

REMARKS OF VICE PRESIDENT

HUBERT H. HUMPHREY

SMALL BUSINESS ADVISORY COUNCIL

MAY 25, 1965

It is a pleasure to meet here today not only with my fellow small businessmen, but also with some of our country's largest defense contractors.

Few people in this country realize the extent to which you work together and depend on each other.

You are doing today a job that neither of you could do alone.

I think the Gemini Project is a good example.

More than 3,000 subcontractors, large and small, worked on Gemini spacecraft production. Gemini was a project which required talents of many companies of many sizes.

L number is Another example of the degree of interdependence between big and small business:—

L Of the 27 billion dollars the Department of Defense spent on defense and space procurement last year, some 4 billion dollars was subcontracted to small firms.

L Big and small business are engaged today in a partnership which benefits both -- just as we see in the nation as a whole a constructive partnership for prosperity of private initiative and government economic policy.

L Our government economic policy is directed toward creating conditions which will lead to long-term economic health and well-being in the private sector.

L A good part of that well-being depends on the preservation of a strong small business community.

We need small business if we are to maintain our broad base of economic strength.

✓ We need the "independent man" in our economy. He is important to our national character.

✓ We need enterprising, imaginative small firms to give us new ideas and new competition. Many of the great corporations represented here today started as small, independent firms. They were aggressive. They offered something. Today they are great national assets.

✓ We must be certain that the door remains open for others to follow.

✓ Thus we undertake programs which help small business maintain a strong place in the economy.

✓ In the first eight months of this fiscal year, for instance, over 100 million dollars in Defense Department contracts went to small business as the result of a Small Business Administration program to locate new suppliers for the prime contractors

represented here today.

And, under the new procurement set-aside policy, we believe small business will have added opportunity for health. Under this new policy, a small business spokesman will sit at the table when broad procurement policies are set for federal agencies, such as General Services Administration and the Defense Department.

This will insure that small business is increasingly heard when decisions are made.

Today, both big business and small business benefit from the atmosphere of mutual trust that exists between the private sector and government.

The proof is in the record:

We are now in our 51st consecutive month of economic expansion.

↳ This period of peacetime prosperity is the longest -- and the strongest -- in the history of the United States.

↳ Unemployment is at its lowest point in 7 and one-half years.

↳ Industrial production, retail sales, construction and profits are all moving up. - Investment & Plant Equip - 1965 - up 50 B.

↳ Our GNP has risen almost 30 per cent in these past 50 months.

↳ During the past quarter our national economy has advanced as much as it has in any comparable time since the expansion began.

we may not have
↳ ~~No, we don't expect~~ gains of the same magnitude throughout all of 1965. But it does look as if 1965 will be another prosperous year.

↳ I would remind you that this has been accomplished in a framework of price stability.

↳ My friends, this is some achievement. Remember, it has replaced a postwar pattern of no less than four economic recessions -- three of them in the eight years before 1961. (cost of recession)

yes ↳ I believe that business has confidence in the Johnson Administration. I certainly know that this Administration has confidence in American business.

↳ You know what has been done already in this Administration:

↳ The 7 per cent tax credit for new business investment.

↳ The sweeping reform of tax treatment of depreciation -- and this 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 profitability of business investment in new equipment by an estimated 35 to 45 per cent. ~~— 30~~

↳ Those measures have helped this Administration prove its faith in our free enterprise system.

↳ We have demonstrated this faith again this month with our proposal to cut excise taxes. These excise tax reductions, if approved by Congress, will benefit both consumers and producers and will help keep our economy going full steam ahead.

But

While this Administration has been working hard to unleash the full productive force of our private economy we have also been working hard to economize in government.

Economy
(waste
Buck)

President Johnson has let it be known that each government program must be justified in itself.

He has let it be known that he will tolerate no fat and no waste in our federal government.

As a result, you see today a sound federal budget which allows us to save where we can in order to spend where we must.

I am proud of the fact that this Administration kept government expenditure in check. But at the same time we have left room for the things that we must do to keep this country strong and productive.

↳ Maintenance of a strong defense establishment -- second to none in the world.

↳ Investment of more than one and a half billion dollars to aid education -- and there is a basic investment indeed, my friends.

↳ A doubling of the poverty program.

↳ Provision of proper medical care for our aging generation.

↳ Comprehensive attacks on heart disease, cancer, and stroke.

↳ Programs to make our cities better places in which to live and work.

↳ Programs to preserve this country's natural resources and natural beauty.

↳ Additional initiatives, such as the excise tax reductions, to keep our economy free and flourishing.

↳ Why a poverty program? Why greater investment in education? Why a fight for voting rights?

↳ We do these things so that every man and woman in this society can have the opportunity to contribute to this society.

↳ There will be a return tomorrow on our investments today, believe me.

↳ We reap what we sow. The investment we make determines the product we get.

↳ Do you know that the average school dropout costs the American taxpayers 1,800 dollars a year?

↳ That the average family on relief costs the American taxpayers 3,500 dollars a year?

↳ That the average prison inmate costs the American taxpayers 3,500 dollars a year?

Today, in the midst of our prosperity, one-fifth of our citizens -- some 35 million Americans -- live at or below the poverty line. Some are barely making a living. Others are not making it.

This Administration is pledged to make taxpayers out of many who are today tax-eaters.

I repeat what I said earlier:

Our goal is to give each man and woman in this country opportunity to be productive and to contribute to this society.

The investments we make to create opportunity will be small in the long run compared to the prices to be paid for poverty ... ignorance ... disease ... discrimination and crime.

(X)

2.2 - youth unemployment /
1.1 - this year

Youth opportunity
campaign!

↳ All of us -- in big business or small, in
government or in private life -- will benefit when
all in this country can contribute to the good life,
= when all can share the good life.

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2nd Van Dyke
3-12-71 = new Senate Office
[Transcript]

Thank you very much. Thank you very much my friend, Cortland Silver, Congressman Wright Patman, the friend of independent and small business and one of the great representatives of our Government, Mr. Foley, my esteemed friend and the Administrator, a truly outstanding Administrator of this federal establishment, the head of our Small Business Administration and a special word of congratulations to the couple that I have been privileged to be seated alongside, Mr. & Mrs. Dominique Donitello.

I was just talking with Mrs. Donitello and to ^{his} her husband, Dominique, and they reminded me that my wife had been in Anchorage and that they had had the opportunity of entertaining her and she told me the other day that she had had the great privilege and opportunity of being entertained by them and being with them. We saw all about you in the paper when we were out in Minnesota. Mrs. Humphrey is still in Minnesota, and I returned here last night. I hope to be up your way sometime later on this year so have that plaque on the wall, Dominique, and we'll look forward to coming up and having a few words about the chemical industry and bring you a few practical suggestions from Gene Foley.

I'm very pleased to have had the opportunity to present a citation to Mr. William Huffman of the Hughes Aircraft. I say because only yesterday I was broadcasting over the Earlybird Satellite. I did a broadcast for international consumption or distribution out of the facilities of a TV station in Minneapolis with reporters from four different countries. So far, there has been no international crisis due to what I have had to say. The President has been reassured and he feels calm and if not pleased, at least comfortable, for the moment as to what was said.

I come here today to share in your program. I fully appreciate that you have had a busy day and I, too, have been a little bit busy in the morning. Coming in here I told my friend, Congressman Patman, that between 11:45 and now, it seems like I have been doing about eight hours work. I had a couple of other luncheons and when Senators insist and ask that you come to luncheons you come, particularly if they have their constituents and particularly if they are rather important constituents. We also had a cloture vote in the Senate. The vote was 70 to 30 and as the Presiding Officer of the Senate, it was my duty to be there. We had four roll call votes besides that and meetings with several groups, so Gene, if I hold up your proceedings here today, it wasn't because of any pleasurable activities on my part. I was all duty, all work.

Now, I come to you to speak to you a little bit about the program in which you are so deeply involved. And, to thank you once again as I have on other occasions for the splendid service that you give to your country through your service on the Small Business Advisory Council or Committee. I know how much this Council means to the Small Business Administration and I have some appreciation of what it means to the entire economic structure of this nation. I served for 16 years or about that period of time on a Committee in the Congress related to the activities of small business; first, the Small Defense Plants Committee and then later on, the Small Business Committee of the Senate of the United States. I felt a kinship and a closeness to this organization of yours, the Council and to the Administration, the Small Business Administration, and I'm happy to say that a Minnesotan, Mr. Silver, has done a good job as your Chairman and a Minnesotan, the Administrator of this Agency, has done a very good job as your Administrator of the Small Business Administration. So, if we take a little extra pride in the work of the Council and the SBA, just let us kind of have it, will you, because it's been a tough winter in Minnesota.

I'm so pleased that the President also feels so strongly about your work and invites you to come to see him and he to visit with you. This gives you encouragement and, I think, demonstrates to you how important your service is and it is important. Let me underscore that. We need your help.

Now I know that we are meeting today not only with the Council but also with some of the representatives of the largest defense contractors. And this is as it should be. I think few people in this country realize the extent to which you in this Council and independent small business work together and depend on each other. You and the Council and the defense contractors themselves. And you are doing a job, a real job, that neither of you could do alone.

I happen to serve as the Chairman of the Space Council by law and I'm somewhat familiar with the different projects of the NASA and Defense Department of our Space Council. I think the Gemini project is a good example of the cooperation between small business and larger defense contractors. More than three thousand sub-contractors, large and small, worked on the Gemini spacecraft production, and what teamwork! In fact, one of the most thrilling experiences I've had was to be present when Gemini 3, when that capsule with the two astronauts was put into proper orbit to see the project functioning, of the launching of the rocket, to see the project of the capsule and to be a part of it, at least as an observer, and as an interested public official and the success of that mission and it was all as I have said so many times - on a partnership, upon cooperation, not upon suspicion, not upon animosity, not upon pettiness but upon real cooperation on the part of government and business and labor, on the part of the scientists in and out of government, in our universities and in our private sector. Now Gemini will be followed by other projects which will require the same kind in the same kind of cooperation, even a little more so. Now, let me give you another example of the degree of our dependence that I see between big and small business. We just as

well talk about this interdependence because we need both. We need both big and small business, and it does little good in this country to go around demagoging, putting one area of the nation against another, one race against another, cities against the world people and world people against the cities and the north against the south, and the big against the little, the rich against the poor. This isn't the way you build a nation. This is the way you start a fight. This is the way that you solidify prejudices. What we need to do is to try to find how to unify a nation and how to bring mutual respect and understanding, how we eliminate divisions, how we promote understanding and cooperation and this is the task of political statesmanship and leadership and it is also the responsibility of leadership in every walk of life, whether it be spiritual, material, political, economic, academic, cultural - our job is to try to mold a nation wherein there is individualism but at the same time when there is a sense of mutual respect and tolerance and understanding. You recognize that we all have something to contribute if but we are partners in a common effort and I believe this is so true in terms of our economy. I mention this interdependence theme between big and small business. Of the 27 billion dollars the Department of Defense spent on defense and space procurement last year, my research tells me that some four billion dollars was sub-contracted to small firms. Now, big and small business are engaged today in a partnership which on its face and in depth benefits both. Just as we see in the nation as a whole a constructive partnership for prosperity a benefit in initiative and sound government economic policy. Our government economic policy is directed towards creating conditions which will lead to long-term economic health, and economic well-being in the factor and there is a new spirit and it is a healthy spirit of cooperation.

President Johnson has opened the doors of the White House to all Americans. It isn't a White House where there is a special set of keys for the financiers, and another set of keys for another door for the labor leaders, and another key that you

can use to bring in the Civil Rights leaders and then another for the segregationist or for the more conservative in the field of human relations. That isn't the way it operates. The doors of the White House are open to the people and I've been there when the great leaders of business have been meeting and in walks some of the leaders of labor, a man like Mr. Meaney, President of the AFL-CIO and I've watched our President not shunt Mr. Meaney off in the corner and get him out a back door but bring him right on in and say, "George, I want you to meet Fred", or "George, I want you to meet the President of Corporation so and so", and I can tell you that this spirit of frankness and of understanding and of the creation of a healthy respect on the part of individuals for one another, that this is beginning to pay dividends in a nation that has unity, a purpose and yet individualism of effort, a unity of purpose where we have many ways to approach our common goals but an agreement upon the goals. Now a good part of this economic well-being that I speak of depends upon a competitive economy and the preservation of strong small business community. And that's why we have an SBA. That's why we have a Wright Patman. That's why we have a Justice Department. That's why we have a Federal Trade Commission. That's why we place emphasis in this Government upon competition and also upon fair competition. And that's why we give encouragement as best we can to the maintenance of a strong, healthy, small business community. We need small business if we are to maintain this broad base of economic support. We need the independent man in our economy. He is important to our national character. We need enterprising, imaginative, small firms and leaders in small firms to give us new ideas and new competition. Some of the best ideas of merchandising, of manufacturing, of improvement of efficiency come from small firms. Maybe its because of the necessity of making savings and improving productive efficiency. Many of the great corporations

that are represented here today started as small, independent firms. They were aggressive, they offered something and today they are great national assets. Now we must make certain that the door remains open for others to follow. Thus, we have undertaken and we will continue to undertake programs which help small business maintain a strong place in our economy.

Now in the first eight months of this fiscal year, for instance, over \$100 million dollars in Defense Department contracts went to small business as the result of a SBA program to locate new suppliers for prime contractors represented here today and \$100 million dollars is no potatoes. It's quite a little bit of money and under the new procurement set-aside policy, we believe that small business will have added opportunity for help. Under this new policy, and it was strongly advocated by Mr. Foley and the Council here, a small business spokesman will sit at the table when broad procurement policies are set for federal agencies such as the General Services Administration and the Defense Department. The time to be present is when the policies are being written, before they are promulgated. It does very little good to come in and protest afterwards, oh, it does some good but it is much more difficult.

I was once asked what is it that makes a successful member of Congress. I said, "Be there - just be there, that's all." If you have reasonable intelligence and if you apply yourself, you just be there at the committee meetings, at the sub-committee meetings and you will be a real asset to the Congress and to the American people. It doesn't do a great deal of good to be the smartest man in Congress and not be there. Because it's what takes place in that little sub-committee and that committee that ultimately determines public policy and if you are there at that conference table when these procurement policies are being set, if your representative of small business is there and if he is there diligently, perseveringly, and at times, stubbornly, he'll

have something to say about the policies. Now, I think the proof is, of course, in the record. Today both big business and small business benefit from the atmosphere of mutual trust that exists in the private sector concerning government or exists between the private sector and government.

We are now in the 51st consecutive month of economic expansion. I know you've heard it but let it sink in because if somebody were to tell you that a new continent was discovered today and it was headlines, it could be no more sensational news than 51 months of consecutive economic growth and expansion. It has never happened before, it is the first. You've lived through it. No other generation in recorded history can say that they were a part of such an unbelievable, incredible development.

The average length of expansion over our history has been between 26 and 28 months. This is the longest peacetime prosperity period that we have ever had and it is the strongest. Unemployment is at its lowest point in $7\frac{1}{2}$ years. Industrial production and retail sales and dividends and profits and wages are all moving up; investment and new plant equipment is running at the rate of over 50 billion dollars in 1965. That's 12% higher than last year and 45% higher than 4 years ago. And every forecast indicates that it will continue.

During the past quarter, our national economy has advanced as much as it has in any comparable time since the expansion began and I hear people say, "But it just can't continue. It never was before." Well, there are a lot of things that never were before. Just a whole lot of things. They didn't have open heart surgery before either until just recent years. They didn't have kidney transplants either but they do now. They didn't have men in orbit but we do now. We hadn't taken a picture on the other side of the moon but we have. What's this about people that says, "Well, it just can't be because it never happened." If its always happened, you don't even need to talk

about it. I go to audiences and appeal to audiences to expect the impossible. Anybody can do what's possible today. You don't even have to be half smart. You're so well equipped by tools and skills and know-how and resources that you can almost be just below average and do well. What this nation needs is a spirit that we can do whatever we will to do. Do the impossible and we will. It is impossible to put a space laboratory in orbit. Can you imagine having a room as big as this in orbit around this globe and men living in it and repairing satellites in orbit. Well, we are going to do it. Goodness me, if you can't do that you ought to quit living. Of course, we are going to do this, and we can do things with our economics to and we are. We've learned a great deal.

Imagine how it violated the traditions of a nation to have a large federal deficit and then having people get up and say what we need to do to reduce taxes. I spoke on this the other night at the Financial Writers in New York and I shall not give you that speech now but I'd like to get back at you sometime because it really isn't a great change in the economic thinking of business and government and didn't come about through a fight. I came about through careful persuasion, through understanding, it's what our President calls consensus which is a constructive dialogue between peoples of different points of view until you arrive at a point of agreement and we've arrived at points of agreement. We now know that we can do more with fiscal and monetary policy than we can do with just vast amounts of government spending. Government spending is needed for the public sectors to be sure - you need roads and ports, you need highways and you need facilities and water systems and sewage systems. You need all sorts of public improvements but you need those whether they have a depression or not. You ought not to have to do things on the basis of crisis. We ought to figure out how not how to overcome crash landings and dangerous takeoffs but how do you maintain a cruising speed. I fly a great deal. I like to be sure that the

cruising speed is good. That's what determines whether you are really going to get there. Instead of always worrying about the crash landings and hairline takeoffs. And that's what we are beginning to learn about our economics. We are learning that we can do things and that we can maintain prosperity. Now I would like to remind you that this economic growth that we have has been accomplished within a framework of price stability unequalled in any country, amazing price stability. In fact, the per unit cost has gone down in manufacturing. Despite improvements in dividends and profits and profits are running today at a much higher rate than they have at any other time in history.

I just want to note for you something that came to my attention at the cabinet meeting the other day, and I'm sure many of you have seen it but it tells a story that you might want to think about a little bit. Its premature, of course, to say that we can avoid all ups and downs in our economy but we can sure cushion them and the benefits of a sustained economy and a sustained expansion I think are pretty clear. Here's the report of the Council of Economic Advisers. They say that if the economy had declined in line with the average pattern of the four post-war recessions, and you know we did have four recessions in ten years, now if you really want to find out what something costs you, just take a look at the cost of a recession. That really costs you something. There isn't any amount of waste in business and government that equals that. But here's what they say. If the economy had declined in line with the average pattern of the four post-war recessions and you were brought up to believe that you had recessions - absolutely - just exactly like the two generations ago you were brought up to believe that you had to have sulfur and molasses in the spring. Here's what they say. The GNP - Gross National Product, in the first quarter of 1965, had it followed the old patterns that everybody was taught to believe in would have been about 610 billion dollars instead of 649. That would have been 39....(Note: The tape was changed here and apparently some of the speech was missed).

..... $4\frac{1}{2}$ million. Federal revenues on a national accounts basis would have been 104 billion instead approaching 120. And the federal budget would have been running at a deficit rate of 15 billion instead of moving towards a balance. These are some figures that need to be understood. Now, this can't all be an accident because you've had 51 months of this policy. You can't have an accident every day for 51 months that moves you along. That's just asking too much. Now this achievement has replaced this post-war pattern which we lived with and which we readily accepted, if not readily, at least we accepted, of no less than 4 economic recessions and three of them in the 8 years before 1961.

Now, I believe that business has confidence in the government and in the Johnson Administration but I know one thing for sure - this Administration has confidence in the vitality and the know-how and the ingenuity of American business. You know what has been done already in this Administration. The 7% tax credit for new business and investment. The sweeping reform of tax treatment of depreciation and liberalized again this year, the tax cut which President Johnson signed into law a little more than a year ago, the biggest corporate and individual tax cut in our history. Now, these measures cut corporate taxes this year by some 5 billion dollars. These measures raised the profitability of business investment, these measures have helped this Administration prove its faith in the free enterprise system. These measures have increased Government revenues far beyond our fondest expectations. Well beyond it, actually about a billion and a half dollars more than anybody dreamed in the most optimistic estimates. Now, we demonstrated the faith in these economic policies again this month with our proposal to cut excise taxes which can help both the producer and the consumer and if you are a retailer I can tell you that it will be a blessing because I can remember I used to complain like fury and my father before me for having to make every retailer a tax collector for the government and then have

the Internal Revenue Service in on you about every other six months to make sure that you had been collecting the taxes. So when those excise taxes are removed there will be a good deal of the Hallelujah Chorus in this country. Now this has, while we have been doing, what I have been telling you, we have been doing something else.

This Administration has been working hard to unleash the full productive force of our private economy. But, we've also been working hard to economize in Government and if you haven't received this pamphlet or seen it I want you to get a copy of it. It is called "War on Waste". We have in the White House a man who symbolizes his frugality as some people say by turning off those lights, but he may be turning out a light bulb in the White House but he is turning on a lot of lights throughout the nation I can tell you in terms of new jobs and new business opportunity. My daddy and mother brought me up doing this business of turning out lights. I can still hear my mother saying, "Boys, turn out the lights." You'de think that was going to bankrupt the family if that light bulb, that 40 watt or 60 watt, was left on. But it was one way that Mom had of reminding us that money didn't grow on trees and that it ought not to be looked upon as if it was going out of style and you just had to get rid of it.

We wage today a war on waste in this government and the President of the United States, this President in the last two budgets, has demonstrated that he knows how to do it. The average increase in the federal budget for the preceding 10 years was 3 billion dollars a year. That is just the way it was. Just like you had 4 recessions you also had an increase in the budget 3 billion dollars and the kids got chickenpox - that all went together. That's the way it was. This man came into the White House and he said, "Look, we're going to do something about it", and the budget has been increased only a billion dollars a year in the last two years and we haven't had recessions and there have been less chicken pox. Or maybe it just seems like there is

less because it doesn't hurt so much when you're doing well. Well, in all truth, we have waged war on waste. And the President has let it be known to Mr. Foley and to others that each government program must be justified in itself and he will not tolerate fat or waste in our federal government and he is at it every cabinet meeting, every meeting and there is a report from a cabinet officer every meeting as to what has been done to reduce cost, to eliminate obsolete programs, to eliminate duplication.

Your Government today has 25,000 fewer federal employees today than it had a year ago, 23,000 fewer than it had 2 years ago. And, yet there is a bigger country and a bigger economy. Now, as a result of this, these things and other things that have happened, you see a sound federal budget which allows us to save where we can in order to spend where we must. And I'm proud of the fact that this Administration has been able to keep Government expenditures in check without denying essential defense needs and human needs.

Your defense today is stronger than it has ever been. I don't have the time here but I hope before you leave here you will all get that little pamphlet that the Defense Department puts out that shows where your defense dollar has gone and what come out of it. Mr. McNamara and Company - his Pentagon organization - have eliminated over 3 billion dollars of obsolescence in the Defense Department and it hasn't hurt your strength one bit. In fact, it has improved it. We are making it a much more productive and efficient establishment. Well, we have been able to reduce certain budget costs and as I said that we had at the same time we've left room for things that we must do to keep this country strong and productive. And let me just run over them quickly. The maintenance of the strong defense establishment, second to none in the world, and I would like to drive that home in this period of uncertainty and trouble. Americans are so self critical, I guess, this is a sign of our health and our strength. But let me just level with you. There isn't any country on the face

of the earth that has the power that this country has. There isn't even a comparison and you ought to know it. This shouldn't make you jingoistic, it shouldn't make you want to flex your muscles. We have no spirit of aggression, we want no territory, we seek no conquest, we do not want to impose our will but let it be crystal clear that this nation has more power than any combination of powers. Go home and rest easily. The defense of this republic is in good hands. The investment of more than $1\frac{1}{2}$ billion dollars in education, additional investment this year and this is the basic investment, we are going to have a doubling of our poverty program, provision of proper medical care for the aging generation, comprehensive attacks on heart disease, cancer and stroke.

You know how much heart disease, cancer and stroke cost us last year? In premature deaths, figuring that the average life expectancy would be about 65. It cost us 31 billions of dollars according to the estimate of the task force in this one area. We can't afford that. Even a rich country, we need to strike blows at the causes of stroke and heart disease and cancer and we are making progress. We are finding out early warning signs for stroke, early warning signs for cancer, early warning signs, if you please, for heart disease. If you need an early warning system to tell you when the enemy planes or missiles are coming, you need an early warning system to tell you when there is an enemy bug or enemy attack upon you and your health and we are able to find it now. We can save hundreds of millions, billions and most important, we can make life richer and meaningful.

We are trying to make our cities better places in which to live and to work and we are advocating a broad program of urban rehabilitation. We have programs to preserve this country's natural resources and natural beauty and when you go home you go talk to people about this. There is no reason for our cities to look like they are new dump grounds. There out to be garbage disposal but it doesn't need to be along

the highway. And we are going to run short of ditches pretty quick if people keep pitching beer cans into them. We ought to keep America beautiful. We sing "America the Beautiful" and you are business people, my gracious, everyone of you know that if you are in a business establishment, particularly if it is a distribution outlet, you seek to make it attractive. Why not make our cities attractive, why not our countryside attractive. Why is it that we have to have our highways littered with old junk cars and old junk metal and old junk buildings? Let's get the Governors, the Mayors, and the local officials and the business people up and at it and clean this place up. You'd be surprised how much good it can do. Not only that, you'll feel better. Man does not live by bread alone or junk yards alone. There is such a thing as beauty. Now, I'm not opposed to junk yards. In fact, that is a very important business. I just think they ought to be properly screened and made somewhat attractive and I think it can be done. ^{ff} Now, these additional incentives that we've talked about, I've mentioned to you the excise tax and you might ask a question, "If it is so good, Mr. Vice President, why a poverty program, why a greater investment in education, why a fight for voting rights?" Well, let me give you one other little figure that was brought to our attention by the Council of Economic Advisers the other day. The cost of discrimination in employment, taking out the educational attainment of a colored person and a white person, side by side, the cost of discrimination is estimated to have cost the American economy \$20 billion dollars. Now, that is a rough estimate. Maybe its only 15 billion, maybe its 25, maybe its only 5 billion, maybe its 30 but its too much. Unless you've got more money than I think you have.

This country needs all the strength it has. It has the whole burden of humanity on its shoulders. We're leaders and when you are a leader, you don't have an opportunity for pleasure. A leader has burden and duty and responsibility. That's

the price of leadership. You get your name in the paper, you get a chapter or two in a history book, somebody may remember you. If you want the title of leader, be prepared to make the sacrifices. I found that out in my own little way in politics. It does limit your movements and what you might call your pleasures and your desire just to be one of the boys. I told a group of students the other day, if you just want to goof off, if that's what you want to do all your life, then don't try to be anything, because the minute you become known as a leader, people expect something of you and we're leaders. The world knows that America is a leader and as such we are going to have continuing responsibilities to this generation, and the next generation and the following generation as far as I can see to give some sense of direction and coordination and help to a tried and troubled world.

Fifty percent of the world's gross national product is in the United States of America. Did you know that? We 194 million people have 50% of the total production of the world. Four years ago, we only had 45% of it. That's how we've been improving. The rest of the world gets along on the other 50% and we have ours. Is it any wonder that some people expect a great deal from us and is it any wonder that we are able to do great things? Is it any wonder that we can really talk about the Great Society and know that it's within our limits, it's within our power and a Great Society isn't the quantity of our goods, it's the quality of our lives and we are going to do something about that and we are each of us individually and in terms of community.

Well, we have this war on poverty and this effort to education. We do these things for one purpose so that every man and woman in this society can have the opportunity to contribute to this society - to help. There will be a return tomorrow on our investments today. I believe that we reap what we sow. The investment we make determines the product that we get.

How many of us have thought of these figures? The average expenditure for education in the United States for your youngsters is \$500 a year, elementary and secondary schools. The average school dropout costs you \$1800 a year, costs you 4 times as much to have them drop out of school as it does to keep them in. The average expenditure for a family on relief is \$2500 a year and the average prison inmate in the state penitentiary costs the American taxpayer \$3500 a year - \$3500 if you lock them up and \$500 or less, \$450, if they go to school. I sometimes wonder if we don't have our values upside down. We ought to be spending a little bit more on the schools so that we wouldn't have to spend so much in aggregate or individually in the institutions.

Eighteen hundred dollars for a school dropout and this morning I spoke to a group here in this community about the President's Youth Opportunity Campaign. 2,200,000 boys and girls, ages 16 to 20, without jobs June 1 in the United States. Out of 4,200,000 unemployed, 1,100,000 of the post-war baby crop right now on our door steps. There are more boys and girls coming out of high school this year than the total number of 18 and 19 year olds from 1950 to 1960. The total number - there are more boys and girls between the ages of 16, I should say 16 and 20, this year than the total number of boys and girls for 10 years between the ages of 18 and 19 from 1950 to 1960. We've got a job to do. Talk about waste, 600,000 boys and girls of past years with high school diplomas and no job. 1,100,000 and almost 1,200,000, in fact this year going to need jobs and we want you to start to train them and employ them. When you go home, you find out about this program. We've announced it all over, Governors, Mayors, 900,000 letters went out to 900,000 employers in this country, every trade union, every employment agency, we need your help. We need you to find a job for a boy in your town, in your plant, in your store, or a girl. We are asking the State Employment Offices to set up a special youth recruitment office. You're

going to have to maybe go on out and find some of these young people because many of them won't believe that there is a change and I'm here to tell you that many of them may not be well equipped in terms of skills or attitude or background but put them on as trainees. I say that you will find that you can do a great deal for them and for yourself and a great deal for your country.

Now, to conclude, let me just point out that this Administration has pledged not only for a richer society economically but a society of opportunity for everyone. We don't want a welfare state in America where the Government says it owes everybody a good living. But what we want above all and what we ought to have is a state of opportunity where the Government says that it's going to do everything it can in cooperation with the private sector to see to it that every person has an opportunity to make a good living.

Now, some people may squander that opportunity. Sometimes in our own families, our own children squander opportunity, sometimes we do. But that doesn't violate the principle, the principle is that every person in America regardless of race, color or creed, national origin, region or whatever his background, should have an opportunity to make something out of his life, to enrich that life to be a participating member of this society. That is what the war on poverty is all about. That is why we're reaching out to the youngsters. We know that certain families have had relief patterns for 3 generations. We are trying to get at the cause of that. At least, we can see that the children that come from those families do not fall into that vicious cycle and circle of dependency. Operation Head Start, Job Corps, Neighborhood Youth Corps, the VISTA Program. ^{HP} I was at my own University of Minnesota yesterday recruiting people to give a year of their lives, the students one year of their life to their country. You get paid only \$50 a month and only board and room but as I told them, everyone of you have been subsidized. You all have been at a State University.

None of you paid for your education. Somebody told you you did but you didn't. How can you pay for the works of art, the books in the library, the accumulated culture of ten thousand years? How can you pay for the inspiration of a teacher? How can you pay for an education? It's impossible. And those of us that have had the privilege of higher education, we'll never be able to pay back our debt to society, but I said you ought to get a start on it, at least make a down payment or two on the interest.

And we're going to try to inspire people to lift their country. We're going to try to help people help themselves. We're going to get people away from this idea of dependency. We're going to help them feel independent. That is one of the things we try to do in our economic policy for our economic structure and it sure is one of the things that we seek to do in our social policy for our social structure.

The investments we make to create opportunity will be mighty small in the long run compared to the prices that we pay for poverty, for ignorance, for disease, and for discrimination and for crime. And I call upon this wonderful group of business people to enlist in this battle. Here's a war that you can afford to accelerate. As I told those students yesterday, if you want to demonstrate and parade, parade against poverty, demonstrate against inequity, seek to lift the standard of American democracy a little higher. Help the fellow down the street, get to know him, get to know your America. It's a priceless and wonderful place but we can even make it better. A better America, better education, better health, better sense of social service and justice, better opportunities, better people. These are goals that I think are worthy of us and I ask you to join in the fulfillment and the attainment of them. Thank you.



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