trade. Our commitments overseas in foreign aid, while they are substantial, most of the money is spent back in the United States, 85 cents out of every dollar in foreign aid being expended back here.

So the actual outflow on the basis of foreign aid, as such, is very small. Our military outlay is substantial, and I don't see much we can do about that except to watch it carefully. We do not want to withdraw from Europe. We do not want to withdraw from the areas where we are presently committed.

Mr. McNamara has taken every conceivable measure to tighten up on the costs of our military overseas and to do as much purchasing back home here in the United States as possible so as not to aggravate our balance of payments problem. Our balance of payments problem gets down to about one or two things. Tourism -- we have a negative or a minus there of about \$1 billion six. Let's say about a billion and a half dollars. And then the rest of it is just financing, just plain financing of American investments overseas out of American financial resources which, in the long run, I think will come back in dividends. We have a short run problem and a long run problem here. Actually, overseas investments can be very, very helpful to our country, and are very helpful, ultimately, and are surely helpful in some countries in the

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short run, for the recipient country. But in the meantime, if the European bankers become too concerned about our gold situation, about the soundness of our dollar, they can cash in their dollars, demand gold, and put a good deal of pressure upon us.

I doubt that all of that will happen, even though some of it has. Nevertheless, for a country that has our type of obligation abroad, I think our balance of payments problem or deficit needs to be corrected. I don't think there is any doubt about it.

But in the process of correcting it, we have to be careful that we do not destroy the whole credit base in other parts of the world, because the dollar is also a convertible currency and it is a viable currency and it is used as a credit base.

If you cash in the dollars and only take back the gold for your national reserves, you are apt to throw out of kilter an economic expansion that is taking place in many parts of the world today. So this is a very delicate matter. I would just conclude on that, and I don't know too much about it, I don't claim to be an expert, and I would only say that I believe the time has arrived where there is a tremendous need for an international meeting or series of meetings on this whole subject of the balance of payments and of what we call international liquidity, to be able to provide a capital

rt 4      base for an expanding world and for the capital short areas of the world.

Our present capital structure I doubt is adequate, even though the IMF, the International Monetary Fund, has been expanded, even though there are a number of international activities in the financial world that are very helpful. I doubt that what we are doing is adequate for the long term needs.

Well, I think that is about enough.

Wait a minute. I wanted to add one other thing before I yield the floor to you. I said that we were concerned about the health of this economy, even though basically it is good. And I said the reason we are concerned about the health of our economy is because of our great commitments at home and abroad. Now, there are some areas in the economy that are not encouraging, and, therefore, we try to do something about that.

We have the lowest unemployment today that we have had in seven and a half to eight years. But there is still too much unemployment and it is particularly true that the unemployment figures insofar as the teenagers, the youth group is concerned, are disconcerting. It is equally true and even more so that the unemployment figures, as far as the minority group, particularly the Negro, are very discouraging and disconcerting.

It is also true that we still are not using the

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productive capacity of many of our senior citizens as we ought to. And I think it is equally true that we have a hard core of unemployed that have been unemployed over a long period of time that are going to require, or this hard core is going to require, a great deal of specialized attention.

We do not seek to remedy these problems by just public works. We have learned that public works and public grants do not meet the needs of unemployment. They help somewhat, they serve a purpose, they are a part of what you might call the orchestration of economic remedies. But they do not represent the answers as some people used to think.

So we do have a program of some public works, like Area Redevelopment, and the public works projects, as a part of the basic structure of an expanding economy. You need public works whether you have a recession or a depression or not. You just plain need roads, streets, community facilities, sewers, water systems. We ought to be building them without any regard to whether or not there is a depression or a recession, or what is happening in your economy.

This is just necessary, just like you need to eat breakfast, or that you ought to have certain things that you do regularly for your health. Therefore, recognizing that public works have a limited remedial function, we feel that in light of the hard core of unemployment that remains, the youth unemployment that grows, and the unemployment of

rt 6 people aged fifty and over, primarily in the sixty age group, or late fifties and sixties, that we go into the training programs.

We have learned a great deal now about manpower training and development, actually retraining people for jobs that are available. Most of our unemployed at the present time are unemployed because of lack of skills, and we are beginning to emphasize the importance of skill, of the adaptation of the worker to the job that is there; instead of romanticizing about how things used to be we are coming to grips with how things are, and where communities have changed and where an industry has been phased out, or where it has left a community and left the workers behind, you either find new industry that meets the skills of those workers or you train the workers for a different industry that you hope can be brought into the area.

So you have the matter of encouragement of industrial development, which relates to the attitude, the political attitudes, of a state legislature, of a governor, of a local community, of a federal government, of the resources, the financial resources, that are there, and then you go in with your manpower training and development programs, your vocational education, your technical institutes, to train or to retrain the worker for the new requirements of industry.

Besides that we have a substantial number of people

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that are just plain industrially illiterate.

I know of no better phrase. These are people that came off the sharecropping lands. Many of them are of the minority group, but also white. They come from rather primitive rural areas, moving into Cleveland, Chicago, Detroit, New York, big industrial cities of the north, St. Louis, Kansas City. They come in with no understanding of industrialized or urbanized society, none whatsoever.

They have no work pattern or work experience that equips them for industrial type work, where you report on time, where you have specific hours, and where you live under rather rigid rules and regulations in an industrial plant. So these people have to be taught first how to read and write, many of them; secondly, they have to get some work experience or some orientation to urban life and industrialized life.

This is the slow process that we are in. The hard core of unemployment, the 4.7 percent left, or 4. -- let's call it 5 percent, to put it in round figures, though that is a little large -- that group represents a real challenge to our educational ingenuity, to our capacity to train and to orient the people to the needs of the economy.

That is why I say it takes more time. You are getting down to where you really have to work at it. Yet we are having some very encouraging results, particularly in manpower training and development. I believe with the Job

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Corps program, with the Neighborhood Youth Corps program, we will have a much improved juvenile or teenage group of workers, young people. They are learning skills, they are learning work habits, they are learning self-discipline in the Job Corps, in the Neighborhood Youth Corps. These things can be very helpful.

Then in the long run, of course, there is the tremendous boost to education. That is going to pay real dividends. The most recent education bill had \$1 billion 300 million in it, \$1 billion 300 million of aid to elementary and secondary education, for books, libraries, teachers, for the essentials of education, exclusive of facilities.

We have many other aids to education besides that, the National Science Foundation, the host of grants for our universities from NASA, the Department of Defense, the United States Public Health Service, the Atomic Energy Commission. As a matter of fact, we have approximately 11 billion dollars worth of Federal Aid to Education at the present time.

While many people were arguing about the merits or demerits of Federal Aid to Education, some of us were just passing the legislation here and letting the people argue about it. The need was there. You simply had to have Federal Aid to Education if you were going to have an atomic energy program. You just simply have to have Federal Aid to Education if you are going to have a lunar probe, or the



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Apollo program, or the Gemini program or the Mercury program under NASA. You just could not operate it without Federal Aid to Education.

You simply have to have Federal Aid to Education if you are going to do anything about heart, cancer, neurological diseases and stroke. You simply had to have Federal Aid to Education if you were going to have basic, as what we call basic, research, such as the National Science Foundation encouraged.

So while all the doctrinaire folks, the dogmatists, were arguing about the merits, the demerits, the problems, the pitfalls, the hopes and challenges of Federal Aid, I was helping to author here in the Senate, several of them, the National Defense Education Act I authored, I authored the National Science Foundation Act, one of its co-authors, I should say; I think I had a good deal to do with many of the National Institutes of Health, as one of the co-sponsors, with Senator Lister Hill.

We just went ahead and did it, and we think it paid off. It has paid off to rich dividends. This elementary and secondary education assistance that we just passed I think is the greatest investment this country has ever made possibly since the time of the G. I. Bill.

That, of course, paid rich dividends. Anybody that ever had any doubts about Aid To Education should have

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gotten over that under the G. I. Education bill.

That yielded more dividends personally to the individual and to the nation than any one single thing that this country has had since the Homestead Act when you just gave the land away. It was really great. Out of this \$1 billion 300,000,000 of the recent Act, the \$1 billion of it goes to the deprived children. I call this Operation Catch-Up, not Headstart but Operation Catch-Up, catch up with the rest of the people, because all too many of our young people in America were the victims of what they call separate but equal, and the two things were separate but nobody had equal education, neither the white or the colored.

All too many of our communities, the large cities, were unable to finance proper education. So we are now putting in large doses of economic assistance to our educational structure in the hopes that we will get people who are way behind a chance to catch up. We think it will work. There will be some bobbles, there will be some mistakes. But by and large I think it will work.

May I just capsule it by saying this, that what we are seeking to do is to develop, conserve and develop, the human resources of this country, through programs of education, of retraining, of health assistance, of things that we are doing under the Economic Opportunity Act.

We are trying desperately to lift the level of

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performance, of a number of our fellow citizens so that they themselves can stand on their own feet and become productive citizens.

The President summarized it very well when he says we are trying to make taxpayers out of tax-eaters. I think that is surely really putting the right caption on it, taxpayers. In other words, productive, participating citizens rather than people that are just taking and taking and never having the opportunity to give or to share.

Okay, now for you.

QUESTION: Mr. Vice President, I am Paul Scott Forbes. I am the Moderator, and I would like to address to you the first question.

First of all, as industrial communicators, I would like to congratulate the Administration on a fine communications job with business and industry, because I think we will agree that you have succeeded remarkably in getting across this idea that business and the government should cooperate.

However, there is a little hole in these communication and I wonder if you could comment on this. That is the communications with the individual worker. The industrial plant, the industrial manager and the labor union have a pretty good idea of what their responsibilities are to society and in building an economy.

The average worker feels as if he is not a member

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of society sometimes, that there is very little he can do personally.

Can you tell us what you think the individual's responsibility should be?

VICE PRESIDENT HUMPHREY: Well, of course, this question that you pose tells a great deal about the kind of a society in which we live, in which everything is so big, so highly organized, and so impersonal, that so frequently people fail to see their own identify with anything that goes on.

Let me just digress a moment to show how this can even happen in government. When I was the Mayor of my city of Minneapolis, I felt a great personal satisfaction, because I could see the results of our work. I could go right into a community, into a block, into an area, and I could see what we were doing. I would see when we would build homes for the Veterans of World War II or provide them with housing. I could see when a hospital went up that I helped sponsor and fought it through the City Council, the authorization and the bond issue.

I could see the improvement in my Police Department. I saw the modernization of our police communications, I witnessed the establishment and construction of new playgrounds. I used to just be happy.

It was a wonderful sense of fulfillment. Then I

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went to the Senate, and I was one, at that time, of ninety-six senators, very low in seniority, coming from anything but a populous state.

I used to wonder what difference does it make what you are doing, nobody knows. I suppose we ought to be big enough and great enough and have such character and such a wonderful view on life that it does not make any difference whether anybody knows what you are doing. But I am just not that big a fellow.

I kind of like to have people know what I am doing. And I kind of like to feel that I am doing something myself. I like to see the results. You wait and wait and wait for a bill that you can even get yourself identified with. Then when you finally get an identity with the bill, nobody back home knows that you have anything to say about it.

Generally what is reported are the mistakes that you make. I have seen very few senators ever get credit for the achievements, until they get to be Chairman of a committee, or unless you take on the establishment, and I found that works pretty good.

In other words, if you are willing to challenge the powers that be, and be sort of a rebel, you can make a headline, or if you make enough mistakes and be a big enough fool you can make the headline. But if you are just the hard working, day in and day out fellow, you are just

going to be a hard working day in and day out fellow, that is all.

So this sense of identify is very, very important. Now you move on up in industry. Let's say the worker at one time, I hear people say so many times, "Well, I remember", some old or real old persons say that. I hate to talk about age now, because I am not sure which group I fall in anymore. There again I have lost my identity, you see.

But you get somebody who is about eighty years of age, who has a good, clear mind, and he will say, "Well, I remember that when you used to take your car in or used to take your wagon in there was a fellow there who knew how to repair it and he was proud of his craftsmanship, he was a skilled worker, you could rely on him and he did it."

Well, there are several reasons for that. I think that is true. However, I think time has a way of dulling all the truth, all the fine points of truth. But one of the reasons that that worker was remembered is because there were not too many people around and you had a personal relationship with him.

You came into Fred Schultz's blacksmith shop and you knew Fred Schultz and he knew Joe Smith and that was it. They just knew each other. Now who do you know? You know, there is no way in the world to be so lonesome as to be in a crowd. Very few people are lonesome being alone. The way

rt15      you really get lonesome is to get lost in a big city in a crowd. You can have hundreds of thousands of people around you and not know a living mortal.

         In fact, they become a threat to you almost, just by their sheer presence. Yet back in the early days, while there were very few people and there seemed to be a rather lonely existence for many people, as we see it now, there were these personal relationships, and, therefore, the manager of a little store had a personal identity with the results of his performance.

         The clerk in the store was known in the community. You knew whether or not he did a sloppy job or a good job, and somebody else knew it because you told the neighbors and they talked about it. Today it is too big. It is big. Not too big, because there is no use to talk about it being too big. This is the way it is. Now, how do we get that worker to feel a closer identify?

         Here he is out there in a mass production factory putting on bolt 40-B. That is his number one bolt that he puts on. He tightens up seven others. How do you make that man really feel that that is important? Of course it is important, it is terribly important. I think that we have ways of doing it.

         For example, if for no other reason I think the space program is worth while is because it is promoting

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a recognition in the part of management and worker of the importance of perfection, of the importance of excellence, of the importance of skill.

I had an experience here down at Cape Kennedy not long ago where a plain old mechanic was the man that saved that launch on Gemini-3, when all the experts were around, this mechanic that worked with Martin Aircraft just plain went on down there and found a little valve that was blocked up or some way, I don't know what it was, just a little old tube going around there, but he knew what to do.

I don't remember his name, but I remember -- of course you remember Commander Young, and you remember Gus Grissom. But Gus Grissom and Commander Young never would have made it had it not been for that mechanic, because that mechanic, first of all, saw to it that that launch took off.

Secondly, had the launch taken off and that had not been repaired there would not have been any Gus Grissom or any Commander Young. So that mechanic was important. I found out about him. The name has slipped my mind temporarily, but I wrote him a letter. I thanked him personally, as Vice President of the United States, for the people of the United States, for his competence, for his alertness, for his knowing more about it than the management of the company. And the management of the company was excellent, may I say.



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They were right there working with it on this project, too. So to put it more concisely to you, the space program is driving into the minds of young people today, like my boys, the importance of excellence, that they have to be good.

I think this is true of all this sophisticated apparatus that we are getting now. More and more it is being told to people, "If you don't do the right thing, you know, you are going to be responsible for a terrible tragedy" because everything is so geared up.

I think that we can do a whole lot better in our public relations in our companies and in our unions. This is something that the unions ought to get in on as well as the companies. This ought to be a part of the collective bargaining agreement, so far as Hubert Humphrey is concerned. I think both management and the organized worker, through his representatives, that is, his union, have an obligation to preach the doctrine of self-improvement, and there ought to be rewards for it, real rewards, rewards if only of an honor in recognition.

This I think can be done. We simply must make this working man understand that there is a kind of nobility and there is a high degree of honor in skilled craftsmanship. And that maybe only just tightening up those bolts just to where they ought to be. If one of them comes off, you are

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in one heck of a mess, I will tell you that, if one of those engines that you fly around in, these 707's, like I went off in yesterday, or a Jet Star, if one of those little rivets or something comes loose in there you have had it, and the government has had it.

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I believe that when you see -- when we see where there is a real good job done, we ought to make it almost like a national scene. Reward them instead of just scolding them for the bad jobs.

When I was Mayor of my city, I had Honor Night for the police officers that did a good job. I insisted on them being honest. First of all, we paid them double what they got before. We put them on a 40-hour week instead of a 56-hour week. We said we will have no more of this -- you know -- halfway police work. You don't have to be paid off by anybody; you will be paid by the city. We are going to make it an honorable profession.

We organized the auxiliary of our Police Department so that the mothers and the wives could hold their heads high, and the children, when they went to school, instead of people saying "Your dad is a cop," his daddy was honored; he was the best in the Traffic Department, the best in the Juvenile Department, the best in his precinct.

We had the churches, the Chamber of Commerce, and the labor unions, and gave them honors.

The American people forget that we don't live by bread alone. We are so busy making a living, making money, that we forget that the thing that motivates most people is recognition. First of all you want to be needed and secondly you want to be recognized. Recognition is terribly important.

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You don't have to always honor the president of the corporation; he gets enough honors. First of all, he gets paid more. You don't have to always honor the vice president; honor his staff. Honor somebody down there that really does the work. This is what is important. This is what keeps people on the job.

I pay my people in my office much less than people are paid in comparable industry. I have had to all the time. But I have tried to make them feel that this was a great opportunity for them. First of all, if they did well, they ought to be able to do much better when they left. You learn a great deal in a Senator's office or a Congressman's office. You learn a great deal in a Vice President's office, and that there is a dignity, an honor, to it.

We want to live that way, so that it is honorable. I think we can get workers to do that. In fact, I would like to spend a little more time myself encouraging them to do it, just as you can get young people to do it. I know what you can do with young people. I have worked with them a long, long time.

One of the main reasons that young people don't always respond is that nobody gives them a challenge. They treat them like children rather than treating them like they want to be -- adults. The minute a kid is 13 or 14 years of age he wants to think of himself, if a boy, as a man, and surely a

r3        young lady wants to think of herself as a full-grown woman.  
They want to be talked to that way, not talked down to.

Workers want to be talked to in terms of what they are doing is worth while; that it is important. I think we can do something about it.

You got me on a topic that I am quite jazzed up on, as you can see, quite interested in.

QUESTION: I am Herb Waite, from New England Electric System in Boston.

Mr. Vice President, I would like to ask for your views. Certainly the industrial expansion that the country faces ahead is going to rely to some extent on the use of electric power. I would like to have your views as you project them what role you think Government is going to play as not, let me say, opposed to, but in conjunction with the investor-owned companies.

VICE PRESIDENT HUMPHREY: A minor role, but a role. Where there are the hydro facilities, yes, but most of this, as we now find it, is being done through the investor-owned facilities. The rural electrics, yes, so far as the REA's are concerned, and some cooperative facilities.

But the overwhelming proportion of it will be through investor-owned facilities. I personally think this is the way it ought to be. I do think that in some of the great river systems it is entirely appropriate to have the publicly-owned

r4       dams and publicly-owned facilities. But I also want to be quite frank with you. I like to see the grids tied in so that you don't have the antagonism but you have a system of cooperation again. We have been working on that out my way, and I am one of the breakthroughs on this, you know.

Some of my good friends criticize me a good deal because I have said, "Well, look, we can work with the power companies out there--without going into any particular names, because there are several of them. We can work with them. They are regulated industries."

Here is the Bureau of Reclamation over here as we have it in the Missouri River area, and here are the private power companies. Here are the cooperatives. What we want is electricity for the consumer, and we would like to have it at as reasonable a rate as we can get it. If you can pool some of those facilities, you get a better rate and a better system, rather than just trying to build up one system at the expense of the other.

However, the emphasis of this Government is upon the investor-owned facility, electrical facility, without trying to say that you cannot have any publicly-owned facilities. But I think what have you today -- about 6 percent? What is the rate of the public power?

MR. WAITE: About 20 percent.

VICE PRESIDENT HUMPHREY: It has gone down considerably

r5 of late.

MR. WAITE: No, it has been going up, over the last 25 years.

VICE PRESIDENT HUMPHREY: I am talking about the last 10 years.

MR. WAITE: It is down.

VICE PRESIDENT HUMPHREY: Yes, it has gone down considerably in the last 10 years. As you know, recently in the Colorado area and California area we have been doing some new things which I think represent what we ought to be doing in the future.

QUESTION: Mr. Vice President, I am Dick Pendergast, from Pan American Life Insurance Company in New Orleans. My company and industries throughout the United States are vitally interested at the moment in Latin America.

Would you say that the trouble we have had in Cuba, Panama; the Dominican Republic recently indicates a trend on our relations in Latin America, and do you see this affecting future United States business ventures there?

VICE PRESIDENT HUMPHREY: Well, we are having our troubles in Latin America, or should I put it the other way: The Latin American people are having their troubles in their own countries. But the fact of these troubles indicates the success of some of the programs that have been undertaken. The Alliance For Progress, for example, is beginning to take hold.

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The rate of economic growth is now going ahead of the population increase for the first time. We are beginning to bite into the problem, you see. When I say "we", again, I want to make it quite clear, "we" in cooperation with our neighbors in Latin America who are putting in 90 percent and we are putting in the 10 percent. There is substantial economic and social progress being made.

In Panama and in the Dominican Republic, may I -- let's take the Dominican Republic. It was corrupted, adulterated and polluted by a dictatorship over a long period of time, and you are paying for that. Dictatorship doesn't stop communism, a dictatorship of the right; it just drives it into clandestine activities. It brings together a kind of popular front of people that are not Communists at all, but who soon are manipulated by the Communists, as a way of breaking out of the extreme right dictatorship or whatever kind of a dictatorship you wish to call it.

The Dominican Republic has resources of rich land, it has a goodly number of fairly well educated people. I think that in a reasonable period of time, and I believe the pattern is underway right now with some OAS participation, along with our generous assistance, that you will see a much more viable economy and a stabilized government there.

The Panamanian situation relates again to the Communist activity in part, and super-nationalists, plus some



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mismanagement on our own part. I mean, after all, that is a free country and the flag situation down there caused a good deal of trouble when there was an argument about the Panamanian flag flying alongside the American flag.

Just between us, I think America is a big enough country so it isn't going to hurt us at all to have the Panamanian flag fly alongside the American flag. But we had some people down there that thought it would, and they played into the hands of the jingoists and demagogues. Remember, in every one of these countries there is always a little hard-core of highly disciplined, well trained, provocateurs, subverters, subversives, propagandists, Communist-trained people. You don't need many. They are there. Give me 10 people that know what they want to do and how to do it and they are worth 1000 that don't know what to do and are not sure how to do it. They just take over.

The fact of the matter is that progress is being made, in Chile, in Peru, in the Argentine, and in Brazil. There are many countries -- Venezuela. There are some hard problems yet, but I think for the private investor in America it is still a good bet. Our Government backs you on many of the investment guarantees. We need private investment in Latin America. We need to make a supreme effort in this area.

We should not feel that the present difficulties means that we should call it quits. To the contrary, that is what the

r2 Communists would like us to do. They would like to discourage us. They would like to have us withdraw. They would like to have the private investor in America say it is too dangerous.

This is the time for government and private capital to get together and to make it quite clear that we don't think it is at all dangerous. We are prepared to meet this threat, and work with Belaunde Terry of Peru, work with Frei of Chile, and work with Illia of the Argentine, and work with Blanco of Brazil, and so on. These are great leaders. We ought not to withdraw one bit.

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QUESTION: Mr. Vice President, I am Charlotte Buchanan with the Bendix Corporation in California. The National Labor Relations Board has come up recently with some decisions which newspaper editorial writers generally agree have created fear among companies that by expressing their views to employees on union-management problems it can make the company subject to unfair labor practice charges.

Without going into the details of any specific cases, would you comment on whether or not you believe business and industrial employees should hear all sides of an issue involved in collective bargaining about their jobs?

VICE PRESIDENT HUMPHREY: I am not familiar with the cases, and I would like to say that I am. But frankly, I have not been able to keep track of all of these things. The President has me so busy on about ten projects right now, plus the ones I pick up myself, that I haven't been able to keep up with either the FPC, The NLRB, or some of these regulatory agencies.

In the main, I would say that the Taft-Hartley Law provides for the rights of freedom of speech on the part of both management and labor, and this is a right that ought to be respected. I do think that there are times that there have been excesses, wherein a management has attempted to use its right of free speech in a coercive manner.

There is some evidence of that. The same has been

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true, I might add, on the other side, in several instances that I could recall. So by and large, I would just say, without going into the details of the case, that management and the union both ought to have an opportunity to have their employees be heard.

This is a part of the collective bargaining process. And unless there are extenuating circumstances which indicate that the right of free speech has been used abusively or has been used in terms of threatening, or coercively, that the right ought to be protected and sustained.

MR. GIRGASH: Mr. Vice President, I am Bill Girgash with the Chesapeake and Ohio Railway Company in Cleveland. In his State-of-the Union Message to Congress in January, 1965, President Johnson said in brief "I will recommend heavier reliance on competition in transportation."

I just wondered, sir, if you would like to comment on the Administration's policy on transportation legislation in this session of Congress. Is there any likelihood that any legislation will be proposed and encouraged by the Administration, and, if so, will any of it affect particularly the railroad industry?

VICE PRESIDENT HUMPHREY: As I understand, sir, there is no immediate plan for a transportation message, that is, within the next few weeks. However, there will be. There will be a transportation, a special transportation, message to the

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Congress before the 89th Congress is over.

The Administration will follow up on the President's statement in the State-of-the-Union Message. The Department of Commerce as you know is being reorganized under Mr. Connor, and I imagine that will include some changes in the transportation area in the Department.

I am not sure, I am not privy to that, to be frank with you, as to what personnel changes, if any. However, I do know that the Secretary of Commerce is very concerned about transportation policies. I have had a chance to talk to him about it, both rail and maritime, as well as others.

So the principle which is there, namely of more and more reliance upon competition I think will be augmented.

MR. MANSFIELD: I am Paul Mansfield, with the Travelers Insurance Company in Hartford, Connecticut. In view of your own interest in medical care bills in general, would you comment for me on the rather expanded bill the Senate is considering?

VICE PRESIDENT HUMPHREY: As you know, that bill came to us from the House and it was expanded in the House. The Administration's proposal originally was much more modest. But our republican friends decided to make it much more generous.

Since we are a generous people in our own right, we wanted to gratefully accept their help, or should I say we accepted their help gratefully. Actually, what this bill proposes,

4 of course, is a trust fund, a separate fund, for hospital and nursing home care and some outpatient care under the terms of a social security tax.

Then it also includes a modest increase in all social security benefits. For those aged 65 and over that wish to use some of their increased social security benefits, they can take out, I believe, it is, \$5 or \$3, I have forgotten the amount, per month, and be able to purchase medical and surgical care within the hospital facility to add on to their hospital and nursing home care.

There will be a cost to the Government on this of approximately 450 million. It may be slightly less or slightly more, but let's say between \$400 million and \$500 million. That was over and above what had been originally contemplated in the President's Message on Health.

I think the Senate will most likely retain these same features. There may be some modification of benefits, but by and large I doubt that there will be much change in what the House bill offered to us.

So you will end up with a program of nursing home and hospital care, of a limited number of days, with the first payments being your own. You sort of have -- well, it is sort of like deductible automobile insurance. After the first \$50 you start to get the benefits. After the personal payment is made on the bill, and a certain number of days that you must pay for yourself, then the plan goes into effect.

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What those days will be and what those benefits will be are still subject to some alteration, as I have said. Then if you wish, if you wish, after you are age 65, you can purchase yourself, out of your own social security benefits that would accrue to you under the expanded social security program, this additional protection of drugs within the hospital, of medical care within the hospital, and of surgical care. It will pass, there is no doubt about that. This will be the law of the land.

I want to say to you, sir, as a man who carries private insurance, that it won't hurt the insurance business one bit and will most likely improve it a great deal. I hope so.

MR. MANSFIELD: So do I.

VICE PRESIDENT HUMPHREY: I have a son that is in the insurance business. I hope so.

QUESTION: Mr. Vice President, I am David Buswell. I represent the Highway Research Board of the National Academy of Sciences. Certainly we are a nation on wheels and the automobile has become a way of life as well as a way of death, as evidenced by the increasing fatality rate that we see on our highways every year.

I wondered if you might outline any programs that the Administration has in the area of traffic safety, and specially in view of the useless drain on our economy every year through accidents of this nature.

VICE PRESIDENT HUMPHREY: I wish we had more of a

6 program for it. This has always been a rather ticklish problem for the Federal Government because when you get into regulations on traffic safety you sort of enter into the police power of the state governments themselves, and the health and welfare powers of the state governments.

Actually, with the exception of the improvement of our highways and we have some safety belt legislation, there hasn't been much of a program at the Federal level. There may be some private bills, some bills put in by members of Congress that will ultimately receive favorable consideration from the Administration.

But unless my memory fails me, and that is entirely probable, we have a vast program going on in this government, I don't recall that there is any major, concerted effort by the Administration.

MR. BUSWELL: There is, sir, I understand, an inter-departmental safety committee that is working now. I think it is in the Bureau of the Budget at the moment.

VICE PRESIDENT HUMPHREY: That is right.

MR. BUSWELL: And of course, the President's Committee on Traffic Safety.

VICE PRESIDENT HUMPHREY: That interdepartmental committee is not new and it relates not only to safety on the highways but it relates to the whole subject matter of safety in government employment and elsewhere. We have done



7 a great deal on that, by the way, to try to cut down the accident records in the Government departments and some of them are very bad, but some are very good in terms of their record of safety.

But I would say this is an area to which we should give priority consideration. I really feel this way. Even on the matter of traffic signs, the uniformity of them, when you travel across the country, as many families do, and you see the variety of signs, unless you are on an interstate highway, you wonder why in the world we haven't done something about it long before.

There must be other ways that we can be helpful. I wish I could give you a more responsive answer, sir, but I don't want to be misleading and I would rather not comment if I don't know. I mentioned a moment ago that I had my son in the insurance business. It is my son-in-law. I want to make that clear, too. One of my boys would say "When did you put me in the insurance business, Dad?" They are very independent minded and don't want to have their father tell them what business they are in.

How about this lady here?

QUESTION: I am Marjory Smith, with the United Appeal in Baltimore, Maryland. In view of the fact that employees are saying increasingly that there is going to be no need in the future to support private philanthropic agencies, such

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as the Community Chest Agencies, because the Anti-Poverty Program of the Government will take over these services, what effect in your judgment will the Anti-Poverty Program have on private agencies and what will be the role of these agencies?

VICE PRESIDENT HUMPHREY: My dear lady, I am delighted that you asked me your question, because if any worker or anyone else thinks there will be no role for the private, volunteer philanthropic organizations in this country they have misread the signs of the times and also the purpose, the objectives of the Administration.

The Anti-Poverty program is designed, of course, to alleviate poverty and to get at the root causes of it, as much as we can. But you and I know that there will always be people who are disabled, there will always be some unfortunates, there will always be people who are in transition from a period of less productivity to being more productive or being less useful citizens to being more useful citizens.

There are always tragedies that befall certain parts of our nation. I suppose, as the scripture says, the poor will always be with us. There will always be some poor; I would hope that that would not be the case, but I think in my lifetime that will be the case.

I would advocate to all people living at the same time I am living that they ought to contribute generously to United Appeals, and all these appeals that are made. Plus the

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fact, more importantly, many of the programs that we are working with today, in the Federal Government, are working with private agencies, to supplement them and not to take over. We supplement, not supplant.

I happen to be a person that believes that the private agency can do a tremendous job, much more so than a public agency in many instances, because it isn't so big, it is more personal. It can take more time. It has more flexibility.

You don't have to fill out so many forms. You do have a little more freedom of movement. Therefore, even in our foreign Aid Program, Senator Humphrey, as Senator, was the author of the amendment which provided that we would actually utilize some of our foreign aid facilities and funds through the voluntary agencies, so that you could get at the task a little bit better, and you didn't have somebody breathing down your back every minute, some committee or some super-duper inspector.

In all of these areas of human welfare there are honest differences of opinion as to whether you are spending the money properly and when you are doing it publicly you always have somebody say "Yoo-hoo, there is another boondoggle." When you are doing the privately, they say "Yoo-hoo, isn't it nice, a charitable, decent, humanitarian act."

It just depends upon the attitude. You can't make

10(c) any votes attacking the private agency for helping somebody.

You can occasionally, by distorting some evidence or finding an actual misuse of funds, over in the public sector, really cause quite a commotion.

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My dear lady, if I thought that the anti-poverty program was going to do away with private philanthropic work, I would lead the fight against the program. I think we need volunteerism in this country. I do not want to have an America in which all of the needs of the American people are taken care of through public authorities. I want citizenship responsibility. I want that worker to feel that he does have to be his brother's keeper. I want that corporation manager to be generous. I want him to be humanitarian. I want him to think about his workers.

I think it is better for a union to negotiate fringe benefits with company and union than it is to come to the Government and get them, by far. And I have always believed that the purpose of the Government was not to establish a welfare state. We don't want a welfare state in the sense of a state program that guarantees everybody a good living. We are not advocating that.

We are advocating a state of opportunity in America, where we try, through private and public resources, to help people equip themselves to make a good living -- not somebody to come up here and say, "Here it is, just on a platter. You just enjoy it." You know just as well as I do that in most instances that does not lead to a good, healthy, wholesome citizen or productive person. But where we can be of help to help somebody help themselves, I think that is good. That is

r2        like sacrificing to help your children get through college.  
That is a whole lot better than just keeping them on the dole.

I try to personalize things, and I say to my boys and daughter, the daughter is now a mama with three little girls, her husband works and they are just ordinary good folks. But to my sons I tell them, "Look, dad is going to help you get an education. You are going to dig in, too." To my second son, I said the other day, "You are not doing very well in college. Go get yourself a job and you will do better." He is doing better. I said, "I will help you get through school, but when that is over, I want you to make up your mind before you graduate that it will be a long time before you see dad until you have some success badges on you and you come back and show me what you have done."

That isn't a hardhearted attitude. As a matter of fact, we respect each other because of that. That is the way I think government is programmed. I want to see this Government assure anybody who wants an education the best education that modern society can provide. That is an education to get the fellow equipped. Now, after he gets that education, he owes a debt to society, too, the educated person that gets that. That is the biggest gift that we can give him out of Government and out of organized society -- an education.

They ought to repay that through community service, community leadership, good citizenship. Once they have that

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education, they ought to be told in so many words, "Look, you get busy now. You are on your own. There may be things that happen, if you have a disaster, a flood, a tornado, or a war, where somebody will have to come in and help you, but in the main you have to do it yourself."

I don't think that is old-fashioned. Some people say that is old-fashioned. That is modern, right up to date.

By the way, most young people want it that way. As a matter of fact, I think today more young people are interested in self-development than they have been for years, primarily because they have had it so easy. It is sort of a revulsion the other way.

When I was going through college, we had a lot of thinking about the Government ought to do this, the Government ought to do that, the Government ought to do this, and the Government ought to do that. We were victims of the depression. Naturally, you become somewhat depressed in your whole intellectual outlook, but I watched the friends of my sons coming home from school and they are the most independent young fellows I have ever met in my life. They are not from well-to-do families, many of them. They are from very humble surroundings. What they want to do is get out on their own. They want to really make it. They are resenting the fact that their dad can tell them, "I went through a depression and worked my way through school."

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My son said, "We heard that before, Dad. We heard it too often." Well, that is family philosophy.

MR. GIRCASH: On behalf of the 20 or so members of the International Council of Industrial Editors here, for all 2500 members, I would like to thank you.

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(At this point a presentation was made to the Vice President on behalf of the International Council of Industrial Editors.)

VICE PRESIDENT HUMPHREY: Thank you very much. I will keep that on my desk and think of you.

Thank you very much. Before you go I wanted to mention that these are some documents I would like to call to your attention. One is called "The War On Waste." The other, an abbreviated little booklet on the national security structure, which I think you will find very informative and reassuring. Thirdly is the composition of the budget in brief, so to speak, in graph and chart.

Then one here is the President's message yesterday on the Revenue Act, on the Excise Taxes. Can I just say this to you, that this President -- they joke a lot about his turning off the lights in the White House. We are all very different, you know. People like to compare presidents and vice presidents. This is ridiculous. Everybody just stands on their own.

It is like the people who say, "Well, you knew Mr. Kennedy and you knew Mr. Johnson. How do you judge them?" I say this is like trying to compare Rembrandt and Renoir. Why talk about two artists?

In their own way they are artists.

President Johnson is a very frugal man and that

rt2(c) business of turning off lights around the White House is not just a gag. He means it. I have been there when he scolded the children, and he means it. He just keeps saying, "I get sick and tired of seeing people waste things". So off go the lights.

But, we have gone over this budget.

I never realized as a senator--and I was here 16 years, and I think I worked hard, whether I did as well as you think I ought to. At least I gave 16 hours a day to my job without exception, and that is a fact. There is no private life when you are in this business.

When I went to the Executive branch as Vice-President, and started to look over the budget with the Department heads, with what little time I had and what little chance I had, I really learned something about budgeting. This President has gone through this budget with a fine-tooth comb. He is rough in terms of getting out obsolete programs, obsolete personnel. We have 25,000 fewer workers in the Government today than we had 2 or 3 years ago, and we have a much bigger country.

That does not sound like man, but we have many responsibilities, 195 million people about this hour, as

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compared to a few years ago when you were 185 million people or 180 million people.

The average increase in the budget was \$3 billion a year for ten years running. It was \$1 billion a year the last two years running. We have really squeezed it. We have gone into in a large way this business of productivity, increasing worker productivity, elimination of reports, trying to eliminate some of the paper work which is the most monumental task in this government.

It is in here. I just want you to know that your government works at it. You may disagree with the policy of government. You will undoubtedly see some people that waste in government. But I want to be very frank with you, I have been in some of the private offices of America and I have seen a little waste, too. I have been in some of the big factories of America and I have seen a little waste, too.

That is either taken out of the profits or out of the consumer, one or the other. Waste is waste. When we waste in the government, it costs the taxpayers something. When you waste in private industry it costs somebody something. It is either a loss of dividend for the stockholder or profit or something for the management, worker and consumer.

But we are all engaged in the process of trying to eliminate waste. That is why America basically is a highly efficient productive country. Your government is just as

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interested in it as you are. I want you to know that.

Nothing really gets under my skin quite so much as to read once in awhile as if we did not care. I don't mind being told I am wrong. I don't like it, but I can understand that.

I don't mind being told that my policy or my statement somebody disagreed with. But what I do resent, deeply, is when somebody outside, that does not know the hours that you put in on these jobs, and some of the heartache that is involved in this work, simply says frankly that you don't care. Don't care? I pay taxes, too, and I really have to pay them.

They are watching like a hawk. I pay a lot of taxes. I am an old skinflint back around home, my wife says, according to what she says once in awhile. When I hear people think we don't care about what is in that budget or how we spend that money, you come to my office someday and see what I say to my staff when I see waste going on there, even on paper.

We do care. Your President cares, I care, the Bureau of the Budget cares, and every cabinet officer cares because he gets a lecture. The President says, "I don't want you to just take notes, but bring back a report, and let me know what you have done to save money."

When we save that money, that is where we get a little extra money for the Job Corps, a little extra money for Beautification, that is where we get the extra

rt 5 money for the Neighborhood Youth Corps. The government wastes very little, yet we plowed in this year a little over three and a half billion dollars to let our country be a little more just and better.

We picked that up out of -- Defense procurement, competitive bidding. A lot of people don't like it. We picked it up out of obsolescent programs. We closed up some hospitals, some research stations in agriculture, and we closed up a few other things.

We had some re-studies and we may have to open up a couple more of them. But by and large we saved some money. Okay?

Thank you very much.

MR. FORBES: Thank you, Mr. Vice President.



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