



Address by
Vice President Hubert H. Humphrey
at a dinner marking the 50th Anniversary of
Forbes Magazine, September 16, 1967.

The affair took place at the home of
Mr. and Mrs. Malcolm S. Forbes in Far Hills, New Jersey.
It was attended by 400 heads of major American
corporations and their wives.

Extract from remarks by Malcolm S. Forbes, Editor-in-Chief of Forbes Magazine, introducing Vice President Hubert Humphrey.

Remarks:

Most of you were surprised this evening when my wife and I greeted you and you next found yourself shaking hands with the Vice President.

This occasion is for Forbes Magazine an important one and as an important part of making the evening as memorable and meaningful to you as possible, I asked this man for whom I have unbounded respect and affection if he would speak to us.

The first time I met Mr. Humphrey was 3½ years ago. At that time he was one of several being discussed as possible running mates for President Johnson in the 1964 election.

In the course of preparation of an editorial on these potential Vice Presidents I spent a very long day flying from Washington to Chicago with Mr. Humphrey; accompanied him for many hours in the windy city, and we flew back again late that night to Washington.

I came away enormously impressed.

Hubert Humphrey's knowledge about many things was remarkable. He had facts, a viewpoint, thoughts

and conclusions that reflected intelligent consideration rather than political consideration and personal prejudice.

Perhaps the thing that most impressed me was the man's sincerity. Having known and written about so many people in many walks of life and particularly in politics, the ring of sincerity is the toughest to keep and to convey.

So many here tonight, as with so many around the nation, don't know Hubert Humphrey personally; have not seen or heard him close up. Their impressions of him have been formed by bits and clips on TV and radio and from newspaper headlines. As a result, sometimes people tend to think of the Vice President as a voluble talker on any and all things.

As you will note in a minute or two, he certainly can speak well; but he speaks too with informed conviction, and says things that make sense. His wide ranging knowledge of affairs of this nation and the world are an immense asset to all of us.

It is with a heartfelt admiration that I present to you now a man all of you will soon know better and better understand.

He rings true.

I consider it an honor to help celebrate the 50th Anniversary of that formidable "Capitalist Tool"—FORBES. The journal, like its founder and its present owner, has always spoken out for the best in business—for vital, creative, expansive free enterprise.

B. C. Forbes was a man who believed deeply in business, and the greatest businessmen in the country were his friends. But he never hesitated to point out weaknesses in the free enterprise system, and he never mistook the interests of business for the interests of the nation. His formula was the reverse: What is good for the nation is good for business. These are fitting times in which to celebrate the philosophy.

I grew up with a generation which believed that neither the private sector nor government was taking adequate responsibility to protect the interests of the public. Their evidence was all around us: the Great Depression graphically told many of us that our farms, our people, our free-enterprise system itself, had been wastefully exploited, in large part because of excessive laissez faire on the part of the government.

Some did not agree with us; but those who did were a majority, and government became more fully

the champion of public welfare and guardian of the nation's resources—yet it did so while still maintaining the essentially private nature of our economy.

Since then government has recognized and acted on the pressing social and economic problems of the times, and business has also responded. It is fair to say that in no other country have business and industry—through the sheer vitality of economic growth and the benefits it has brought to our people—contributed so mightily to social progress.

Today, as this nation faces a new challenge to its democratic destiny, I believe the balance of public responsibility is visibly—and rightly—shifting back toward the private sector. I do not mean that government is abdicating the duties we have all given it, but rather that the private sector is assuming an unprecedented amount of responsibility for the welfare of the nation at large.

That is right, because the crisis before us is a complex one requiring solutions which are beyond the capacity of a government alone to provide.

It is a crisis of . . .

. . . racial discrimination;

. . . unemployment and under-employment due to hard-to-correct personal inadequacies—lack

of skills, poor attitudes, poor health—rather than to broad economic forces;

. . . inadequate education and training in an age of rapid technological advance;

. . . rapid and chaotic urbanization;

. . . migration of unemployed people from decaying rural areas to the cities;

. . . inadequate housing; and

. . . rising expectations met too slowly.

The unifying ingredient is poverty, which, as the National Association of Manufacturers recently observed, "has become intolerable in this country because it is unnecessary."

History calls upon us today to eliminate poverty in America.

It calls upon us to move past mere welfare programs to a concept of full and equal opportunity for every American.

It calls upon us to make every American a full participant in this prosperous society.

Yes, it calls upon us to perfect American democracy.

Government is not omniscient, omnipotent, or omnipresent enough to meet that challenge alone. (Nor should it be.)

The challenge cannot be met efficiently or adequately without the initiative, the investment, creative imagination, the flexibility, the capacity to work out details of specific problems that are the hallmark of a free-enterprise system.

Moreover the problem of poverty and blighted opportunity will ultimately be solved not just by an application of federal medicine, although that is needed, but through a process of organic growth which gives every American citizen a permanent and useful place in our economy and society.

As most of you are aware, the indispensable role of the private sector has been recognized, for instance, in nearly every major piece of anti-poverty and urban renewal legislation passed under the Johnson-Humphrey Administration.

The Model Cities Program invites private participation in every area of urban renewal. It was passed in the first place with a strong boost from Edgar Kaiser and some of his business colleagues.

The Rent Supplement and Turnkey Public Housing Programs are a way of making it possible for

private institutions to market decent low cost housing.

The Job Corps is one of our newest departures in the human resource development field. It would have been a natural thing to hire a few thousand more civil servants to do the training, but we decided instead to call upon the practical experience and know-how of private business to run the Job Corps camps. Litton Industries and Westinghouse, which are represented here tonight, are now running two very successful Job Corps programs.

But the initiative which has recently emerged in the business community itself provides the most dramatic evidence of growing private sector participation in the war on poverty. Let me mention only a few which are representative:

In Cleveland, Warner and Swasey, Midland-Ross, Republic Steel and others have set up the "Cleveland Revolving Fund" to make loans to nonprofit groups which wish to build low cost housing.

I understand that Westinghouse, United States Steel, Rockwell and others are undertaking a similar project in Pittsburgh aimed at massive housing rehabilitation.

The new Detroit Committee is investigating the whole spectrum of problems which adds up to slums and ghettos. James Roche is on that Committee, and I understand Ford has even established a Department of Urban Affairs.

In New York, U. S. Gypsum has apparently achieved a real success in low cost housing renovation.

Corn Products of Argo, Illinois, found it cheaper to upgrade the skills of its own workers with remedial courses in reading and math than to hire better-trained employees away from the competition. The program was so successful—and so profitable—that Corn Products has set up a subsidiary to market its remedial course. I hear that fifty firms have bought the training program since the subsidiary began six months ago.

Some companies, like Royal Typewriter in Hartford, are beginning to meet their labor needs by purposely dipping into the pool of hard-core unemployed, training them, nursing them over the first difficult steps toward a regular work routine, and making them into productive citizens.

Then there is the Urban Coalition, of which some of you are members. The "Statement of Principles,

Goals and Commitments" issued by the Coalition in Washington three weeks ago stated:

"All representatives of the private sector in the Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens."

That was one of the proudest documents in the history of free enterprise.

Finally, there was the dramatic announcement last Wednesday that the life insurance companies of America have pledged to invest one billion dollars in city core areas to build housing and finance enterprises which will create jobs. The President called it an "historic contribution." It is nothing less.

That billion dollars by itself will have an enormous impact. But perhaps the most important impact may be in the precedent this will set for other parts of our free economy which can help meet other urgent needs.

Will this new initiative by the private sector be sustained? Will we achieve that essential balanced partnership between the private economy and government which will enable us finally to eradicate poverty and blighted opportunity from our American society? I think the answer will surely be Yes.

And I think so for several reasons:

First, it is now clear that business people are not only willing to make sizable investments in housing, job training, and other imperative social programs; they are personally devoting a great deal of their time, in hundreds of communities across the nation, to community action boards, to local development agencies, and to direct supervision of social programs their firms have undertaken.

Second, I see an emerging consensus, not only between government and business, but including labor and the responsible leadership of the ghetto communities, about what needs to be done. The formula is jobs, housing, education, and local initiative.

Third, the problem of poverty is complex, but it is not overwhelming in size. The poor constitute only 15 per cent of our otherwise prosperous and stable society. The hard-core unemployed—those without jobs for more than 15 weeks—are only 440,000 in an economy which provided 1.5 million new jobs a year. It will not be an undue strain for this nation to do whatever is necessary to open the doors of opportunity to that small minority.

Fourth, we do not have to start from scratch. We are already well advanced on programs designed to close the opportunity gap in American society.

Among federal programs, the War on Poverty has already created a thousand community action agencies which are now serving half the nation's poor.

The Head Start Program has already prepared two million children, urban and rural, for successful school experiences. Nearly a million youngsters have already received work experience and training through the Neighborhood Youth Corps.

The Job Corps has already sent 60,000 new workers into the economy.

The Manpower Development and Training Act has already provided training for almost 400,000 workers, a large proportion of whom had previously been chronically unemployed.

And these programs have worked pretty well. We've had some trials and errors. We've had our Edsels. But six years ago 20 per cent of our fellow citizens were living in poverty; now, as I said, the figure is down to 15 per cent.

Finally, there is a sizable and quick economic return to be had from the elimination of poverty.

It is the misery factor alone which justifies a War on Poverty. But there is no shame in admitting that the prospect of real economic gain is what makes a

sustained effort by the private sector in this field possible. We all have our stockholders and taxpayers.

We do not have truly accurate statistics to tell us just how much poverty costs each year.

We do know that the poor, according to our current definition of poverty, can spend a maximum of 32 cents per meal per day, and a dollar and forty cents for everything else they need—rent, clothing, transportation, medicine, recreation. This means they are a poor market.

It has been estimated, for instance, that if Negro incomes averaged the same as White incomes, rather than being roughly half the White average, the Negro market alone would be ten billion dollars greater.

In some ghettos the "subemployment rate"—underutilization of man hours available—is as high as 35 per cent. That means lower production of goods and services.

The poor have four times as much debilitating heart disease, six times as much arthritis and rheumatism, six times as much mental and nervous illness as occurs in the rest of the population.

That means more man hours lost, higher social costs.

Underconsumption, man hours lost, energies wasted because of poverty—that costs every enterprise in the United States something each year. The fact that the poor pay little in taxes, compounded by the cost of welfare programs, means a substantial cost to the society at large.

On the other hand, the return on expenditures which boost a person out of poverty is very high. In Detroit, for example, 1270 hard-core unemployed workers were trained and placed in jobs at a cost of \$850,000. In the first year the taxes they paid, plus savings on welfare, amounted to \$930,000, not to mention continuing dividends. Welfare programs produce no return at all.

I think, therefore, that the future promises a sustained and growing commitment of resources by the private sector to the pressing social business I have mentioned, and a new balance between public and private initiative. We do not yet know, however, how the burden can be most efficiently shared.

I shall probably never stand before a group that better represents American free enterprise, so let me ask you frankly: How much do you think free

enterprise will be able to contribute to providing a decent American level of opportunity for those who do not have it today?

Take the problem of unemployment. The Urban Coalition says the Federal Government should be the employer of last resort. Perhaps it should. But how much of present unemployment can be absorbed right now through private initiative?

Businessmen constantly tell me that they are unable to meet their man-power requirements because they cannot find adequately trained employees. Are their specifications for "adequate training" tailored to the job to be filled, or do they include arbitrary academic requirements, an unrealistically high level of English proficiency, a spotless police record?

When training is required, how much can private companies afford to provide? Do they know how to provide it?

What about creating new jobs? Where will a businessman open his next plant? In the suburbs where he has to compete for labor, or in the ghettos where he has to train it?

Just after the Watts riots, I was in Los Angeles and I asked that question. Dan Kimball of Aerojet

General took up my challenge. Aerojet General established a subsidiary in Watts, hired local people, trained them and went into the tent-making business on the strength of a Defense Department contract. Watts Manufacturing has since started manufacturing shipping containers, another relatively low-skill item; it is a going concern, employing over 400 workers from the Watts area. And it is about to start making money.

What about the continuing migration to the cities? Poor people, mostly Southern Negroes, mostly unskilled and poorly educated, continue to flow into our cities at the rate of about 600,000 per year, compounding the problems of the ghetto and raising the cost of solutions to our urban problems.

What are the chances of raising their standard of living and of arresting that flow with a counter-magnet of attractive training and employment opportunities in rural areas?

What are the economic and social possibilities of putting more factories out where the air is clean and the transport facilities are uncrowded?

I know you have already been asking a good many of these questions yourselves.

And I hope you will ask some hard questions of those of us in Government.

I am referring not just to questions about the efficiency and effectiveness of our government programs—although those questions will always be needed.

No, I mean the questions that must surely come once free enterprise has taken a full and hard look at the challenges, and opportunities, which face our country today.

I have faith in our free enterprise system. I do not think the full limits of its potential are yet in sight. And I believe that, once free enterprise has given its full and creative attention to the national problems of today, you will surely have questions which we in government must be able to answer.

I mean: What tax incentives . . . or subsidies . . . or procurement policies . . . or joint government-private ventures will be appropriate to help provide jobs, housing, and opportunity?

What do you need to profitably enter these huge and waiting markets? How can we help you without getting in your way? What can we do together to get the job done?

We will not find the answers to these questions without experimentation. They are not going to be found without taking some risks or without some false starts.

But throughout our history it has been the risk-takers—people like you—who have moved America forward.

And, after all, America's cities belong to their citizens, not to their officials.

It is your Federal Government, not the bureaucrats'.

It is your country . . . you fellow citizens . . . and

your responsibility that we have been talking about here tonight.

So it is good and proper that this nation is increasingly turning to you for leadership as we seek, once and for all, to provide full freedom and full opportunity for every citizen. For risk and opportunity go hand-in-hand, and they always will.

I give you the words of an old New Jersey neighbor.

Woodrow Wilson said: "This is not America because it is rich. . . . America is a name in the ears of men everywhere as a synonym with individual opportunity."

The Honorable Hubert H. Humphrey
50th Anniversary Party
Far Hills, New Jersey
September 16, 1967

MR. FORBES: If somebody will bring around the Vice-President's podium, I will proceed to introduce him. None of you of course have ever heard of him before. You know, as people went through the receiving line, Mr. Humphrey was kind enough to say--I never knew a man who remembered names so well --and do you know, I know all your names so well and that most of you--not most of you, but many of you I never met until tonight. But I have seated, reseated, deseated and upseated you for seven days and believe me, most of seven nights (applause). And you know I absolutely got caught short as you were all coming through. Each time Ed Bond of Young & Rubican would come through the line I would say to the Vice-President--if you want to become famous, this is the man that can do it for you. And it happened that when Ed Bond went through the line, Mr. Wier was right behind him followed--well, I won't name all the agency presidents that happen to be within hearing of me, so--you know--by the third one the line was thin. So I hope none of you resent it that I put you all next to your best customers or prospects. Because if I didn't, the tent

man is going to be looking for his money. The podium is here and the sail is up, and now I'd like to explain to you why the Vice-President is here. Most of you were surprised because --I'm very serious now, I would like to explain why he is here. And it's very simple really. When there was an election not back many years ago and there was much discussion about who would be a running mate of Mr. Johnson, I having had a long dampened interest in politics, followed with keen interest--it wasn't dampened by me, believe me--the public did it. And now I won't accept (laughter and applause). But I--sometimes I'm gripped that we have such an intelligent -- But I spent a day with a man that I only knew through TV and the newspaper reports, and I listened with a sympathy and a nostalgia the night that in West Virginia he decided that President, or Mr. Kennedy was probably going to get the nod. The man was both broke and broken hearted, and while I wasn't broke thanks to my father's efforts, I had been broken hearted in an election --and the man who broke it is here and probably will win a few more. But the point was I--not simply to sympathize, but that night he came through so decently and so humanly that I developed a great respect, and I spent a day with him and it was under the damndest auspices you can imagine. I went

to Chicago where the man running Sears-Roebuck at that time was giving a reception for Mr. Humphrey, who was widely considered as one step up or down from a previous Vice-President who had promised things all over the globe and was known as Mr. Wallace. And I went to this reception and I spent a day with Mr. Humphrey; and I am not in politics and I am not talking about 1968. But I simply think that those of you who don't know this man ought to better understand that there can be in politics people who may have an ambition but can remain very fundamentally decent, inspiring Americans (applause).

Ambition can bring out the best and the worst in all of us. Without it, nobody gets anywhere, and too much of it, nobody gets anywhere. But this man is here tonight not really long planned. What was planned was Lester Lannen, and that magnificent Westminster Choir and some fireworks; and a beautiful tent, and I must say that I think it's exceeded our fondest expectations and it's almost worth what it cost (applause).

But Mr. Humphrey is here tonight because for at least the next year-and-a-quarter, he's a heartbeat away from being the most important man in the world. But more significantly, I think he is absolutely and unequivocally, no matter where I disagree with his views--that this is a man who rings

very true with the coin of the realm. We can all take pride I believe, and I wouldn't have imposed upon him or upon you, if I didn't think that somehow on the occasion of the 50th anniversary of a magazine founded by an immigrant and of which many of us have been the beneficiary and some of us have lost money--I often say we make our money selling advice, not following it--but seriously, you can all take a great pride that such a man can emerge in the position he's in and it may be the most unimportant in the world, but it's not far away from being the most important. It's a pleasure, Mr. Vice-President, to present you to the friends of ours, and my family's and Forbes Magazine (applause).

Remarks of The Honorable Hubert H. Humphrey
50th Anniversary Party of Forbes Magazine
September 16, 1967 -- Far Hills, New Jersey

Thank you very much, Mr. Forbes. I'm not at all sure that the cash department of your organization is going to be able to fix this, but as the Vice President, you're an improviser and I've held many a position but I've never held a microphone in my left hand -- and I'd hate to be left of anything here tonight.

Malcolm and Bertie and the members of the Forbes family, Governor Driscoll and Governor Meyner, Mrs. Driscoll and Mrs. Meyner -- and I think in light of what I've heard from Malcolm Forbes tonight, I should say Governor Forbes. I don't know how you ever did it, Governor Meyner, I really don't (applause).

Now tonight you have heard an explanation as to how I got here. I'd like to give you my version of it. First of all, I'm delighted I'm here no matter how I got here, I want you to know that. And I think you're happy that you're here, no matter under what circumstances you came here. This is without a doubt one of the most -- well, one of the most magnificent, colorful, delightful parties, gatherings, that any state, any family, community could ever hope to have,

and I believe that we owe a very sincere debt of gratitude to Bertie and Malcolm Forbes for this wonderful party.

Now let me explain to you how I got here. Malcolm Forbes has shown me the courtesy of being an advisor and counselor, all of which he says I rejected; but above all, the kindness of being a friend. One of the joys of public life is the great privilege that comes to you getting to know some marvelous people. And I had the rare privilege that many of you have had for many years; I've had the rare privilege in recent years of knowing Malcolm Forbes and his lovely wife and their family. So that when Malcolm said to me that they were going to have a little party, he said-- I'm going to have a little birthday party at my place, Hubert --and I said, oh are you Malcolm; and he said yes, I'm going to do that and I would really appreciate it if you and Mrs. Humphrey could come. Well, I said, I'd like to do that very, very much. I said we'd like to come to New Jersey-- it would be very wonderful for us to be able to spend an evening at your home. He said--well do so, I'm going to have the members of my family in, and a few friends. Well let me say that if he'd only had the members of the family, then I would have been satisfied, and would have made this

speech anyhow. But I must say that a man that has this many friends is just exactly the kind of a man I want to know.

I have come to the conclusion that this man after standing in the reception line with him for two hours and 15 minutes is the Jim Farley of the GOP, and he's the Bob Hope of the business publications. He said so many things here tonight to please me that I just want to sort of recapture them--he said, No. 1, that he wants to take a strong stand for inheritance. I do, too; Vice-President, and then you know what. Then he came out strongly for nepotism. Well, I've had some thoughts about that. But he said that nepotism based on ability or 51%; and I'll take the 51% because I'm not sure of the other. That is, speaking for myself. There have been so many political profound truths that have been uttered here tonight that I'm somewhat overwhelmed. There's just one point that I would like to take exception to--Malcolm Forbes said that this was the 50th anniversary and he doubted that either--well, he doubted that we'd be here for the 100th. I wish Malcolm would speak for himself. I've never felt better in my life.

May I say in all seriousness how much we do appreciate the pagentry of this evening; the gaiety of it, and

really the charm of it, to have the pipers, to have Westminster Choir, and then to know that you could get your sons to take their music lessons--believe me, that's something. Oh, I have so many things I want to say here this evening; I'm not at all sure that I'll ever get around to it, and that may be better for you. I was told by Malcolm that this would be a rather unusual evening for me. He said--I hope you won't be overwhelmed, I hope you won't feel too subordinated, too inhibited; but tonight, Mr. Vice-President, you'll be meeting only chairmen and presidents. Well, I want to say that when the founding fathers designed the office of the Vice-Presidency they did it with one thought in mind. They knew that in the citizenry of this country there would always be someone that was a bit arrogant, somewhat brash, and they need teach him the lessons of humility. So they designed this office as--(applause). They designed this office called the Vice-Presidency that John Adams once described as either nothing or everything. Well, I gather I'm the only Vice-President here, and that's rather nice to know. But as I said in the reception line tonight, somebody came through and it was the head of Hertz; I felt, well--I looked up slightly, with great respect, as I generally do--and then came to Avis. I tell you, you'll never know how good it is to meet No. 2.

Well, I have been told this evening--by the way,

none of this was planned at all--if you wait until you get to the planned part, it won't be worth very much. I've been told this evening that on the 30th anniversary of Forbes Magazine--that is, in 1947, my friend, and he is my friend--Governor Thomas E. Dewey, then Governor of New York, was the principal speaker. Of course that was a gathering held at the Waldorf Astoria. It was on that night, the night of that dinner that Mr. Dewey announced his candidacy for the Presidency. I thought I ought to clarify that statement lest there be any misinterpretation. I'm going to sleep in the Waldorf but we're not having a party there, I want you to know. And I don't want our President to have any more worries than he has. I do not intend, Mr. Johnson, to file for the Presidency, I want you to know that. Somebody asked me tonight, and this a true statement, said--well, Mr. Vice-President, how does the Vice-President manage. How does he--how do you work it--how do you get along with the President--what formula do you use; because this office with any presidency is, as someone once said, rather an awkward office. And I found a little quotation that I think tells it better than anything else. Disraeli, the great Prime Minister of Britain in the period of Queen Victoria, was once asked how

he explained his success with the illustrious Queen Victoria. And Disraeli, quick of mind and articulate of tongue said, "I never refuse, I never contradict, and I sometimes forget." That's the secret of being Vice-President. And I don't mean just of the United States.

Now, ladies and gentlemen, there are about three occasions that a man should never make a speech; amongst I suppose others, but three for sure. At least President Johnson has told me two of them which he'd never speak at. One is a barbecue--we're not having that. Another is a rodeo, and I haven't seen anything to indicate as yet that we're at a rodeo. Thirdly is a cocktail party. Well, we did start one of those. And I suppose I might add another; you should never make one just before fireworks. Now I want to enjoy this evening and, frankly, my good friend Mr. Forbes leaves me in somewhat of a quandry as to just what I should do. But I had learned a long time ago that one should keep faith with the press and one should fulfill his commitments. You're a wonderful audience and I realize that I'm privileged to be in the presence of some very distinguished and very prominent and very important people in our country. So if I can just say to you tonight a few things that may of at least if not

of some interest, I hope of some importance--I will be pleased.

I do consider it a rare honor to help celebrate or to join in this celebration of the 50th anniversary of one of the great publications of the American journalistic work.

That publication you know, because you are in a sense a part of it; Forbes. The journal like its founder and like its present owner, has always spoken out for what he believed was best in business. Not just best for business, but best in business; and there is a difference. For vital, creative, expansive, confident--free enterprise. And I'm happy to be on an occasion like this because the man that is the publisher of Forbes is more than a businessman, he is more than a kindly father and family man. He is a great citizen, truly a great citizen for our country. And he follows in the footsteps of a great father; B. C. Forbes, as he was known--was a man who believed deeply in free enterprise in American business; in our capitalism, and I couldn't help but note when I was here that seldom have I ever been called a capitalist tool; even though I do serve as President of the ^{Humphrey} ~~Huntley~~ Drug Company, Inc. of Deering, South Dakota. But Mr. B. C. Forbes had as his friends amongst others, some of the truly great businessmen in America.

But he was a man of independence and integrity. And I believe of great courage, as I tried to find out a bit about him, without asking his family. He never hesitated to point out the weaknesses in our free enterprise system as he discovered them, and he never mistook the interest of business for the interest of the nation. His formula was the reverse, and here is what he said: "What is good for the nation is good for business." And I might add that I can think of no time in the history of our country that these words and this philosophy is more relevant and pertinent than now.

Now I grew up in the period of the depression, as many of you did. I grew up at a time when it seemed that both government and business were failing in some of their social responsibilities. We have many arguments in politics and social life about the respective roles of government and business. I would just like to make this observation--they're really not separate in a sense that they're enemies. If there is any one concept that needs to permeate the thinking of the people in this great gathering tonight and this nation, it is the concept of partnership, without dominance. Partnership in the spirit of cooperation, of helpfulness. And I believe we've learned a great deal about it. We're a pragmatic

people in America, we're not doctrinaire or dogmatic. We learn by doing; that which works is that which we think is best--and we try and through the principle of trial and error we come to some judgments. We're constantly willing to adapt ourselves to change, because that's what a acute(?) society should be willing to do. I'm sure I don't need to tell the State of New Jersey or anybody in the United States now that this nation of ours faces a new challenge in its democratic destiny. I never thought that we'd live to see the day that there was such violence on our streets. That there was such uncertainty amongst our people. And yet, there is so much that binds us together. I believe that if ever there was a time when the private and the public sector needed to join hands, it was now, and is now. I believe that the private sector has a responsibility that is greater than it has ever had before. And I don't mean that government is abdicating the duties that we all have given it. But rather that private business, voluntary groups, free institutions, must assume an unprecedented amount of responsibility for the well-being of this nation. As a matter of fact, my fellow Americans, the great mistake that is made abroad is to equate America with government. I'm in

government and I love it, and I have high regard and respect for our government--federal, state and local. I don't believe that we help ourselves by demeaning it, either by word or practice. But the truth is that the strength of America is not to be found in its government, but in the people and the institutions that that government represents. I suppose that we're facing the crisis of unprecedented dimensions at home whether (inaudible) the war between the states. It's a crisis that is characterized by very visible signs; racial trouble, discrimination, unemployment and underemployment; at least a good deal of it due to hard--to correct personal inadequacies, lack of skills, poor attitudes, poor health--rather than broad economic forces. Truthfully, if everybody were employable tonight, today, tomorrow and Monday, there wouldn't be any unemployment in America, because there's a crying need for capable people. This crisis is characterized by an inadequacy of education, and training in an age of rapid technological change. Rapid and chaotic urbanization that none of us ever dreamed would happen with such intensity. The migration of unemployed people from the decaying rural areas to the cities. People as foreign to the cities as an immigrant from another land; and rising expectations here

in America just as in other parts of the world that are met too slowly.

Now the unifying ingredient of all of these elements of a crisis, or the crises, is poverty; or deprivation, call it what you will. The National Association of Manufacturers recently observed within the last three months this observation, or this statement. They said that poverty has become intolerable in this country because it is unnecessary. The NAM, not the AF of L, CIO; not the ADA--but the NAM. We are always quoting Confucious, and as I was getting ready this evening I looked through some notes that I had, and I found a statement from Confucius and I just pinned it here to my papers, and it says--"Confucius says, 'in a country well governed, poverty is something to be ashamed of. In a country badly governed, wealth is something to be ashamed of.'" I think we're relatively well governed wherever we live--relatively well. Is it any wonder that the NAM and Confucius find themselves in the same wavelength.

History really calls upon the people of this land to do something about these inadequacies. It calls upon us to move past mere welfare programs, and to move into a concept of full and equal opportunity for every American. It may

sound peculiar coming from my lips, but I have never believed in the welfare state. I don't think it builds people. I think it may temporarily ease pain, but it does not build character. I believe in a state of opportunity in which every man has his chance; in which all the impediments to that chance are removed. And then a man with whatever he may have, whatever his vision may give him, shall set out to make the most of that vision. As Thomas Wolfe said--that is the promise of America.

A government has a role to play, we shouldn't downgrade it, and you wouldn't expect me to. It's not omnipotent nor omnipresent enough to meet the challenge, however. It can only be met by this partnership, and it surely can be met and only met with the initiative, the investment and the creative imagination, the flexibility, the capacity to work out the details of specific problems that are the hallmark of the free enterprise system. That's why I'm here tonight. To tell you that you are needed, not only in your business but in your country. Federal medicine is not enough. We're going to have to have more than that. Even old rent supplements were the program of the Chamber of Commerce in 1937. Model cities were designed--the concept was designed

not by politicians, but by contractors and architects, and economists and bankers; the job core which used to be in the depression days a sort of institution of the government, is tonight in the hands of some of you in this room. From Westinghouse and General Electric and Litton Industries, and the ITT--you run them--and thank goodness that you do. Because young Americans want to be associated with the great names of American industry. It means something to them. They don't want to be known as relief clients. They want to be known as employees of names that are brand names in American industry. Names that appear in Forbes. Names that are known throughout this country.

You know, I've been looking across America a good deal. I travel--some of you know--maybe too much for your pleasure and mine -- but I think that somebody needs to look at this nation as it is; and you don't find it as it is on the banks of the Potomic. Washington is a fascimile of America--not America. It's part of it, but not all of it. The vision of America is blurred by looking across the stench of the Potomic. I think you need to get away from it and see what goes on. I've seen for example in Cleveland, Warner & Swasey, Midland-Ross, Republic Steel, and others have been

busy setting up the Cleveland Revolving Fund that make loans; to groups with which to build low cost housing. Business at work in social progress. I know that in Westinghouse, United States Steel, Rockwell and others, are undertaking a similar project in Pittsburgh, aimed at a massive housing rehabilitation. The new Detroit committee and my friend, Walter Sisler, is here tonight--as I saw Mrs. Sisler and Mr. Sisler come through the reception line. That Detroit committee is investigating the whole spectrum of problems which adds up to slums and ghettos. Not social workers alone, but businessmen--the best that Detroit has to offer. James Roach--Jim Roach, as you know of from General Motors is on that committee. I talked to him about it, and I understand that the Ford Motor Company has established a department of urban affairs; not to sell Fords, but to help save America. And in New York, the U. S. Gypsum Company has apparently achieved a relatively successful innovation in low cost housing renovation. The Corn Products of Argo, Illinois, and some of my friends are here tonight from that part of America, Central Soya and others. They found it cheaper to upgrade the skills of its own workers, with remedial courses in reading and math and a higher, better trained employees away from the competition.

The program was so successful and so profitable that Corn Products, a great company in America, has set up a subsidiary to market its training program. Not its product, but its training program; and I hear that over 50 firms have bought that training program since the subsidiary began only six months ago. Some companies like Royal Typewriter in Hartford are beginning to meet their labor needs by purposely dipping into the pool of the hard core unemployed. And training them, nursing them through the difficult first days towards a regular work routine and making them into productive citizens. At this time last week, ladies and gentlemen, I was in Window Rock, Arizona. The Navaho Indian tribe has a reservation larger than the State of West Virginia. The poverty of the Indian people is beyond--where they ought to be beyond our imaginations, because it is a constant change in this nation. But the Navahos are brave and proud people, hard working. And you know, I saw their General Dynamics putting in a new plant at Window Rock, and Fairchild Aviation at Fort Defiance. And one big American company after another coming there to find out that the Indian youth could be trained in only weeks to be productive, self-reliant, tax paying rather than taxeeing(?) citizens.

The urban coalition that met in Washington about two to three weeks ago , thousands of members of the American community, of business, of church and labor, all across the spectrum of this society, a thousand of the best of America. What do they say. I quote from their statement: "All representatives of the private sector in the urban coalition decisively commit themselves to assist the deprived among us, to achieve full participation in the economy as self-supporting citizens. Ladies and gentlemen, participation as self-supporting citizens; that's the challenge. Not checkbook welfare. Not checkbook opiates. Not just to hand it out to ease the grief and the pain and to shove it aside. But to find a way to bring people into this economy. I think that was a great moment for America. I chartered a cabinet room^(?) just the other day, and our friend Doug Dillon tonight will know the joy it is to be in that cabinet room when great things are announced. And meetings take place there that are of historic importance, not only of the cabinet but of the citizenry of this country. And I saw Mr. Fitzue, the President of the Life Insurance Institute, along with his colleagues in the great life insurance industries; and they are here tonight--I met them and shook their hands as they

came to us. Pledged 1-billion dollars. One-billion dollars of investment, in mortgages, in the inter-city core areas; to build housing and finance enterprises that will create jobs. Is it any wonder that President Johnson said that it was a historic contribution, and I submit that it was almost revolutionary. Nothingless. You see, as I see it, the future promises of a sustained and growing commitment of resources by this free enterprise economy of ours to the pressing social business of our country, and a new balance between public and private initiative, is underway. We do not know yet, however, how the burden can be most effectively shared, and that's why I come to you.

I have many questions to ask you and I'm not going to take the time to ask all of them. But some of them I must ask. Take the problem of unemployment. It is really underemployment today and it is unemployment not of the employables but presently of what people call the unemployables. And yet they're here. In large numbers. In the hundreds of thousands. And many of them are teenagers that I know and you know. I headed a program this year, the President's Youth Council, the council on youth opportunity, and my friends of private industry, and finance; let me thank you for what

you did. 1,400,000 jobs were found for needy young people this summer. We didn't find them in the government, we found some--you found them--I worked with you, governors worked with you, mayors worked with you, publishers worked with you, and you worked with your own people; and we made a dent but we haven't come anywhere near to really solving the problem. How are we going to do it--some people say, let the government hire them. It's better to have the government hire them than to have trouble, than to have idleness, than to have violence. Ladies and gentlemen, I'm not sure that that's the way at all. I wonder if we shouldn't have the people hire them who have always hired the people. For example, we should ask the question, how much of the present unemployment can be absorbed right now through private initiative. And don't misunderstand me, I'm not asking you to run a social agency. I have kept a set of books, not a large set, but about as good as we can make it. I know you're celebrating the 50th anniversary of Forbes--well, Humphrey's Drug has been in business since 1903 and we're still solvent; and we didn't get that way running the family and children's service or the United Fund. We have to make a profit, and I believe in profit. I don't believe

you can ask American enterprise to do things at a loss, over a sustained or even a limited period of time. I think you have to make profit and morality not competitive, but partners. And I think we can do it. In fact, we are doing it. Businessmen constantly tell me that they are unable to meet their manpower requirements today because they can't find adequately trained employees; so maybe we should ask ourselves, are the standards wrong. Have they been established on an academic basis rather than a real basis. Is there an unrealistic high level of English proficiency. Or is there a requirement of a spotless police record. Then we need ask ourselves can modern technology which at least partly causes some momentary unemployment, or some people attribute that, can they be used to simplify jobs rather than to eliminate them. I think so. And when training is required, how much can the private companies afford to pay. I don't think private companies should be asked to pay it. But I think private companies can better do it, in a partnership with public resources. But do the companies know how to provide it? Possibly I think many do. What about creating new jobs. Where will the businessman open his next plant. In the suburbs, where he has to compete for labor. Or in the ghettos,

where he can reach in and train it. But if he's going to train it, shouldn't he pay the cost. And my answer to that is no. And I'm here to tell you tonight that your government, and I want you to understand this, that your government is prepared to work with you to find a formula as to how we pay that cost. As the so-called unemployable earns and learns under your supervision. Rather than to have in in some modernized WPA. Better that he should be in a modern industrial, manufacturing, processing, financial organization, under your tutelage; so that he becomes a self-respecting citizen of this country. Learning and earning. Learning, and you providing the facilities and the guidance, as your government helps provide some of the resources. And when the day comes that he is truly productive, then he's yours. Not as a liability, but as an asset. Does it work? Yes-- I'm not talking out of my hat--I was in Watts two years ago. Everybody's heard about Watts. I went out there and met with some 60 of the largest industrialists in Los Angeles. And one of them after that meeting stood up and said, "I'm ready to do something, Mr. Vice-President." It's always dangerous to select an individual, but this man had the courage and I select him, Dan Kimble of Aerojet General.

He took my challenge. Aerojet General established a subsidiary in Watts, hired people in Watts, trained them in Watts, and went making tents on the strength of the Defense Department contract in Watts--the Watts manufacturing has since started manufacturing shipping containers and other relatively low skill items. It's a going concern. And it's employed over 400 workers from the Watts area and they're all paying taxes, and they're all self-sustaining. They are starting to make money. This can be done. It is being done. And what about the migration from the rural areas to the urban areas. Are we going to just let it happen. Are we going to have the untrained, unskilled, underdeveloped illiterates come pouring into the cities to magnify and intensify the problem, or are we going to try to do something at the source of the trouble. To build rural America, maybe your plant ought to be there. Maybe that's where your training ought to be. Maybe that's where your new opportunity can be.

Well, now these are questions that you're asking yourselves. I'm no expert on this--if I were, I wouldn't have the time to be here tonight. I'm asking you to be the expert. I'm telling you that your America needs you. I'm

telling you that we can't go on with one-seventh of this nation feeling that it's out of the main stream. John Stuart Mill, one of the great political scientists and great philosophers of the 19th Century, had these words to say: "Let a person have nothing to do for his country, and he will have no love for it." I think possibly that that's closer to explaining what's happening in our ghettos and on our streets with the violence and the lawlessness, than anything that's been said in the 20th Century. Let a person have nothing to do for his country and he'll have no love for it. We need Americans to love their country because it's their country, because they're a part of it, not removed from it. Because they're involved in it; because it's their very life, and not because it's their problem. So I ask these questions of you tonight. And I want you to try to help us find the answer because I have faith in you. I must have. You are what the country is. And I hope that we'll have faith in each other. Now, we're not going to find the answers without experimentation; there are going to be risks--you can't launch anything without some market developments, so to speak. And those of that [?] hate these risks are going to be criticized, but we didn't build America as a sure success when we started. There's hardly a

railroad that stands in this continent that wasn't a risk. There's hardly an airline that ever took to the air that wasn't a risk. There's hardly been an innovation in industry that wasn't a risk. And we have to take our chances. So I want to ask you to join in that adventure.

You know, we've been a nation of risk-takers, and that's what moved this country forward. And I leave you with these words. After all, this isn't the government's America, it's yours. American cities don't belong to the mayor, they belong to their citizens. It's your federal government, not the bureaucrats. It's your country, not somebody else's. And it's your responsibility, not your neighbor's. So I think that it is good and proper that this nation is increasingly turning to your leadership because you are the leaders, you are the success story of this country. You are the captains of finance and industry and management. You are the bands of achievement in America, my dear friends in this room tonight. Politicians are frequently laughed at, sometimes properly so. But let's face it, in this great nation of urban centers and industrialization and finance and manufacturing and industry, what is the badge of success. A leader in the business world. Now leadership is not a luxury, and it bestows

no privileges. Leadership is a burden and a responsibility. It's not the cloak of comfort. It's the robe of responsibility. So I've come to the right people and I am afraid I have been too serious. I want to part with the words of a great citizen of New Jersey who was a great President, and he has been for me a sort of guiding inspiration throughout my life--Woodrow Wilson, Governor of New Jersey; President of Princeton University and also President of the United States. You know what Wilson said; he said America is not as rich as the money in its banks , nor is it as strong as its industries and as productive as its fields. America is as rich and as strong as its people. And then he said, this is not America because it is rich. America is a name in the ears of men everywhere as a synonym with individual opportunity. The word of this century for Americans is opportunity. To open those gates. To remove the barriers and to permit people not only to walk through, but to help them walk through. I appeal to you in a very real sense to extend the hand of cooperation, before it is too late. And to do it willingly, not begrudgingly. To do it because it's right, not because you're forced to it. To do it because you want to, not because somebody dares you. To do it because that's the way you are. People that care. Thank you Malcolm, thank you Bertie, and thank you ladies and gentlemen.

MR. FORBES: Thank you, Mr. Vice-President. I would like to suggest right now that if you would take to your feet, right behind you out yonder, we will express a suitable appreciation. Because seriously I did ask the Vice-President; he said--could I just be light and pleasant because it's a party, and I said you would insult the intelligence of the people here if you didn't speak seriously, because you are in a position to affect seriously the affairs and the future not only of our own country, but the rest of the world. So I thank you, Mr. Vice-President, for taking the time to greet us seriously.

And now, I would like to ask all of you if you would, to step out behind you--there are steps, there are rails where you are not supposed to climb over, and I hope you will enjoy the fireworks and I want to say this--that immediately following the fireworks we will have what we have paid for the silence of, we will have at least a couple of hours of Lester Lannen and champagne. Thank you.

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FOR RELEASE SUNDAY AM's
September 17, 1967

REMARKS OF VICE PRESIDENT HUBERT H. HUMPHREY
50th ANNIVERSARY OF FORBES MAGAZINE
FAR HILLS, NEW JERSEY
September 16, 1967

I consider it an honor to help celebrate the 50th anniversary of that formidable "capitalist tool" -- FORBES. The journal, like its founder and like its present owner, has always spoken out for the best in business -- for vital, creative, expansive free-enterprise.

B. C. Forbes was a man who delieved deeply in business, and the greatest businessmen in the country were his friends. But he never hesitated to point out weaknesses in the free enterprise system, and he never mistook the interests of business for the interests of the nation. His formula was the reverse: What is good for the nation is good for business. These are fitting times in which to celebrate that philosophy.

I grew up with a generation which believed that neither the private sector nor government was taking adequate responsibility to protect the interests of the public. The evidence was all around us: The Great Depression graphically told many of us that our farms, our people, our free-enterprise system itself, had been wastefully exploited, in large part because of excessive laissez faire on the part of government.

Some did not agree with us; but those who did were a majority, and government became more fully the champion of public welfare and guardian of the nation's resources -- yet it did so while still maintaining the essentially private nature of our economy.

Since then, government has recognized and acted on the pressing social and economic problems of the times, and business has also responded. It is fair to say that in no other country have business and industry -- through the sheer vitality of economic growth and the benefits it has brought to our people -- contributed so mightily to social progress.

Today, as this nation faces a new challenge to its democratic destiny, I believe the balance of public responsibility is visibly -- and rightly -- shifting back toward the private sector. I do not mean that government is abdicating the duties we have all given it, but rather that the private sector is assuming an unprecedented amount of responsibility for the welfare of the nation at large.

That is right, because the crisis before us is a complex one requiring solutions which are beyond the capacity of a government alone to provide.

It is a crisis of . . .

- racial discrimination;
- unemployment and under-employment due to hard-to-correct personal inadequacies -- lack of skills, poor attitudes, poor health -- rather than to broad economic forces;
- inadequate education and training in an age of rapid technological advance;
- rapid and chaotic urbanization;
- migration of unemployed people from decaying rural areas to the cities;
- inadequate housing; and
- rising expectations met too slowly.

The unifying ingredient is poverty, which as the National Association of Manufacturers recently observed, "has become intolerable in this country because it is unnecessary."

History calls upon us today to eliminate poverty in America.

It calls upon us to move past mere welfare programs to a concept of full and equal opportunity for every American.

It calls upon us to make every American a full participant in this prosperous society.

Yes, it calls upon us to perfect American democracy.

Government is not omniscient, omnipotent, or omnipresent enough to meet that challenge alone. (Nor should it be.)

The challenge cannot be met efficiently or adequately without the initiative, the investment, creative imagination, the flexibility, the capacity to work out details of specific problems that are the hallmark of a free-enterprise system.

Moreover, the problem of poverty and blighted opportunity will ultimately be solved not just by an application of federal medicine, although that is needed, but through a process of organic growth which gives every American citizen a permanent and useful place in our economy and society.

As most of you are aware, the indispensable role of the private sector has been recognized, for instance in nearly every major piece of anti-poverty and urban renewal legislation passed under the Johnson-Humphrey Administration.

The Model Cities Program invites private participation in every area of urban renewal. It was passed in the first place with a strong boost from Edgar Kaiser and some of his business colleagues.

The rent supplement and turnkey public housing programs are a way of making it possible for private institutions to market decent low cost housing.

The Job Corps is one of our newest departures in the human resource development field. It would have been a natural thing to hire a few thousand more civil servants to do the training, but we decided instead to call upon the practical experience and know-how of private business to run the Job Corps camps. Litton Industries and Westinghouse, which are represented here tonight, are now running two very successful Job Corps programs.

But the initiatives which have recently emerged in the business community itself provide the most dramatic evidence of growing private sector participation in the war on poverty. Let me mention only a few which are representative:

In Cleveland, Warner and Swasey, Midland Ross, Republic Steel and others have set up the "Cleveland Revolving Fund" to make loans to non-profit groups which wish to build low cost housing.

I understand that Westinghouse, United States Steel, Rockwell and others are undertaking a similar project in Pittsburgh aimed at massive housing rehabilitation.

The New Detroit Committee is investigating the whole spectrum of problems which adds up to slums and ghettos. James Roche is on that committee, and I understand Ford has even established a department of urban affairs.

In New York, U. S. Gypsum has apparently achieved a real success in low cost housing renovation.

Corn Products of Argo, Illinois, found it cheaper to upgrade the skills of its own workers with remedial courses in reading and math than to hire better-trained employees away from the competition. The program was so successful -- and so profitable -- that Corn Products has set up a subsidiary to market its remedial course. I hear that 50 firms have bought the training program since the subsidiary began six months ago.

Some companies, like Royal Typewriter in Hartford, are beginning to meet their labor needs by purposely dipping into the pool of hard-core unemployed, training them, nursing them over the first difficult steps toward a regular work routine, and making them into productive citizens.

Then there is the Urban Coalition, of which some of you are members. The "Statement of Principles, Goals and Commitments" issued by the Coalition in Washington three weeks ago stated: "All representatives of the private sector in the Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens."

That was one of the proudest documents in the history of free enterprise.

Finally, there was the dramatic announcement last Wednesday that the life insurance companies of America have pledged to invest one billion dollars in city core areas to build housing and finance enterprises which will create jobs. The President called it an "historic contribution." It is nothing less.

That billion dollars by itself will have an enormous impact. But perhaps the most important impact may be in the precedent this will set for other parts of our free economy which can help meet other urgent needs.

Will this new initiative by the private sector be sustained? Will we achieve that essential balanced partnership between the private economy and government which will enable us finally to eradicate poverty and blighted opportunity from our American society? I think the answer will surely be yes.

And I think so for several reasons:

First, it is now clear that business people are not only willing to make sizable investments in housing, job training, and other imperative social programs; they are personally devoting a great deal of their time, in hundreds of communities across the nation, to community action boards, to local development agencies, and to direct supervision of social programs their firms have undertaken.

Second, I see an emerging consensus, not only between government and business, but including labor and the responsible leadership of the ghetto communities, about what needs to be done. The formula is jobs, housing, education, and local initiative.

Third, the problem of poverty is complex, but it is not overwhelming in size. The poor constitute only 15 per cent of our otherwise prosperous and stable society. The hard-core unemployed -- those without jobs for more than 15 weeks -- are only 440 thousand in an economy which provides 1.5 million new jobs a year. It will not be an undue strain for this nation to do whatever is necessary to open the doors of opportunity to that small minority.

Fourth, we do not have to start from scratch. We are already well-advanced on programs designed to close the opportunity gap in American society.

Among federal programs, the War on Poverty has already created a thousand Community Action agencies which are now serving half the nation's poor.

The Head Start program has already prepared 2 million children, urban and rural, for successful school experiences. Nearly a million youngsters have already received work experience and training through the Neighborhood Youth Corps.

The Job Corps has already sent 60 thousand new workers into the economy. The Manpower Development and Training Act has already provided training for almost 400 thousand workers, a large proportion of whom had previously been chronically unemployed.

And these programs have worked pretty well. We've had some trials and errors. We've had our Edsels. But six years ago 21 per cent of our fellow citizens were living in poverty; now, as I said, the figure is down to 15 per cent.

Finally, there is a sizable and quick economic return to be had from the elimination of poverty.

It is the misery factor alone which justifies a war on poverty. But there is no shame in admitting that the prospect of real economic gain is what makes a sustained effort by the private sector in this field possible. We all have our stock-holders and tax-payers.

We do not have truly accurate statistics to tell us just how much poverty costs each year.

We do know that the poor, according to our current definition of poverty, can spend a maximum of 32 cents per meal per day, and a dollar and forty cents for everything else they need -- rent, clothing, transportation, medicine, recreation. This means they are a poor market.

It has been estimated, for instance, that if Negro incomes averaged the same as white incomes, rather than being roughly half the white average, the Negro market alone would be 10 billion dollars greater.

In some ghettos the "sub-employment rate" -- under-utilization of man hours available -- is as high as 35 per cent. That means lower production of goods and services.

The poor have four times as much debilitating heart disease, six times as much arthritis and rheumatism, six times as much mental and nervous illness as occurs in the rest of the population. That means more man hours lost, higher social costs.

Under-consumption, man hours lost, energies wasted because of poverty -- that costs every enterprise in the United States something each year. The fact that the poor pay little in taxes, compounded by the cost of welfare programs, means a substantial cost to the society at large.

On the other hand, the return on expenditures which boost a person out of poverty is very high. In Detroit, for example, 12 hundred and 70 hard-core unemployed workers were trained and placed in jobs at a cost of 850 thousand dollars. In the first year the taxes they paid, plus savings on welfare, amounted to 930 thousand dollars, not to mention continuing dividends. Welfare programs produce no return at all.

I think, therefore, that the future promises a sustained and growing commitment of resources by the private sector to the pressing social business I have mentioned, and a new balance between public and private initiative. We do not yet know, however, how the burden can be most efficiently shared.

I shall probably never stand before a group that better represents American free enterprise, so let me ask you frankly: How much do you think free enterprise will be able to contribute to providing a decent American level of opportunity for those who do not have it today?

Take the problem of unemployment. The Urban Coalition says the federal government should be the employer of last resort. Perhaps it should. But how much of present unemployment can be absorbed right now through private initiative?

Businessmen constantly tell me that they are unable to meet their manpower requirements because they cannot find adequately trained employees. Are their specifications for "adequate training" tailored to the job to be filled, or do they include arbitrary academic requirements, an unrealistically high level of English proficiency, a spotless police record?

Can the modern technology which is at least partly to blame for unemployment be used to simplify jobs rather than to eliminate them?

When training is required, how much can private companies afford to provide? Do they know how to provide it?

What about creating new jobs? Where will a businessman open his next plant? In the suburbs where he has to compete for labor, or in the ghettos where he has to train it?

Just after the Watts riots, I was in Los Angeles and I asked that question. Dan Kimball of Aerojet General took up my challenge. Aerojet General established a subsidiary in Watts, hired local people, trained them and went into the tent-making business on the strength of a Defense Department contract. Watts Manufacturing has since started manufacturing shipping containers, another relatively low-skill item; it is a going concern, employing over 400 workers from the Watts area. And it is about to start making money.

What about the continuing migration to the cities? Poor people, mostly Southern Negroes, mostly unskilled and poorly educated, continue to flow into our cities at the rate of about 600 thousand per year, compounding the problems of the ghetto and raising the cost of solutions to our urban problems.

What are the chances of raising their standard of living and of arresting that flow with a counter-magnet of attractive training and employment opportunities in rural areas?

What are the economic and social possibilities of putting more factories out where the air is clean and the transport facilities are uncrowded?

I know you have already been asking a good many of these questions yourselves.

And I hope you will ask some hard questions of those of us in Government.

I am referring not just to questions about the efficiency and effectiveness of our government programs -- although those questions will always be needed.

No, I mean the questions that must surely come once free enterprise has taken a full and hard look at the challenges, and opportunities, which face our country today

I have faith in our free enterprise system. I do not think the full limits of its potential are yet in sight. And I believe that, once free enterprise has given its full and creative attention to the national problems of today, you will surely have questions which we in government must be able to answer.

I mean: What tax incentives . . . or subsidies . . . or procurement policies . . . or joint government-private ventures will be appropriate to help provide jobs, housing, and opportunity?

What do you need to profitably enter these huge and waiting markets? How can we help you without getting in your way? What can we do together to get the job done?

* * *

We will not find the answers to these questions without experimentation. They are not going to be found without taking some risks or without some false starts.

But throughout our history it has been the risktakers -- people like you -- who have moved America forward.

And, after all, America's cities belong to their citizens, not to their officials.

It is your federal government, not the bureaucrats!

It is your country . . . you fellow citizens . . . and your responsibility that we have been talking about here tonight.

So it is good and proper that this nation is increasingly turning to you for leadership as we seek, once and for all, to provide full freedom and full opportunity for every citizen. For risk and opportunity go hand in hand, and they always will.

I give you the words of an old New Jersey neighbor.

Woodrow Wilson said: "This is not America because it is rich . . . America is a name in the ears of men everywhere as a synonym with individual opportunity."

Now, together, we have the chance to make that opportunity a living reality.

#

30th

Dewey

AT THE 30TH ANNIVERSARY OF THE MAGAZINE, i.e.

IN 1947, GOV. THOMAS E. DEWEY WAS THE PRINCIPAL
SPEAKER. IT WAS ON THE NIGHT OF THIS DINNER THAT

MR. DEWEY ANNOUNCED HIS CANDIDACY FOR THE

PRESIDENCY.

*Desraeti: Explaining success with
Queen Victoria
I never Refuse
I never contradict
I sometimes forget*

*Retalms
as V.P.*

Pipers
Westminster
Choir

all the Forbes

50th Birthday of Anne -
(Oh to be so young again)

renowned Party - *mark the*
Fiftieth Anniversary

④ Presidents & Chairmen here -
(I'm the only V.P. Present.)

① Hutz + Aue — Tryharder.
Saturday, the sixteenth of September

no speeches

(7) Barbeque, Rodeo, & Dances
& before fire works!
Bar Mills, New Jersey

This Party - I almost convinced
on alcohol is a Demer - Spender

[Handwritten signature]

✓ Hurricane threat

✓ Last Mts - Table 54 - Bertie said

you're wasting your time -

✓ Malcolm - you're running away

Seating Arrangements

X To meet Hertz & Aves -
just like Dinner at White House

REMARKS

VICE PRESIDENT HUBERT HUMPHREY

50TH ANNIVERSARY OF FORBES MAGAZINE

FAR HILLS, NEW JERSEY

September 16, 1967

I am delighted to be here tonight, but some of you may wonder how I got invited. I have not been widely known up until this time as -- if I may borrow a phrase -- a "capitalist tool."

I now feel free to confess, however, that I have always maintained a sub rosa liaison with the capitalist community. I am myself a corporation president -- of the Humphrey Drug Store in Huron, South Dakota. And some of my best friends are capitalists. My daughter even married one.

But I had managed to keep all of this pretty quiet until Malcolm Forbes discovered my guilty secret just before the last Democratic Convention.

We first met in 1964 when Malcolm was doing a story on Roger Blough, who is here tonight and whose relationship with people in Washington had been somewhat strained over a question, as I remember, of steel prices.

Malcolm came around to see me when he found out that, all during that period, Roger Blough and I had been working together to bring some taconite ore processing plants into Northern Minnesota.

The next thing I heard from Malcolm was an editorial predicting that I was going to be the Vice Presidential candidate, and that -- despite my alleged lurid past -- businessmen might not find me too hard to get along with. That wrecked my cover story, but I did get the job.

50th anniversary

More seriously, I consider it an honor to help celebrate the 50th anniversary of that formidable "capitalist tool" -- Forbes. The journal, like its founder and like its present owner, has always spoken out for the best in business -- for vital, creative, expansive free-enterprise.

Malcolm Fath-

- 3 -

50th Anniv

enterprise

B. C. Forbes was a man who believed deeply in free business, and the greatest businessmen in the country were his friends. But he never hesitated to point out weaknesses in the free enterprise system, and he never mistook the interests of business for the interests of the nation. His formula was the reverse: "What is good for the nation is good for business. These are fitting times in which to celebrate that philosophy."

I grew up with a generation which believed that neither the private sector nor government was taking adequate responsibility to protect the interests of the public. The evidence was all around us: The Great Depression graphically told many of us that our farms, our people, our free-enterprise system itself, had been wastefully exploited, in large part because of excessive laissez faire on the part of government.

Some did not agree with us; but those who did were a majority, and government became more fully the champion

of public welfare and guardian of the nation's resources -- yet it did so while still maintaining the essentially private nature of our economy.

Since then, government has recognized and acted on the pressing social and economic problems of the times, and business has also responded. It is fair to say that in no other country have business and industry -- through the sheer vitality of economic growth and the benefits it has brought to our people -- contributed so mightily to social progress.

Today, as this nation faces a new challenge to its democratic destiny, I believe the balance of public responsibility is visibly -- and rightly -- shifting back toward the private sector. I do not mean that government is abdicating the duties we have all given it, but rather that the private sector is assuming an unprecedented amount of responsibility for the well-being of the nation at large.

That is right, because the crisis before us is a complex one requiring solutions which are beyond the capacity of a government alone to provide.

It is a crisis of . . .

- racial discrimination;
- unemployment and under-employment due to hard-to-correct personal inadequacies -- lack of skills, poor attitudes, poor health -- rather than to broad economic forces;
- inadequate education and training in an age of rapid technological advance;
- rapid and chaotic urbanization;
- migration of unemployed people from decaying rural areas to the cities;
- inadequate housing; and
- rising expectations met too slowly.

Confucius
The unifying ingredient is poverty, which, as the National Association of Manufacturers recently observed, "has become intolerable in this country because it is unnecessary."

↳ History calls upon us today to eliminate poverty in America.

↳ It calls upon us to move past mere welfare programs to a concept of full and equal opportunity for every American.

F. D. Roosevelt
↳ It calls upon us to make every American a full participant in this prosperous society. (X) see mills

Yes, it calls upon us to perfect American democracy.

↳ Government is not omniscient, omnipotent, or omnipresent enough to meet that challenge alone. (Nor should it be.)

X } ↳ The challenge cannot be met efficiently or adequately without the initiative, the investment, creative imagination, the flexibility, the capacity to work out details of specific problems that are the hallmark of a free-enterprise system.

Moreover the problem of poverty and blighted opportunity will ultimately be solved not just by an application of federal medicine, although that is needed, but through a process of organic growth which gives every American citizen a permanent and useful place in our economy and society.

↳ As most of you are aware, the indispensable role of the private sector has been recognized, for instance, in nearly every major piece of anti-poverty and urban renewal legislation passed under the Johnson-Humphrey Administration.

↳ The Model Cities Program invites private participation in every area of urban renewal. It was passed in the first place with a strong boost from Edgar Kaiser and some of his business colleagues.

Rents
The rent supplement and turnkey public housing programs are a way of making it possible for private institutions to market decent low cost housing.

→ U.S. Chamber 1937

The Job Corps is one of our newest departures in the human resource development field. It would have been a natural thing to hire a few thousand more civil servants to do the training, but we decided instead to call upon the practical experience and know-how of private business to run the Job Corps camps. Litton Industries ^{N.E.} and Westinghouse, which are represented here tonight, are now running ~~the~~ very successful Job Corps programs. - JTT - Camp Belmer

But the initiatives which have recently emerged in the business community itself provide the most dramatic evidence of growing private ~~sector~~ participation in the war on poverty. Let me mention only a few which are representative:

↳ In Cleveland, Warner and Swasey, Midland Ross, Republic Steel and others have set up the "Cleveland Revolving Fund" to make loans to non-profit groups which wish to build low cost housing.

↳ I understand that Westinghouse, United States Steel, Rockwell and others are undertaking a similar project in Pittsburgh aimed at massive housing rehabilitation.

Job
Corps
Litton
GE
Westinghouse
JTT

Walters is here

The New Detroit Committee is investigating the whole spectrum of problems which adds up to slums and ghettos.

^{4 GM}
James Roche is on that committee, and I understand Ford has even established a department of urban affairs.

^{U.S. Gypsum}
In New York, U. S. Gypsum has apparently achieved a real success in low cost ^{housing} renovation.

^{Corn Products}
Corn Products of Argo, Illinois, found it cheaper to upgrade the skills of its own workers with remedial courses in reading and math than to hire better-trained employees away from the competition. The program was so successful -- and so profitable -- that Corn Products has set up a subsidiary to market its remedial course. I hear that 50 firms have bought the training program since the subsidiary began six months ago.

^{Royal Typewriter}
Some companies, like Royal Typewriter in Hartford, are beginning to meet their labor needs by purposely dipping into the pool of hard-core unemployed, training them.

Gen Dynamics - Window Rock
Fairchild - 74 Defiance 10-

nursing them over the first difficult steps toward a regular work routine, and making them into productive citizens.

Then there is the Urban Coalition, of which some of you are members. The "Statement of Principles, Goals and Commitments" issued by the Coalition in Washington three weeks ago stated: "All representatives of the private sector in the Urban Coalition decisively commit themselves to assist the deprived among us to achieve full participation in the economy as self-supporting citizens."

↳ That was one of the proudest documents in the history of free enterprise.

↳ Finally, there was the dramatic announcement last Wednesday that the life insurance companies of America have pledged to invest one billion dollars in city core areas to build housing and finance enterprises which will create jobs. ↳ The President called it an "historic contribution." It is nothing less.

1000
National
Leaders

Life
Ins.

That billion dollars by itself will have an enormous impact. But perhaps the most important impact may be in the precedent this will set for other parts of our free economy which can help meet other urgent needs.

Will this new initiative by the private sector be sustained? Will we achieve that essential balanced partnership between the private economy and government which will enable us finally to eradicate poverty and blighted opportunity from our American society? I think the answer will surely be yes.

And I think so for several reasons:

First, it is now clear that business people are not only willing to make sizable investments in housing, job training, and other imperative social programs; they are personally devoting a great deal of their time, in hundreds of communities across the nation, to community action boards, to local development agencies, and to direct supervision of social programs their firms have undertaken.

Second, I see an emerging consensus, not only between government and business, but including labor and the responsible leadership of the ghetto communities, about what needs to be done. The formula is jobs, housing, education, and local initiative.

Third, the problem of poverty is complex, but it is not overwhelming in size. The poor constitute only 15 per cent of our otherwise prosperous and stable society.

The hard-core unemployed -- those without jobs for more than 15 weeks -- are only 440 thousand in an economy which provides 1.5 million new jobs a year. It will not be an undue strain for this nation to do whatever is necessary to open the doors of opportunity to that small minority.

Fourth, we do not have to start from scratch. We are already well-advanced on programs designed to close the opportunity gap in American society.

Among federal programs, the War on Poverty has already created a thousand Community Action agencies which are now serving half the nation's poor.

The Head Start program has already prepared 2 million children, urban and rural, for successful school experiences. Nearly a million youngsters have already received work experience and training through the Neighborhood Youth Corps.

The Job Corps has already sent 60 thousand new workers into the economy.

The Manpower Development and Training Act has already provided training for almost 400 thousand workers, a large proportion of whom had previously been chronically unemployed.

And these programs have worked pretty well. We've had some trials and errors. We've had our Edsels. But six years ago 21 per cent of our fellow citizens were living in poverty; now, as I said, the figure is down to 15 per cent.

Finally, there is a sizable and quick economic return to be had from the elimination of poverty.

It is the misery factor alone which justifies a war on poverty. But there is no shame in admitting that the prospect of real economic gain is what makes a sustained effort by the private sector in this field possible. We all have our stock-holders and tax-payers.

We do not have truly accurate statistics to tell us just how much poverty costs each year.

We do know that the poor, according to our current definition of poverty, can spend a maximum of 32 cents per meal per day, and a dollar and forty cents for everything else they need -- rent, clothing, transportation, medicine, recreation. This means they are a poor market.

It has been estimated, for instance, that if Negro incomes averaged the same as white incomes, rather than being roughly half the white average, the Negro market alone would be 10 billion dollars greater.

In some ghettos the "sub-employment rate" -- under-utilization of man hours available -- is as high as 35 per cent. That means lower production of goods and services.

The poor have four times as much debilitating heart disease, six times as much arthritis and rheumatism, six times as much mental and nervous illness as occurs in the rest of the population.

That means more man hours lost, higher social costs.

Under-consumption, man hours lost, energies wasted because of poverty -- that costs every enterprise in the United States something each year. The fact that the poor pay little in taxes, compounded by the cost of welfare programs, means a substantial cost to the society at large.

On the other hand, the return on expenditures which boost a person out of poverty is very high. In Detroit, for example, 12 hundred and 70 hard-core unemployed workers were trained and placed in jobs at a cost of 850 thousand dollars. In the first year the taxes they paid, plus savings on welfare, amounted to 930 thousand dollars, not to mention continuing dividends. Welfare programs produce no return at all.

As I see it,

~~I think, therefore, that~~ the future promises a

sustained and growing commitment of resources by the

private sector to the pressing social business *of our*

country, ~~mentioned,~~ and a new balance between public and private

But, initiative. We do not yet know, ~~however,~~ how the burden

can be most efficiently shared. *

* *h* I shall probably never stand before a group that

better represents American free enterprise, so let me ask

you frankly: *How much do you think free enterprise will*

be able to contribute to providing a decent American level of

opportunity for those who do not have it today?

Unemployment *Take the problem of unemployment. The Urban*
~~Coalition says the federal government should be the employer~~
~~of last resort. Perhaps it should. But how much of present~~

unemployment can be absorbed right now through private

initiative?

Businessmen constantly tell me that they are unable to meet their manpower requirements because they cannot find adequately trained employees. Are their specifications for "adequate training" tailored to the job to be filled, or do they include arbitrary academic requirements, an unrealistically high level of English proficiency, a spotless police record?

(X) Can the modern technology which is at least partly to blame for unemployment be used to simplify jobs rather than to eliminate them?

When training is required, how much can private companies afford to provide? Do they know how to provide it?

new jobs
What about creating new jobs? Where will a businessman open his next plant? In the suburbs where he has to compete for labor, or in the ghettos where he has to train it?

Watts

Just after the Watts riots, I was in Los Angeles and I asked that question. Dan Kimball of Aerojet General took up my challenge. Aerojet General established a subsidiary in Watts, hired local people, trained them and went ~~into the tent making~~ into tent making business on the strength of a Defense Department contract. Watts Manufacturing has since started manufacturing shipping containers, another relatively low-skill item; it is a going concern, employing over 400 workers from the Watts area. And it is about to start making money.

Migration

What about the continuing migration to the cities? Poor people, mostly Southern Negroes, mostly unskilled and poorly educated, continue to flow into our cities at the rate of about 600 thousand per year, compounding the problems of the ghetto and raising the cost of solutions to our urban problems.

What are the chances of raising their standard of living and of arresting that flow with a counter-magnet of attractive training and employment opportunities in rural areas?

What are the economic and social possibilities of putting more factories out where the air is clean and the transport facilities are uncrowded?

I know you have already been asking a good many of these questions yourselves. !

And I hope you will ask some hard questions of those of us in government. !

I am referring not just to questions about the efficiency and effectiveness of our government programs -- although those questions will always be needed.

No, I mean the questions that must surely come once free enterprise has taken a full and hard look at the challenges, and opportunities, which face our country today.

I have faith in our free enterprise system. I do not think the full limits of its potential are yet in sight. And I believe that, once free enterprise has given its full and creative attention to the national problems of today, you will surely have questions which we in government must be able to answer. — *Questions*

I mean: What tax incentives . . . or subsidies . . . or procurement policies . . . or joint government-private ventures will be appropriate to help provide jobs, housing, and opportunity?

∟ What do you need to profitably enter these huge and waiting markets? How can we help you without getting in your way? What can we do together to get the job done?

~~X X X * X * X X~~

∟ We will not find the answers to these questions without experimentation. They are not going to be found without taking some risks or without some false starts. *Experimentation* / *RISK.*

Risk Taking

But throughout our history it has been the risk-
takers -- people like you -- who have moved America forward.

— And, after all, America's cities belong to their
citizens, not to their officials.

— It is your federal government, not the bureaucrats!

— It is your country . . . your fellow citizens . . . and
your responsibility that we have been talking about here
tonight.

— So it is good and proper that this nation is increasingly
turning to you for leadership as we seek, once and for all,
to provide full freedom and full opportunity for every citizen.

For risk and opportunity go hand in hand, and they always

Wilson will.

— I give you the words of an old New Jersey neighbor.
*America not as Rich
but as Rich as its People*

Woodrow Wilson said: "This is not America because

it is rich . . . America is a name in the ears of men
everywhere as a synonym with individual opportunity."

Now, together, we have the chance to make
that opportunity a living reality.

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