

MEMORANDUM

TO: The Vice President

FROM: Norman L. Holmes

SUBJECT: T.V. Taping with Senator Mike Monroney,
Thursday, March 7, 1968, 3:30 P.M.

DATE: March 6, 1968

It is proposed that the Senator lead the discussion in an informal setting.

The following five topics have been proposed by the Senator's office for discussion. A suggested discussion line has been prepared for each of the questions submitted.

Each of the five topics is to be filmed separately as a four minute news spot, to run on five consecutive nights on Oklahoma T.V. stations. Therefore, the discussion of each topic must be self-contained without cross-reference or carry-over.

QUESTIONS AND ANSWERS FOR VICE PRESIDENT HUMPHREY AND
SENATOR MONRONEY FOR T.V. TAPING, MARCH 7, 1968

I. ECONOMIC POLICY

SENATOR: We are living through the longest period of steady economic growth in our country's history. But even so, we still face some serious fiscal policy questions. The costs of the war added to the expenses of government for a rapidly growing population here at home have caused budget deficits and other inflationary pressures.

We can all agree on the necessity for restraint in spending and in wage and price pressures, but a tax increase is much more controversial. Would you comment on some of the factors behind the President's tax increase proposal to the Congress?

VICE PRESIDENT: As you have indicated, Senator, this is the beginning of our eighth year of continuous economic growth and prosperity. From the time that President Kennedy took office in 1961 through the current administration of President Johnson, we have increased the number of jobs in this

country by almost 9.5 million. There are now over 75 million wage earners in the country. Back in 1961 unemployment was running at a rate of 6.8 per cent, almost 7 per cent. Currently, our unemployment rate of 3.5 per cent is at the lowest level in fifteen years. Our wealth, or really our ability to produce wealth, our gross national product (GNP), has risen an astronomical \$300 billion in this seven year period, approaching an annual product of \$820 billion.

Perhaps the enormity of this wealth can be understood only by comparison. The value of the goods and services we produce every year exceeds that produced by all the developed countries of the world combined. In fact, the increase in our gross national product this year over what it was last year, that increase alone (about \$50 billion), exceeds the total gross national product of most of the countries of the world. Specifically, that \$50 billion increase is greater than the gross national product of all the countries of the free world except

for the United Kingdom, France, Germany, Italy, Japan and Canada.

With this great wealth have come grave and extensive responsibilities, both at home and abroad. The pledges that this administration has made to the American people are being kept. Federal expenditures to education are double what they were over the previous 100 years. Social Security and Medicare benefits have risen 35 per cent over the past four years. Programs of opportunity and hope have lifted 10 million people out of the waste and degradation of poverty. But that job is not done - despite our great efforts over the past four years we are just beginning to turn the corner on what generations of neglect have done to our great cities. To delay action is to shift these great responsibilities to our children and our grandchildren. The bill is really past due and there is no way that further delay on those obligations can be justified.

In the same manner that we are trying to squarely face our obligations at home we are keeping the pledges made to the people of Vietnam and Asia to stand with them in opposing aggression. In so doing, we are keeping our pledge to the American people to maintain the peace, for the peace cannot be kept by ignoring aggression.

We have the intelligence, we have the programs, we have the wealth to meet our commitments. However, we must also have the will to meet them. The President's proposal for a modest tax increase is an expression of our will to meet our obligations responsibly. The proposed tax increase will reduce our budget deficit by approximately \$12 billion.

In sum then, the tax increase will permit us to meet our obligations at home and abroad while safeguarding the health of our economy from the dangers of inflation.

SENATOR:

I have come to agree, reluctantly, that we must have a tax increase. There are various ways in which it could be done,

and I would prefer raising at least half of the necessary amount of revenue through a tax on luxury items such as alcoholic beverages, cigarettes, jewelry, furs, etc.

But there is strong opposition to any tax increase at all. What do you feel would be the result if Congress decided against a tax bill this year?

VICE
PRESIDENT:

(The Senator's proposal for increased luxury taxes is not part of the Administration's program. He does not expect you to respond to that part of his statement.)

The greatest danger to our unprecedented prosperity is inflation. So far this has not been a serious problem. While there have been increases in prices, these increases have been at rates below price rises in all other major industrial countries, and have been off set by marked increases in productivity.

However, in the past two years those previous relatively minor price increases

have risen to rate increases of between 3 and 4 per cent. Thus, the erosion of our prosperity through inflation has become a real danger.

To meet this problem the administration is seeking a modest temporary tax increase. The proposed increase will automatically expire on June 30, 1969. For individual wage earners the proposed tax would amount on the average to less than one cent for each dollar of income. For the corporate tax payer, the tax increase would amount to about a full cent for each dollar of income. The proposed tax rate for people and businesses restores less than half the tax cut that was granted in 1964 and 1965. In other words, even after the tax increase is granted our tax rates will still be lower than they were in 1963.

The proposed tax is designed to strengthen our economy and to insure our continued prosperity. If we are successful in curbing inflation, the price of U.S. goods will be more attractive to foreign buyers. Greater

purchases of U.S. goods will improve our international trading position - this in turn strengthens the dollar as an international currency. This is particularly important as the dollar, today, is the linchpin of the free world's international monetary system. Billions upon billions of dollars are held by foreign traders today because they have faith in the value and stability of the dollar. We must assure them that such faith is justified by fighting inflation through the proposed tax surcharge.

If we do not act to increase taxes as proposed we may be faced with additional monetary restraint - that's just a fancy way of saying "tight money". "Tight money" puts the squeeze on those who have to operate on credit - farmers, small businessmen, home builders and State and local governments. If we go that route we will be faced with further increases in interest rates and a possible disruption of our financial markets. Instead of imposing a tax which is spread equally throughout the economy,

"tight money" in effect imposes a tax inequitably and less efficiently than the program proposed by the President.

Finally, I think we must simply recognize that we cannot keep faith in meeting our obligations and at the same time accept any major cuts in proposed programs.

Neither our defense needs nor our social priorities can be compromised.

We have the means to fulfill our obligations. We can do so responsibly by accepting a modest increase in taxes.

SENATOR:

I sometimes feel that our intense concentration on economic problems and the solemn tones used in discussing them tend to create the false impression that we are on the brink of disaster. Yet, most of our current problems are the kind that come with widespread national prosperity.

Don't you agree that they are a lot less painful than those we faced a few years ago when we were searching for ways to stimulate growth and cut the tragic unemployment that plagued so many thousands of communities?

VICE
PRESIDENT:

I know that you are correct, Senator. We have the means and the talent in this country to end the waste and misery of poverty whenever we decide that's what we want to do. We have the obligation to see that opportunity for good jobs and comfortable housing is not denied any of our people.

As a nation that has created 9.5 million jobs and increased our gross national product by \$300 million in the past seven years, I know that we are capable of finding good, workable and fair solutions for our problems. We have taken some giant steps in that direction over the past four years. The problems we seek to resolve are scarcely new. They are compounded by the neglect of many generations. It is going to take a lot of planning, hard work, money and a little time before we're finished. We have made a good start with new ideas and bold programs.

II. RURAL DEVELOPMENT

SENATOR: Several months ago -- along with my Oklahoma colleague, Fred Harris, and other Senators -- I began efforts to encourage industry to provide jobs away from the overcrowded cities.

Industrial expansion in smaller cities and the more rural areas would reduce the need for families to migrate to the troubled cities in search of jobs. With less people in the giant cities, chances of recurrent violence and disorder would decrease.

Mr. Vice President, do I oversimplify a complex problem, or do you agree that ending the rural exodus would benefit both the urban and rural communities of our Nation?

VICE
PRESIDENT:

I think you are right, Senator, We can greatly improve the quality of rural life; we can expand the opportunity in rural life so that people driven by desperation will not merely transfer their problems from a rural setting to an urban one.

In his message on agriculture of February 27th of this year, the President stated that:

"Too many rural communities have been by-passed in the climb to abundance, the poverty of its people standing in stark contrast to the wealth of the land.

To bring new prosperity to rural America, the President has proposed a 7-point program:

1. Permanent extension of the Food and Agriculture Act of 1965, the backbone of our support programs for the farmer.
2. Continuation of the Food for Freedom Program through 1971.
3. Creation of a National Food Bank - a security reserve of wheat, feed grains and soybeans to protect the consumer against food scarcity and the farmer against falling prices.
4. New bargaining authority for the farmer, to give him a stronger voice in setting terms and conditions for the sale of farm products.
5. Aid and hope for the small farmer.
6. Continued revitalization of America's rural heartland by improving men's lives through decent housing, better jobs, and more rapid community development.

These programs proposed by the Administration are directed to creating jobs and new opportunity in our rural communities. The President has directed the Secretaries of Commerce and Agriculture to develop expanded credit programs for firms seeking to locate new plants in rural areas. Under Presidential directive, top priority government

loans are to be given for the construction of industrial buildings in rural areas. Additional recommendations are made for manpower training, rural community planning, increased Federal programs for rural community water and sewage development and the creation of additional community centers where rural residents can have access to programs designed to help him and his family.

The fact of the matter is that we are in process of formulating a national policy that will both enrich the lives of rural residents and urban dwellers. We have no choice. We must do both. There are 200 million of us today. In 30 years, at the turn of the century, we will be 300 million strong. We have to plan to meet the needs of 100 million more people as well as dealing with the urgent needs of today.

We are doing just that. Eight of the 63 Federal Model City grants went to cities of under 50 thousand population. Programs of planned coordinated development will

be inaugurated in each of these communities. What we learn in those communities will help us in improving the quality of life in other towns and cities.

We have defined our problems in this area. We already have significant programs operating. I am confident that we are moving in the right direction for improved communities of tomorrow.

SENATOR:

I would also emphasize that Government programs -- through a great display of partnership -- have already done much to aid the development of rural America.

For instance, rural electrification, small business and economic development loans, and rural water and sewer facility grants have been greatly beneficial in Oklahoma.

Too, the future of Oklahoma is very bright due to Government investment in the Arkansas River Navigation project.

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III. VIETNAM

SENATOR:

Above all else, our greatest concern this year is the difficult conflict in Vietnam.

I find that the overwhelming majority of Oklahomans stand strongly behind our fighting men. They understand that we must resist the expansion of aggressive Chinese Communism for our own long-range interests and for the cause of world peace.

I know you have talked with many of our foreign friends over the past several years. What is your impression of the feelings of other Southeast Asian countries? Do they agree with us on the danger?

VICE
PRESIDENT:

Senator, there is no doubt as to the support we receive from the countries of Asia. Prime Minister Sato of Japan, President Marcos of the Philippines, Prime Minister Lee of Singapore, and President Park have all expressed their nations' support for our effort. That is by no means the end of the list. The Australians, the Thais, and the New Zealanders have also expressed their support.

This commitment to our joint efforts in South Vietnam goes beyond mere words. There are now approximately 60,000 Australian, Korean, New Zealand, Philippine and Thai troops on the ground in South Vietnam. Additional pledges of support from Australia, New Zealand and Thailand will raise that to over 70,000 troops. That is to be compared with the maximum figure of 48,000 non-U.S. troops assisting the South Koreans at the height of the Korean War.

The countries I have mentioned, as well as other countries of Southeast Asia, are keenly aware of the dangers confronting them. Many of them were fighting Communist subversion and aggression long before we entered on the scene. Burma, Malaysia and Indonesia have fought long and bitter battles against Communist subversion. Laos and Thailand are even now being subjected to the pressures of external aggression. These countries not only agree with us as to the dangers confronting them, but it is their land that is the battleground where the fight against aggression is being waged.

We are being tested in Asia. We have succeeded to great and grave responsibilities. Our ability to assume these responsibilities is not in question. It is our will to see them through that is being tried.

SENATOR:

Do you see any progress toward greater strength and cooperation among the Southeast Asian countries? Will these countries be able in the future to stand on their own feet and resist subversion and violence?

VICE
PRESIDENT:

In addition to their cooperative efforts in combating external aggression, the countries of Asia have under their own initiative formed the Asian Development Bank. This is a multi-national financial institution. It has been founded with a capital structure of one billion dollars. More than 60 percent of that amount was contributed by the countries of Asia. We have made a 20 percent contribution and the remainder has been pledged by countries throughout the world. None of the Communist countries are participating in the Asian Development Bank.

This is a massive self-help effort on the part of the Asian countries, begun by Asian initiative and largely financed with Asian capital to provide a cooperative program of regional development. Basic programs under consideration are in the fields of regional communications, transportation, and power development.

I think Senator, that the joint effort in Vietnam, coupled with the effort by the Asian countries in the Asian Development Bank, are a clear indication of their positive actions to achieve economic development and their willingness to assume the responsibility to resist aggression.

IV. CRIME

SENATOR:

In their letters to me, the people of Oklahoma express great concern over the increasing crime rate and the violence which has erupted in many major cities. Many Oklahomans see this lawlessness as America's number one problem today.

This concern has prompted recent stepped-up efforts in Oklahoma City and Tulsa to provide better training, equipment, and more men for police work; and the Southwest Center for Law Enforcement Education at Oklahoma University is one of the nation's finest.

Is this concern for new efforts in law and order widespread? Are people across the country in the same frame of mind?

VICE
PRESIDENT:

The concern of Oklahomans for safe streets is shared by all Americans, Senator.

The President has given considerable emphasis to this concern in his legislative program. In the State of the Union Message of January 17 of this year, he said:

"We, at every level of government... know that the American people have had enough of rising crime and lawlessness in this country."

To meet the problems of crime, the President has sent a special legislative crime message program to the Congress on February 7th. That message, entitled "To Insure the Public Safety" contains 22 important and distinct proposals.

Among the top recommendations that the President makes is the enactment of the Safe Streets and Crime Control Act. When enacted, this legislation will provide much needed assistance to state and local government law enforcement agencies.

As you know, Senator, law enforcement in this country is a local, rather than a Federal responsibility. We do not have and do not want to establish a national police force. However, the Federal government can and should assist communities in improving their local law enforcement machinery. This legislation would provide local authorities with the help they need to improve all aspects of law enforcement.

On the same day that the President sent his Crime Message to the Congress, he issued an Executive Order giving the Attorney General authority to coordinate the criminal law enforcement activities of all Federal Departments and agencies, and to also coordinate all Federal programs assisting state and local law enforcement and crime prevention activities. On that occasion the President stated:

"Americans --- of all races --- want and deserve better law enforcement."

It is important to remember that point - for crime is not a racial problem. Better law enforcement is a top priority item in every community. In fact, specific surveys conducted in Negro communities consistently reveal that improved law enforcement is the primary need expressed by the members of the community.

Another aspect of this problem that is not always understood is the fact that crime is basically not integrated. Most crimes of violence are committed by and against people who know each other. The National Crime Commission Report of one year ago

indicates that those who commit crimes of violence more frequently do so against members of their own race and, furthermore, that relatively few major crimes are interracial.

The recent Riot Commission Report states that:

....The majority of law abiding citizens who live in disadvantaged Negro areas face much higher probabilities of being victimized than residents of most higher-income areas, including almost all suburbs. For nonwhites, the probability of suffering from any major crime except larceny is 78 percent higher than for whites.

Thus, I think we may be certain that the President's proposals for improved law enforcement receives the support of all elements of our society. Enactment of this program, including the Auto Theft Prevention Act, the Gun Control Act to prevent the mail order sale of firearms, the Juvenile Delinquency Prevention Act, and new legislation to fight drug abuse and big time illegal gambling, will constitute an important beginning in checking the rising tides of lawlessness.

While seeking to treat crime, we are also working on the more fundamental causes of social disorder. We are innaugurating programs to find jobs over the next three years for the 500,000 hard-core unemployed. We are supporting legislation to provide six million new housing units over the next 10 years to replace the sub-standard housing that 20 million of our fellow citizens now live in. We don't want to just treat the symptoms, we seek to eradicate the disease.

SENATOR:

The Senate Judiciary Committee is now working on legislation to help local and state authorities in crime control activities, and I am hopeful that we can vote on a workable bill in the early spring.

V. EDUCATION

SENATOR:

Stating a theory simply, Mr. Vice President, I believe the solution to any problem lies in education.

This belief has prompted a continued interest in improving education and educational facilities, and I am pleased the Government has originated programs to assist states in meeting their educational needs.

In Fiscal Year 1967, Federal Programs brought nearly \$100 million into Oklahoma's educational systems. I hate to think what our State's educational situation would have been without this Federal participation.

VICE
PRESIDENT:

Senator, I certainly agree with your basic position on the significance of education. However, in stating that position, I think you have been too modest. I know that you have sponsored and supported virtually all of the major legislative programs for Federal Aid to Education since you first came to the Senate 18 years ago. Oklahoma and the nation have been the beneficiaries of your wisdom and perseverance.

One of the great accomplishments of this Administration, the Elementary and Secondary Education Act of 1965, provides financial assistance to states to help improve the quality of instruction by providing funds for school library resources, textbooks, and other materials for use by both children and teachers. Forty-nine million children and 1.9 million teachers throughout the country have benefited from this program. In Oklahoma, at the present time, \$1.2 million is currently being spent under this program.

Another important program under that Act is designed to improve education for deprived children. More than 17 million children throughout the country have been helped in this program. Some 34 such projects are now underway in Oklahoma. Across the length and breadth of the country \$188 million has been made available at the present time for sustaining current programs and funding new ones of that type.

Approximately 22,000 young Oklahomans are presently receiving some sort of Federal financial educational assistance to help them in their quest for higher education under the Higher Education Act of 1965.

They are receiving help in the form of Educational Opportunity Grants, or under the College Work-Study Program, and under the Guaranteed Loan Program. I know, Senator, that you were one of the sponsors of the original National Defense Education Act that laid the foundation for our Higher Education Act.

Over the past two years more than \$100 million has been or is being spent to assist Oklahoma in helping young people to find opportunity through education.

Certainly one of the greatest achievements of this Administration lies in the fact that its expenditures in education in the past four years are more than double all Federal expenditures in this field over the previous 100 years. Yours has been a significant role in this accomplishment Senator.

SENATOR:

A few weeks ago, I spent an entire day on the campus of one of Oklahoma's universities.

Believe me, these young Oklahomans are vitally interested in education and meeting the states educational needs. Do you find this feeling prevalent among college students across the nation?



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