

United States Steel Corporation

1625 K Street, N.W.
Washington, D.C. 20006

WILLIAM G. WHYTE
VICE PRESIDENT



February 3, 1966

Mr. Neal Peterson
Office of the Vice President
Room 5121
New Senate Office Building
Washington, D. C.

Dear Neal:

First let me thank you for all you did in connection with the Vice President's appearance at our steel industry Public Affairs Conference on Tuesday. Your boss did a superb job and I am sure all the steel men who were in attendance went back home with a new respect and admiration for the Vice President.

Enclosed is the magnetic tape of his talk and also a transcript of his remarks.

We are having a digest made to send to the entire steel industry and as soon as it is prepared we will bring it up to you for approval.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill".

Enclosures

[* Tape not in folder when
papers were processed Jan. 1977]

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VICE PRESIDENT HUBERT HUMPHREY'S
INFORMAL REMARKS TO
AMERICAN IRON AND STEEL INSTITUTE
PUBLIC AFFAIRS CONFERENCE
3:00 P.M. TUESDAY, FEBRUARY 1, 1966

Thank you very much, Mr. Worthington, and members of the Institute. I don't know whether to say you're fortunate or unfortunate. I don't really have any speech prepared for you. I think you're fortunate!

I did want very much, however, to have a chance to say hello to some very fine gentlemen that represent, and ladies, that represent the great companies in the great Institute and have been of immeasurable help to our country, and if I may be parochial for just a few moments, to the State of Minnesota. I was saying to Mr. Worthington on the way in, or he was saying to me, that he recalls an interesting meeting we had some time ago when plans were made as to progress in the great North Star State. And I am happy to report to you that the condition of the patient is much better, the health of the economy is significantly improved, the climate for investment is excellent, gentlemen, and we feel that by some sensible understandings and a little legislative and constitutional reform in my home state that we entered a new day of economic progress.

Now I know that you have had a number of discussions about guidelines, wages and prices and taxes and whathaveyou, and there's no need of me burdening you with more of it. I couldn't tell you anything new in that area, and to repeat, might only well wear on your nerves and cause you to be a little more concerned about government in business policies than you presently may be. I can only say this - that there is a sincere desire on the part of the Government, part of the President, his Cabinet, the leaders of the Congress to work with American industry to be an effective partner or to help create

an effective partnership with the private economy of this nation. We long ago realized that the strength of the American nation is not in its armed services alone or even in its banking structure, but is being found in its people gainfully employed and in its industry, modern, efficient, productive, and competitive. This is just a long way of saying that the nation is as rich and as strong as its economy. And our economy is a fighting economy. There are, of course, responsibilities of government with this economy and with the private sector. But those responsibilities are best fulfilled not by coercion, but by cooperation. Not by domination, but rather by persuasion. And the most important development in recent years, it seems to me, is the establishment of an intelligent dialogue, a conversation, between American government and the leaders of private industry. We have found out that we have more things in common than we have in contradiction. That we have common objectives to be sure, and common goals. And now the task is of finding out how to achieve them with the least amount of difficulty and the greatest amount of coordination and cooperation. Permit me to once again to express thanks ~~XXXX~~ to you for all the cooperation you have extended. Those of us in government do not expect leaders of American industry to look upon the word of government as an edict or rule handed down from on high that must be unqualifidely obeyed. We expect you to speak up to talk up as you have and to talk out, and then through the process of conference and negotiation and conciliation and accommodation, work together or be a part of that partnership.

I thought today that rather than talk sheer economics with you, I'd discuss for a few moments some of the developments on the international scene, as I see them, and let you ponder those observations, recognizing that these are my observations and the thoughts of one individual in this Government, and yet the thoughts of one that has during this past year been a part of the decision-making process of the Government. Everyone's mind is fixed upon the area of the world known as Southeast Asia. It's there that our men are in battle, it's there where great resources of this nation are committed, human resources and material resources. But I would caution you to keep in mind that this is a big world, and while the peninsula of Indo-China is infected and is in serious trouble and is the subject or the area that is now the subject of aggression and Communist penetration that there are other areas of the world that need our attention as well. What I'm saying is that as a world power, we have world-wide responsibilities. Now some people don't like to hear that because it immediately suggests that we're going to be beset by manifold difficulties for years to come. And I must confess to you that that is the situation as I see it. I don't think that any of us in this room will live long enough to see this world without many many difficulties and problems, many threats to the peace, many possibilities of danger and crisis. It's a changing world, a world of vast and violent change, fast change, it's a world in which millions of people are aspiring to their own identity and their own national well-being. It's a world in which powerful forces, such as Communism and ideological forces at work, backed up by military power, by economic power by conspiratorial apparatus. It's a world in which the fact of nationalism is so evident with all the forces released in this thing that we call nationalism, and yet it's a world that's highly inter-dependent.

Despite all of its violence and disorder and chaos. The world in which we live depends in a large measure, that is the free world, upon the United States of America. Now we like to think of that because it's rather complimentary. It flatters us, in a sense. But I would have you know that leadership as you know in industry is not a privilege or a luxury. It is a responsibility that brings with it burdens and duties. If you don't want to take on the burdens and the duties, then don't try to be a leader. Many of you represent giant corporations in this room and you're frequently the subject of press comment, commentary, discussion. There are times that people point at you and call you names. If you were insignificant, if you didn't amount to anything, if you had no effect on the market, if you meant nothing in the economic mainstream, you wouldn't get any news. Nobody would care! But your leaders, and therefore, your conduct is always under public scrutiny, and private, as well. Every policy, everything that you do, everything that you say, is subject to critical examination. The same is true of the United States of America, on the world scene. Now you can forfeit that role of leadership if you want to, and somebody else will be glad to take it with all of its burdens. And we can forfeit our role of leadership, and there's somebody right around ready to take it. any moment, and accept with it all of the burdens, all of the criticism, all of the difficulties. I guess what I'm saying is that the hope of peace in this world, and that's what we really want, depends upon the strength and the durability and the perseverance, the wisdom, the sagacity of the leadership of the United States of America and the strength of this nation. And I don't think there's any way that we can escape it. Unless we want to forfeit our right to a place in history of honor. I spoke last night in Chicago to a fine group of citizens. They were educators, most of them, and yet I addressed myself to what I thought was one of the burning issues of our time and what I'm sure you think is the burning issue of the day; namely

the struggle in South Viet Nam or in Viet Nam, and I said there, and I repeat it here that the integrity of the American commitment is the shield of protection for hundreds of millions of people around this world. And the day that this nation does not honor its treaty obligations, its agreements, and its commitments - on that day, darkness falls over the earth. The lights go out! It isn't as if we could have the choice of deciding that over here it's unimportant that we keep our commitment. Can you imagine what Europe would be like today if the word left this Capitol that no longer did we feel an obligation to keep our commitments to Berlin? An island of freedom in the sea of Communism? Just ponder that one for a moment. Just imagine what the reaction would be in Moscow, what it would be in Paris, and Bonn and Rome and London in Brussels or any place else, if this afternoon, the word went from this Capitol that no longer did we see the necessity of keeping a garrison in Berlin, or of fulfilling our commitment there. And I can tell this audience that it is more difficult to defend Berlin than it is Saigon. But our commitment in Berlin is what maintains the peace in Europe, at least in part. Because it's symbolic, and it isn't whether you have a hundred thousand troops or six thousand or fifty thousand - it's the fact that there is a presence and a commitment. Our identity with the North Atlantic Treaty Organization is what makes the NATO an effective instrument of world peace and protection for free nations. And I submit that our willingness to honor other commitments in other parts of the world is every bit as significant. It isn't just Western Europe. In fact, for the foreseeable future, our problems will not be in Western Europe. They'll be in Asia, of which we know so little, so very little. In Latin America, where we know a little more. In Africa, where we

know very little. I couldn't help but think today as I was visiting with some folks just before I came here how little we do know of Asia - how little we know of its literature, of each and every country. Every country has its own traditions. We know a great deal about Norway, Sweden, Denmark, Holland, Belgium, Luxumberg, France, Italy, Austria, Great Britain, every one of these countries - you men in this room, every one of you here knows so much about it, it's like going to see your neighbor. What do you know about Cambodia? What do you know about Burma? What do you know about Indonesia? What do you know about Laos? What do you know about Viet Nam? The religions, the background, the history, the music, the literature, the art, the habits of the people. That's the only way you can judge anybody. That's the only way that you can really know somebody, is to know them in depth. When you seek to expand a market, you study the market conditions in depth. You have surveys made, you have, you spend time and ^{resources} ~~XXXXXXXX~~ to learn about the habits of the people, the needs. You study it, study and study the possibilities of that market. I think one of the great weaknesses today in our country and one of the reasons that we occasionally probe around almost in the dark is because our whole educational structure for years has given very little attention to any other part of the world except here and Western Europe. We've known very little. We talk about Latin America as if it's just one country. This would be like talking about the United States as if everything was identical in New York as it is in Texas or the State of Washington as it were in Mississippi. There are differences. And yet we have a common language and in a sense, a common culture. How little do we know about Asia. And yet we now know enough

to know that something is happening there. It's now an entirely different Asia than you knew as a young boy. It's an entirely different Asia than I knew as a student at the University of Minnesota because it was an Asia then of colonies. Today it's an Asia of independent nations, many of them struggling to maintain their independence. Many of them very confused and disorderly, but at least it's a changed Asia. But there's one thing that we do know. We know that there is an effort, that there is a system, a methodology, or a form of political aggression being tried in Asia today. It's called wars of national liberation, or wars of liberation. It's a concept which was spawned or which was generated in the Communist world, first in the Soviet Union, and then taken over with increased militancy in Communist China. It's preached by Mao and Chau En-lai and all of the philosophers and all of the ideological exponents and political leaders of the aggressive Communist Chinese regime. Wars of liberation - and one of those wars of liberation, as they call it, is being tried out for size or experience to see whether or not it will work - whether or not free nations will let it work in Southeast Asia. Now, why do I say this to you? I've heard many people say "Why are we involved in Southeast Asia?" What difference does it make if they lose that little finger of land called South Viet Nam? It doesn't amount to very much. It hasn't bothered us much throughout the centuries. Why are we so excited? And I suppose that when you take a look at what we are involved in now, if it were only the geography of South Viet Nam, the effort, maybe, would not be worthwhile. We at least can make a good case for it, of not being worthwhile. But it isn't. We're not talking about geography, even though geography

is implied. Because the geography of the area is not just South Viet Nam. It is the Phillipines, Taiwan, Indonesia, Malasia, Burma, New Zealand, Australia, the whole area, Tailand - it's all involved. But more importantly, what's happening there is whether or not the Communist power can utilize the concept of wars of liberation as a political and aggressive force for the purpose of conquest and control and to use it effectively and with positive results for themselves. If they can, if they get by with it there, if they confront American power there and win, then there will be no peace any place. And surely not in Latin America. Surely not in Africa, where it's being presently tried in very little bits. And, for example, in Venezuela, in Columbia, in the mountains of Peru, there are little probing attempts at this type of new aggression, or should I say this form of aggression. We've been brought up to believe that aggression meant mass armies moving across frontiers. We've been brought up to believe that that's the way wars start. We now know differently. We now know that aggression may be propaganda, economic, infiltration, subversion, terrorism, assassination, murder, long before big armies appear on the scene. Or even before combat units appear on the scene. In fact, it's this subtle conspiratorial, aggressive, or subtle conspiratorial terroristic form of aggression which confounds us. And which is being developed to a fine art by the aggressive leaders of the Asia Communism. And it's that that we're confronting in Southeast Asia. We're not in Southeast Asia only because we're an ally under treaty with South Viet Nam, even though that would be good enough reason. Because I believe we must have honor to our commitments. The integrity of commitment is as important in world politics, may I say, as to what you men say the integrity of a contract in a free economy. More important,

gentlemen, far more important. But we're in Southeast Asia not only because we are a member of the same treaty organization. We're in Southeast Asia not only because we are a signatory to the Charter of the United Nations. We're in Southeast Asia today because it's there that the Communists have chosen the time and the place to test their system or concept of wars in liberation. And if they succeed, one nation after another will be the easy prey of further activity. And I think we have to stop them where they choose to make the fight. And that's why we're doing what we're doing in Southeast Asia.

I'm sure most of you are in support of what we seek to do, but everyone has doubts. No one in America likes war. This is the most peaceful nation that the world has known, and we can say that with honor and integrity. We've been generous to friend and foe alike. And it's very difficult to explain to a Mother that loses her son or to a family that has to give up their son to the armed services - it's very difficult to explain to them why should he go so far away into a strange land. Well, it isn't so far away as it appears. It's no further away to South Viet Nam now than it was to go to Europe 20 years ago. In fact, it's closer. Modern communications brought it closer. And it is a strange land, but everything today is a neighborhood. It's only strange because we haven't known it. It's very close in. And so we are there. And I want to say to you quite frankly that we have the strength or should I put it this way, we're strong enough not to be afraid and we're determined ^{enough} not to be defeated. We're not going to be defeated - and the Communists will have to be brought to understand that.

And they will. As yet they have not been. Many people wonder why the peace offensive wasn't successful thus far. I think I can tell you why. Not only because of the intransigence and the arrogance of the Hanoi and Peking, but because they do believe that we will not have the will to persevere. They believe the Democratic societies are soft. They believe that the doubts that are expressed in this Nation which are legitimate and honest doubts by many people - I'm not being critical of those who express these doubts - but they believe that somehow or another, this indicates a conviction that we ought not to be there and we won't stay, rather than a discussion of why we're there and what we're going to do about it. They don't understand this Democratic process of the refiner's fire of argument and cross examination. So it must go from the highest officers of this land and from those that have responsibility in this land that we understand the responsibilities of leadership. That we do not look upon leadership as a way to exploit, but as I said in the beginning of my remarks, as our contribution to civilization and for the continuity of the civilization that we believe is rich and worthy.

I must ask you, however, to keep in mind that there are those that believe that we are too involved. I disagree with that. And there are those that think we ought to be involved a lot more, who think that really, since we have such massive military power, and God only knows that we have unbelievable military power, that we ought to use it all. A nuclear power such as ourselves, a nuclear power of the United States of America must remember that it no longer has any monopoly on nuclear power. And I ask you, who of you wishes to be the one to put the finger to the nuclear trigger first?

These massive weapons, we hope and pray, will never have to be used. They are a deterrent to wide-scale war. The task of statesmanship in the years ahead is whether or not we can limit the use of our massive military power to limited objectives to prevent the spread of large-scale war to hold and to limit these struggles, and yet to obtain our objective. And our objective in South Viet Nam is to show the aggressor that the price of aggression comes too high. And our objective is to show that brute force shall not be the rule of international conduct. We're not seeking to use our military power to destroy anybody else's society, we're seeking to use it only now so that people may have a right to develop their own society.

• And even when we win this struggle, limited objectives as we have, it will be years before we can really have peace in Southeast Asia in the sense that we believe peace to be a reality; namely, a better life. Harmony, growth, progress, because a whole social structure has to be developed.

Well, I thought you might like to know some of the views that some of us hold on these matters. I'm very grateful to those of you in this Public Affairs Conference that have expressed your deep concern over international matters and have participated effectively and intelligently in the discussion of policy and in the formulation of policy. My plea to you is to remember that as Americans in the second half of the 20th Century, we have unbelievable opportunity for leadership or peace and progress in this world. We're going to get the peace. We're building towards it. This is a better world than it was.

One reason is there's hope in the world today. People see a chance for a better life. Many of us, only a few years ago, couldn't possibly dream that things could be as good in our nation as they are now. 25 years ago people had no idea that we would have made the progress we have in America in the field of human relations, race relations, that we've made thus far. Who was there amongst you that thought you would be approaching the year 1966 with a 700 billion dollar economy. I want to tell you if you'd have had too many people in your respective enterprises that had projected such an economy, you would have fired them as being incompetent and dangerous radicals. But, we generally underestimate the capacity of ourselves, thank goodness. We are now being called upon to use this capacity for ourselves and for others. We're going to need a strong economy for the foreseeable future. I can't see a time when we won't need one. We're going to need a strong economy, a productive economy, a healthy economy, to maintain our nation through these difficult years of international responsibility. It's not going to cost us less, my dear friends, it's going to cost us more. I think a public official ought to be honest with the people. When I hear people say that somehow or another we can go through these difficult days ahead at bargain-counter prices, I tell you it can't be done. But we must, of course, prudently use our resources, but we must understand the stakes. We do not have just our chains to lose. We have everything to lose. We don't have many chains. And it's to our benefit to have a world that's peaceful. It's to our benefit to have a world in which there's a dream of social progress. It's to our benefit to have a world in which commerce between the nations and the peoples can expand, and we're not going to get that kind

QUESTIONS AND ANSWERS

Gentlemen, I had the privilege one evening in New York of watching this very talented official field questions, and I heard some beauties tossed at him, and I hope that perhaps there are some here today. Would you care to put a question to the Vice President?

Mr. Lumm - Would you care to comment on the relationship or the lack of them between Moscow and Peking? And what it portends for us?

Well, it's my view that the most important international development in recent years is this ideological conflict and contest between Moscow and Peking - between the Soviet Union and Communist China. This is, in a very real sense, a war of - it's a bad phrase to you - it's a religious war, in a sense of irreligious people. It's an ideological conflict. It's over the question of which power and which set of men will dominate this ideology which they think will overwhelm or cover the earth. In other words, they're fighting for big stakes. I believe it's fair to say that one of the first indications of this open conflict came at the time that I was in the Soviet Union talking to Mr. Khrushchev in 1958. Let me just refresh your memory. After that long eight-hour visit, just as I was leaving I asked Mr. Khrushchev what he thought about the Chinese Communists. This was the first time that

the subject of China came up, and much to my surprise, he said to me "They won't work." They're not progressive, and he said "What's more, the word 'commune' is not Asian, it's European." showing right away a little testiness on that matter. And he considers himself a European. He said "We tried them here in the Soviet Union, and they didn't work." He reminded me two or three times during the evening that the United States, or I mean the Soviet Union never compared itself to any country except the United States. He said, "We are a first-class power, and so are you, and if the Chinese wish to compare themselves with Britain, they're both second-class powers, let them do it." He made no bones about it. But as I was leaving on this subject of the communes, and when he said they wouldn't work, and that they tried them he said to me, and I'll never forget it. "Do you know on what principal those communes are based?" And I said, "I just hadn't given it a thought." or, I hadn't thought about it. Why, he said "Mr. Senator, they're based on the principal from each according to his ability and to each according to his need," Which is the golden rule of the Communist world. And then, like John Barrymore or Shakespeare actor, as he was, he leaned back, and he says to me "You know that won't work." He said "It takes incentive to get production." mind you, and I said to him, and I was really taken aback, I said, "Why, Mr. Chairman, that sounds to me like Capitalist doctrine." He said "Well, call it what you will, it works, doesn't it?" Very pragmatic man. Now, this was made public not by me, but through some leak in our government and it got in the press, and Mr. Khrushchev, you may ^{call} remember ~~XXXXXX~~, denounced me as a Baron Munchhausen and a few other things, and said it was terrible what I had done and that I had lied about him and all that sort of thing. And I can well understand

because it was one of the early openings of the struggle between the Soviet Union and Communist China. This is a serious struggle. The monolithic structure of the Communist world has been shattered. There's a brutal struggle going on for allegiance of the Communist parties in the respective countries, and temporarily the Chinese are losing out in Africa and Latin America. For awhile, they were on the ascendency. And the Soviet Union today, I think, is engaged in a massive diplomatic effort to contain Communist China. This is one of the reasons for her interest in the meeting at Tash Kent between India and Pakistan with Mr. Kosygen acted as a moderator and a mediator, and he did a good job. All the reports are that he demonstrated great qualities of statesmanship, objective, effective. By the way, our government supported that effort at the meeting at Task Kent because we thought it was in the interest of world peace. But I'm sure that the Soviet Union is deeply concerned about the expansionist attitudes of Communist China. After all, the Soviet Union made it quite clear ~~XXXX~~ when China attacked India, that she didn't like it. The Soviet Union only recently was in Outer Mongolia with its top representatives, which buttresses right up on Sinkiang and the China Mainland. And the Chinese Communists likened to claim outer Mongolia just like they did Tibet. So there is a serious complication, and this, of course, conditions our policies. One of the things we do not want to have happen in ~~XXXXXXXXXXXX~~ Viet Nam is to have precipitant action on our part that would tend to pull together Communist China and the Soviet Union at this stage. I cannot predict what the future may offer. I can predict, however, that, our entrance, our bringing this problem now ~~XXXX~~ of Southeast Asia into the United Nations would give us some indication as to what the real attitudes of the Soviet Union are. I would caution you to expect

a good deal of rhetoric and a good deal of condemnation, condemnation of the American position. What's important is not so much what's said, as what is not said. And the nuances of what goes on are what we'll be watching more than the loud noises of what goes on. So to get to your question, Mr. Lumm, I want to say quite frankly that while there is something to make most Americans a little bit more cheerful about the difficulties between China and Russia, also it's a danger because the antagonisms that are there arouse the violence and antagonisms in the world, and there is competition amongst these two giants to see which of these two giants can help somebody else. Some of this is going on in North Viet Nam right now. As a matter of fact, I think Ho Che Min has sort of got it kinda good in Hanoi. Supplies are coming down from China, and supplies are coming in from Russia. Both have been vieing to see which will have influence, if any, in North Viet Nam. But all of this adds to a troublesome and dangerous world. And when I hear people come up with these easy answers, "I mean, well, after all, this is the way we do it in our business", well, I know that you have rough competition in your business, but it's nothing like the competition that's going on in this world or the great stakes in world power or world conquest that you see between some of these nations. What's more, you talk the same language, many of you go to the same church, you belong to the same clubs, you've known each other for years, there are some rules of the game. And you're really primarily competing for a market and for some profit and for some business. These boys are competing for, what they think is the future for the whole world. We have to remind them that we're in it, too. And steer our course with a sense of resolution and firmness without being beligerant or bellicose and staking out what we believe are limited

objectives that we can obtain and attain without precipitating a major crisis. I'm not a man who believes that you ought to try to persuade people by fear. I think it ought to be done by reason. I only can say is that we become so accustomed in these past 20 years of hearing about the atom and the nuclear weapon, that we've almost forgotten what they mean. Let me just assure you what they mean. Don't have any doubt about it - the Soviet Union has enough weapons to destroy most of this nation, and we have plenty to destroy both the Soviet Union and China. But there would be nothing left. It is a terrible thing to even contemplate. I really am almost ashamed to have even mentioned it. We used to have what we called the balance of power as a means of trying to hold some stability in the world. Somebody once said what we have now is a balance of terror. We hope that some day we can get away from that negative look or that negative posture. And I think we can. I think there are changes that are encouraging. I think that the Soviet Union today is a more responsible power, it understands power for the first time. It understands it's a have nation, by the way, too. It's economy has changed. Not as much as I would like, and I am not living under any kind of a delusion. I don't think that they're buddy-buddy with us. If they thought for a single minute that we would just sort of lie down and play dead, they'd gladly take over, and if we even looked like we were half dead, they'd take over. That's why you have to be strong, and that's why you have to understand that you speak from strength, but to speak from strength doesn't mean that you have to shout it. You don't have to shout at them. You don't have to stand up and proclaim every hour of the day that I Am Anti-Communist!

They know. The ones that need to know know. What's important is what you have behind it. If you really have a great going corporation if you have assets, if you have reserves, if you've got a good market, you don't need to stand up and tell everybody about it. The opposition knows. In fact, they're very concerned about it. It's when you start bragging too much that people begin to wonder if you got anything. I think that now the best thing for us to do is not to be too excited, pursue a steady course, maintain our defenses, keep up our economy, and to let our friends know that we are friends, to let them know that we can deliver if called upon, and not to always worry whether we're winning the last popularity contest, the most recent poll. What's more important is are we doing what we believe to be in our national interest and our long-term objective of this nation; namely a world in which free nations can live in peace. That's really what's important. All right, I know you've got to catch a bus. I didn't mean to filibuster you there. Do you have any other questions?

Tom Patton - Is there any hope that the other nations of the free world are going to give us any help in this struggle?

Well, Mr. Patton, we are always somewhat disappointed on what other nations do in these matters. I've been in public life quite a long time, and I've frequently been very disappointed in what people did or did not do for me thinking I deserved much more. I went through a period of great disappointment on that once, and I found out that what many people look at is

their own interests and sometimes those are shortsighted observations. Some nations are helping us. Some are helping us in ways that do not appear so obvious. For example, our friend, Great Britain. It takes a lot of abuse in this country. I suppose every red-blooded American ought to say an unkind word about the British about once a month. It sort of keeps your citizenship in good standing. But the British Labor government or Conservative government has stood by us. It's not been easy for them. They have 60,000 troops right now in Southeast Asia and in the Malaysian area, and that's been a part of the Communist attack just as well as South Viet Nam. They have contingents of their fleet, they man ramparts around the world in this great system of collective security, and they are not a strong country and not a rich country compared to the United States. There are thirty-some nations that are presently in South Viet Nam doing something, a lot of them not much, but with medical units, with food, with technicians, with some economic assistance, in the refugee program, and things that need to be done. There is Australia, and there is New Zealand and there is Korea, and they've giving a mighty good account of themselves, and I wouldn't be a bit surprised that if things tighten up that they'd be others. We can expect that we'll have more help. I would say to our friends of the free world that we surely do feel that we have a right to expect that you will not be any part of parcel of a economic or commercial effort to ship supplies to the enemy, and real efforts are being made by this Government to stop that, and I'm happy to report to you that the efforts are beginning to pay dividends. Some nations

live off their maritime commerce, and therefore, feel that they must insist upon the right to ship any area unless there is a formal declaration of war, and even then some nations feel they ought to have it. One of them was our own in World War I - the right of freedom of the seas. But we are definitely asking our allies to do more, and many of them are doing more. But not as much as I think they ought to do, quite frankly. Anyone else? Yes sir!

What about Formosa? Where do we stand with them?

Well, I was in Formosa just about a month ago, and the nationalist government of China has made a very very good start in rehabilitating the economy of Taiwan, and making it a modern up-to-date economy. They're a staunch ally, we're their ally, we're their protector. Many people say, well, why don't we use Formosan troops, Chinese troops. Because they're serious problems, political problems. This would be an invitation, in a sense, to Communist China to open up other fronts, and we might just as well face the facts, they're aren't very many people on Taiwan. They are excellent troops, and the 500,000 that are there defend Taiwan and they tie down an equal number or more over in the Chinese mainland. And they're always there as a possible force that could be used in case that this war did spread, pray God it won't. If the Chinese regime on the mainland entered into this struggle, I

imagine that the forces in Taiwan would be very effective and could be put to effective use. Let me just give you a word of encouragement. Their economy is really moving ahead. Taiwan or the Nationalist Chinese are a country now that is beginning to give foreign aid to others, technical assistance. They have a great deal to offer, and by the way, they have technicians right now in South Viet Nam and more to come, so they're playing a very useful role. You know the Norwegians in World War II kept 500,000 troops of Hitler up there in Norway trying to take care of those few Norwegians and many people wondered whether Norway was doing as much as she ought to do in World War II. Well, to keep 500,000 of those able German troops tied up in Norway was quite a contribution to allied victory, and to have the Taiwanese or the Nationalist Chinese keep a substantial force, and running well over around a million men tied down on the mainland of China wondering what in the world is going to happen if anything does develop beyond what the present circumstances are, I think is quite a contribution. They're willing to do more, but it poses some serious political problems. Yes sir!

Vice President, if I understood Mr. Patton's question correctly, I think he meant what combat troops are fighting side by side with our troops in Viet Nam?

22,000 Koreans. A couple of thousand Australians. A battli^on or two of New Zealanders, 500,000 South Vietnamese, a considerable amount of help from friends in Laos and Tailand that is invaluable, so that's about the record of the troops. But you also need doctors, you also

need mddics. You today have hundreds of thousands of refugees that
are flooding away from these Viet Cong/villages and our allies that
help and that means that that's some Americans that don't need to be
there. You have people that are working the pacification program
from many countries that are relieving our own troops from pacification
activities. While all of them are not on the combat level, may I say
that all of our forces are not combat either. Actually, one of the
problems we have today with our Marine forces is that while we have
the Marines that are supposed to be in combat, we have to have a
large number of them held back just in civic action programs of
rebuilding schools and hospitals and trying to re-establish local
government. And as some of these friendly powers come in and they
are coming in to help us in this endeavor, they relieve manpower
both of the Vietnamese and ourselves for the more difficult tasks.
And I have a feeling that as I said, that if matters get worse that
there will be other help along every line.

Mr. Block -

Mr. Vice President - Do you think the Russians would really like to
see the North Vietnamese prevail and therefore expand the Chinese
spirit influence?

Mr. Block, I think that it's fair to say that the Russians want to see
North Viet Nam preserved as a what they call a socialist state. I
do not believe that it's in the (Interrupt - will it prevail in South
Vietnam) Not at the expesne, I would think not at the expense of

Chinese domination of the peninsula. That would be my view. I'm sure the Russians wouldn't want to hear that, but, they will, undoubtedly. I'm just guessing. I cannot believe that it's to the interest of the Soviet Union to have all of the Indo-China peninsula to become a Chinese satellite. And I don't think we ought to kid ourselves though that as far as the Indo-China peninsula being communist, I think the Soviets would think that was just jim-dandy. Fine. But if they had to make a choice today, since there is always the danger of greater conflagration, I imagine that the Russians might find it reasonable to have the partition that was agreed upon at the Geneva Accords of 1954 prevail. That divided their country at the 17th parallel. Maybe the wish is the father of the thought on my part. I don't think we ought to depend on anybody else being very helpful, though, in this instance.

Well, I think I've kept you far too long. I thoroughly enjoyed being with you. I didn't think that I could add much to your economic deliberations. I really don't know a great deal about the iron and steel industry. However, I'm perfectly willing to give you my advice anytime that you want it. I do have some thoughts on general economic, fiscal and monetary policy. I think you know those pretty well. Some people have said that you have to expect the vice president just to be a yes man for the Administration. Well, may I say that a vice president has a chance to help formulate the policy that becomes yes. I have the privilege of serving in the Cabinet, of working with our President, and of being President of the Senate, and I'm not exactly retiscent or, and some people have dealth, not quite the quiet and the retiring type. I have expressed my views on tax policy. I was one of the early advocates, as you know,

of both corporate and personal income tax reduction long before it even became fashionable. I did support the investment tax credit program vigorously when many of my colleagues that were supposed to be of the same political vintage and persuasion of Hubert Humphrey disagreed. I thought it was one of the ways to help modernize American industry, to give it an extra leg-up, so to speak, since we had been helping everybody else in the world modernize their industry by grants and loans, I thought we might be able to do a little bit out of our own resources and profits in our own country or our own, I guess, resources. I did advocate the repeal of certain excise taxes as a Senator and as a vice president. I recognize that one of the dangers in our economy today is inflation. I am deeply concerned about it, not to please you, but just because I think it makes great sense. I know that you can't have increased costs of operation without serious price pressures on prices. All of these are matters which you men have discussed with people in government who have more to say about it than I do. But it's kind of nice that we keep acquainted. I'd like to, and I hope that you feel the same way. Thank you.



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