

WEDNESDAY PM'S
MAY 1, 1968

OFFICE OF THE VICE PRESIDENT

REMARKS OF VICE PRESIDENT HUMPHREY
56TH ANNUAL MEETING
UNITED STATES CHAMBER OF COMMERCE
WASHINGTON, D.C.
MAY 1, 1968

The rallying cry of the poor and the deprived - "We Shall Overcome" -- has become the driving force of the free enterprise system as represented by the Chamber of Commerce.

Change, ferment, restlessness, are not the unique characteristics of the poor or the deprived minorities. They have become a fundamental part of the character of the American establishment, both public and private. This is the strength and saving factor of our country.

Our system of representative government and free enterprise are once again demonstrating the qualities of growth, flexibility, vitality and resilience. The social revolution taking place in America is not the special property of a minority or an ethnic group. It is the common property of the American system - a system which has as its goal full and equal opportunity for every American, a system based on incentive, profits, rewards for service and ability, and, above all, a respect for the human being.

In our desire for change, we must not abandon or destroy the institutions and the principles that have provided so much for so many. Our responsibility is to build, to extend the application of these principles and institutions. Our challenge is to open the American society, political and economic, to an ever-increasing number of participants. Meaningful jobs, developed skills, private property and ownership, education and a decent neighborhood are not to be looked upon as privileges for the few, or even for most, but as the hope and the reality for all.

John Stuart Mill once said: "Let a man have nothing to do for his country, and he will have no love for it."

I say -- let a man have a stake in his country -- a job, a business, a stock, a bond, a home, an education -- and he will love and defend it.

Then what is it we seek to do?

We seek to increase the participation of all people in the life of the nation. A government of the people must be backed by an economy of the people. And that is what we mean by democracy and free enterprise.

The facts are that in these 40 years American Business has become more progressive in many ways than American political parties -- and is today a strong ally in social enterprise with American Government.

The reasons are plain. It's good business. And it's good government.

There are -- there have to be -- two kinds of "government" in a democracy with 200 million members: public government -- federal, state and local; and the "private government" of economic and social organizations.

The interests and the responsibilities of public and private government are different -- but they overlap.

The difference -- and the independence that goes with it -- are vitally important. There has to be a partnership between government and business -- a partnership with certain limitations and obligations.

It is a new federalism -- with private institutional rights kept clearly marked out -- like states' rights.

It is a balance -- and a separation -- of powers.

But it lets us work together on common interests for common objectives.

If, for example, there are hard-core unemployed to be trained for private employment, it makes sense for the training to be done on the job -- by the employer or at his direction -- with the public agencies identifying those who need this opportunity most, and then paying the extra costs which result from these employees requiring extra training, or even some basic education.

That is the formula on which the National Alliance of Businessmen is based. And on the basis of the determination I've seen at NAB meetings around the country in the last few weeks, I think we are in the midst of a major breakthrough in the elimination of hard-core unemployment.

It would be a serious mistake, though, to assume that this new public-private federalism is bound to work -- just because those who used to glare at each other have now joined forces.

An objective social critic has warned that, "when business methods are sincerely and honestly applied to urban problems, with very good intentions, they still inevitably lead to anti-social results" -- and there are many who today hold that view. They are dubious, or downright cynical.

I disagree. But history is, so far, on the critics' side. The testing is still ahead of us, and the time is short. We must produce results.

Part of that testing comes in just a month now -- with the present prospect being that over a million boys and girls will be looking for summer work and unable to find it -- unless American employers come through.

Those who are especially critical of American youth right now tend to forget that many more of them every year want to spend their summers working.

But the real testing is in whether we succeed or fall short in our efforts to stop the cancerous growths of the urban and rural slums and replace them with the live, healthy tissue of human opportunity.

To conceive of this purpose only in terms of preventing riots is not enough. Law and order are essential conditions of achieving the justice and equity we seek. But there is much more to it than that.

There is more involved than just jobs -- in the ordinary sense; more than just getting rid of rats and roaches; more than just welfare handouts. There has to be a restoring of a sense of meaning and purpose and responsibility to lives that have been scarred and stunted. Even the providing of "opportunity" has to include special elements to make it "equal" in fact.

I want to say just a word about welfare.

A nation based on free enterprise should not have as its objective a welfare state, and I don't think we do.

But we have been coasting for too long with a welfare system which is a direct descendant of old-fashioned charity -- doing just enough for needy people to stave off the worst effects of their plight without getting at its root causes. The cost of this system has sky rocketed and the number of cases continues to rise, while far too often it has failed in its real objective -- to put people on their own two feet.

Compassion, yes . . . and adequate public assistance to permit every American who cannot support himself to live in dignity and self-respect.

But we owe it to ourselves and to all those who are potentially able to take care of themselves -- particularly the children -- to make sure that "welfare" means education, training, jobs . . . the opportunity to participate as a self-sustaining individual in American society.

I think our present welfare system all too often fails both the test of compassion and the test of efficiency.

I believe deeply that the agencies of private and public government working together can create a society of freedom and opportunity where neither could succeed working alone. But if we were to misconceive the real measure of the challenge before us, the price of failure and disillusionment this time would be tragically high.

The essential condition of carrying out our plans for human and urban redevelopment -- for meeting today's rising expectations -- is maintaining and strengthening still further the health of the economy.

The basic anti-poverty -- full employment -- equal opportunity -- program during these past few years has been the unprecedented expansion of the economy and the maintenance of a reasonable stability.

Even this unparalleled economic growth has left too many people out. We know now, more clearly than we did before, the special steps that have to be taken to meet problems that are more human problems than economic problems -- the result of a society's thoughtlessness, and its inhumanity -- so that no conceivable expansion of the gross national product will cure them.

We know now that even the new economy, operating alone, won't carry unemployment below three and one-half per cent to 4 per cent -- and will leave sub-employment in the ghetto at a cruel 30 to 40 per cent.

It isn't unemployment at all in the old sense. There are jobs. But the unfilled jobs and the unused people don't match.

So we have set out, together -- government and business and the various elements in the society -- to meet this essentially human problem in essentially human terms. And we are meeting it.

Yet if our economic base weakens -- if our economic growth falters or is stunted or distorted by inflation -- then, as a practical matter, these efforts at human redevelopment will be seriously crippled.

There won't be "equal employment opportunity" if unemployment rises -- for it will be the Negroes and Puerto Ricans and Spanish-speaking Americans who will be laid off first -- because they were hired last.

If that should happen, there would be a frustration of legitimate human expectations which have been raised now to such heights that they could not be denied. But neither could they be met -- as we are meeting them now -- within the framework of our established traditions.

Sound economic policy is, in short, the basic imperative of today's enlightened social policy.

That sound economic policy has come to depend on the most important of all inter-relations between business and government policy: the keying of public fiscal and monetary and budgetary policy to prevailing economic circumstance.

Today, that inter-relationship is seriously threatened. This is a critical week in America -- with the Senate and House conferees still debating -- with the outcome uncertain -- whether, and in what form, to adopt President Johnson's proposals of now eight months ago for fiscal responsibility.

The cost of living went up again last month.

The price of money has been raised again.

The dollar is still under attack.

But it is the future of our social as well as our economic condition that is in question.

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Specific proposals before the Congress need affirmative action:

The surtax must be passed.

Budget expenditures must be held to the minimum essential to meet our national obligations at home and abroad.

The balance of payments must be brought decisively toward equilibrium.

And politics are no excuse, even in this political year, for looking away from the hard but necessary answers.

I am not discouraged.

I do not speak from fear.

I urge that we lead here again not from weakness but from strength.

We need only make the decision that we will invest a small part of our unprecedented abundance according to the clear dictate of economic stability.

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"Jury 70d"
my 70d is
Henry

✓ Mr ~~Blount~~ ^{Pub} Winton Blunt
- ~~John~~ ^{John} Floyd Jones - ^{Amato} ~~Amato~~ ^{Amato} ~~Amato~~
✓ Gov Shivers - ~~Amato~~ ^{Amato} ~~Amato~~

REMARKS

VICE PRESIDENT HUBERT HUMPHREY

Sharon
Minnesota

56th ANNUAL MEETING

UNITED STATES CHAMBER OF COMMERCE

WASHINGTON, D.C.

MAY 1, 1968

Reason
Restraint
Response

Reviewing the agenda of this Conference -- and thinking back over 40 years (not all of today's political candidates can make that claim) -- I have, Mr. Chairman, a question.

✓ During the ¹⁹20's, another Minnesotan -- Sinclair Lewis -- also slightly controversial -- published his caustic portrait of George F. Babbitt -- American businessman.

↳ You will recall Lewis' describing Babbitt as "nimble
in the calling of selling houses for more than people could
afford to pay."

↳ He was a modest success, a civic booster, a family man --
but with limited horizons.

↳ His favorite exercise was Not Rocking the Boat, and one
of the high points in his daily routine was changing his
keys, loose change and mementoes from the pockets of one
suit to those of another. ↳ Babbitt, Lewis wrote, "was earnest
about these objects. They were of eternal importance, like
baseball or the Republican Party."

↳ Yet today, the Chamber of Commerce agenda items are
education, urban unrest, training the hard-core unemployed,
housing, "pollution abatement," modernizing the government
and "total community development."

The life insurance companies have announced a billion dollar program of slum rebuilding; the National Alliance of Businessmen has undertaken the hiring of half a million seriously disadvantaged persons; the Chairman of General Motors has recently testified in support of open housing legislation; and the President of Ford Motor Company and the President of Xerox have recently supported the negative income tax.

My question, Mr. Chairman, is whatever happened to George F. Babbitt?

I know this: Babbitt would be mighty uncomfortable at this meeting of the U.S. Chamber of Commerce today -- but the President of the H.H. Humphrey and Sons Drugstore of Huron, South Dakota feels right at home.

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↳ The rallying cry of the poor and the deprived -- "We Shall Overcome" -- has become the driving force of the free enterprise system as represented by the Chamber of Commerce.

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↳ Our system of representative government and free enterprise are once again demonstrating the qualities of growth, flexibility, vitality and resilience. ↳ The social revolution taking place in America is not the special property of a minority or an ethnic group. ↳ It is the common property of the American system -- a system which has as its goal full and equal opportunity for every American, a system based on incentive, profits, rewards ~~for service and ability~~, and, above all, a respect for the human being.

∟ In our desire for change, we must not abandon or destroy the institutions and the principles that have provided so much for so many. ∟ Our responsibility is to build, to extend the application of these principles and institutions. Our challenge is to open the American society, political and economic, to an ever-increasing number of participants. Meaningful jobs, developed skills, private property and ownership, education and a decent neighborhood are not to be looked upon as privileges for the few, or even for most, but as the hope and the reality for all.

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✓ The reasons are plain. It's good business. And it's good government. ✓

✓ One of the insurance industry executives said simply and straight-forwardly about the slum clearance investment pledge: "We're not giving anything away."

✓ It is Rotary's motto - "He Profits Most Who Serves Best" - which was never entirely altruistic -- put to work on a national scale.

There is more to it than this. Most of us are more socially conscious than we used to be. But the business reasons are relevant.

A sub-employment rate of 35 per cent in some inner cities is a social tragedy. It is also a costly waste of a potential manpower supply.

There is mixed cause and effect in the facts that the poor in some areas have four times as much debilitating heart disease as the rest of the population, six times as much mental and nervous illness, six times as much arthritis and rheumatism. This means, in addition to the human factors involved, more man hours lost.

Putting it the other way around, the employment of 500 thousand hard-core unemployed in 50 cities during the next three years, will mean an increase in national income, by 1971, of 2 billion dollars a year; about a billion dollars of increased purchases of American produced goods and services; an annual increase in federal income tax receipts of over 150 million dollars, and commensurate increases in state and local revenues; an annual saving in welfare costs of about half a billion dollars.

There are -- there have to be -- two kinds of "government" in a democracy with 200 million members: public government -- federal, state and local; and the "private government" of economic and social organizations.

The interests and the responsibilities of public and private government are different -- but they overlap.

The difference -- and the independence that goes with it -- are vitally important. There has to be a partnership between government and business -- a partnership with certain limitations and obligations.

It is a new federalism -- with private institutional rights kept clearly marked out -- like states' rights.

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But it lets us work together on common interests for common objectives.

If, for example, there are hard-core unemployed to be trained for private employment, it makes sense for the training to be done on the job -- by the employer or at his direction -- with the public agencies identifying those who need this opportunity most, and then paying the extra costs which result from these employees requiring extra training, or even some basic education.

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I disagree. But history is, so far, on the critics' side. The testing is still ahead of us, and the time is short. We must produce results.

Part of that testing comes in just a month now -- with the present prospect being that over a million boys and girls will be looking for summer work and unable to find it -- unless American employers come through.

Those who are especially critical of American youth right now tend to forget that many more of them every year want to spend their summers working.

But the real testing is in whether we succeed or fall short in our efforts to stop the cancerous growths of the urban and rural slums and replace them with the live, healthy tissue of human opportunity.

To conceive of this purpose only in terms of preventing riots is not enough. Law and order are essential conditions of achieving the justice and equity we seek. But there is much more to it than that.

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Compassion, yes...and adequate public assistance to permit every American who cannot support himself to live in dignity and self-respect.

But we owe it to ourselves and to all those who are potentially able to take care of themselves -- particularly the children -- to make sure that "welfare" means education, training, jobs...the opportunity to participate as a self-sustaining individual in American society.

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The economy could reach its highest conceivable pinnacle -- but leave the Mississippi Delta a valley of human despair for tens of thousands of people -- victims of the very technology that moved the economy upward.

We know now that even the new economy, operating alone, won't carry unemployment below three and one-half per cent to 4 per cent -- and will leave sub-employment in the ghetto at a cruel 30 to 40 per cent.

It isn't unemployment at all in the old sense. There are jobs. But the unfilled jobs and the unused people don't match.

So we have set out, together -- government and business and the various elements in the society -- to meet this essentially human problem in essentially human terms. And we are meeting it.

Yet if our economic base weakens -- if our economic growth falters or is stunted or distorted by inflation -- then, as a practical matter, these efforts at human redevelopment will be seriously crippled.

Those 500 thousand hard-core unemployed won't be hired by American employers if there is inflation -- if costs continue^{to} rise and exports fall and money is hard to get -- because employers will have all they can do keeping present employees at work.

There won't be "equal employment opportunity" if unemployment rises -- for it will be the Negroes and Puerto Ricans and Spanish-speaking Americans who will be laid off first -- because they were hired last.

If that should happen, there would be a frustration of legitimate human expectations which have been raised now to such heights that they could not be denied. But neither could they be met -- as we are meeting them now -- within the framework of our established traditions.

Sound economic policy is, in short, the basic imperative of today's enlightened social policy.

That sound economic policy has come to depend on the most important of all inter-relations between business and government policy: the keying of public fiscal and monetary and budgetary policy to prevailing economic circumstance.

Today, that inter-relationship is seriously threatened. This is a critical week in America -- with the Senate and House conferees still debating -- with the outcome uncertain -- whether, and in what form, to adopt President Johnson's proposals of now eight months ago for fiscal responsibility.

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TRANSCRIPT OF PROCEEDINGS

CHAMBER OF COMMERCE OF THE UNITED STATES
ADDRESS OF THE HONORABLE HUBERT H. HUMPHREY
VICE PRESIDENT OF THE UNITED STATES

Sheraton-Park Hotel
Washington, D. C.
May 1, 1968



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CHAMBER OF COMMERCE OF THE UNITED STATES

LUNCHEON MEETING

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ADDRESS OF THE HONORABLE HUBERT H. HUMPHREY

VICE PRESIDENT OF THE UNITED STATES

Sheraton Hall
Sheraton-Park Hotel
Washington, D. C.
Wednesday, May 1, 1968

P R O C E E D I N G S

VICE PRESIDENT HUMPHREY: Thank you. Thank you very much.

Thank you very much, Mr. Jones. I hope I get that much applause at the Democratic National Convention. And unless the Chamber has changed more than I think it has, there aren't quite as many Democrats here. But for whatever few there are, I thank you, brave souls.

Well, it is always good to be introduced by another Vice President. Jenk Jones is Vice President of the United States Chamber of Commerce. I am just Vice President. He's got the title, position, authority and money. I have title and ambition. But I must say it's good to know that these Texans do sort of work together. One Texan decided he didn't want to be President of the United States again, and another one decided he didn't want to be President of the United States Chamber of Commerce. I am willing to take either job. Except you may have noticed that your new President, Red Blount, just whispered to me on the way up here and said, "Just remember, this is not your crowd."

But I want him to know that I heard his message last night, and when we Southerners get together, we do agree. I was born in South Dakota. That ought to knock that Stassen

joke right out of this room.

Well, I am very happy to be here and very happy to follow Mr. Ford. I prefer to follow Henry Ford rather than Jerry. I think Henry has a better idea. But I gather I am supposed to get down to work here and talk to you a little bit about some of the things that are on my mind. The first thing I want to say is that it's a very refreshing and invigorating experience to have the United States Chamber of Commerce members and their ladies come to Washington and to think out loud and talk out loud about the kind of America that they want. This is the right place to do it.

This city is known for giving advice to the rest of the nation. Sometimes it's more helpful when the rest of the nation comes here and gives us advice. And I am one of those that needs a lot of it.

Two things I need -- advice and support. And if you have a choice -- and I do believe in freedom of choice --

Reviewing the agenda of this conference and thinking back over the 40 years, and not all of the political candidates of today can make that claim, I have a question, Mr. Chairman, that I am about to put. But I would like to preface that question in Senatorial style, which means that you make a few observations that may last a little while before

the question comes around. During the 1920's, another Minnesotan, Sinclair Lewis, also slightly controversial, published his caustic portrait of George F. Babbitt, American businessman. I think you at least recall the title of the book, and I am sure many of you have read it. You recall Lewis describing Babbitt as "nimble in the calling of selling houses for more than people could afford to pay."

He was a modest success, that Babbitt, a civic booster, a family man, but with limited horizons. His favorite exercise was not rocking the boat. And one of the high points, according to Lewis, in his daily routine was changing his keys and loose change and momentos from one pocket of one suit to another.

Babbitt, Lewis wrote, was earnest about these objects. They were of eternal importance, like baseball or the Republican Party. Now, I am for one of those, I want you to know. I am a baseball fan.

Yet, today, it's different, and how different, and maybe now we can get some perspective of what happened to us. Today, the Chamber of Commerce agenda has items on it that Mr. Babbitt would have never believed possible, items, education, urban unrest, training, training the hard-core unemployed, housing, pollution abatement, modernizing the

government and finally, total community development.

When I listened to the address last night of your President-Elect, I meant exactly what I said to you earlier, that it was a message around which all Americans could rally. It was a message for this country, not only for the Chamber of Commerce.

Let me be more precise. The life insurance companies are great financial institutions, have announced a billion dollar program of slum rebuilding, within this past year.

The National Alliance of Businessmen, headed by Henry Ford and Paul Austin, have undertaken the hiring of a half million seriously disadvantaged persons, and today at noon, we had the Cabinet report on the achievements thus far.

The Chairman of General Motors has recently testified in support of open housing legislation, and the President of the Ford Motor Company and the President of Xerox -- two of the great corporations of this land -- have recently supported the negative income tax. They have outliberaled Humphrey.

My question, then, Mr. Chairman, is: Whatever happened to this fellow George F. Babbitt?

Well, I know this, Babbitt would be mighty uncomfortable at this meeting of the United States Chamber of Commerce today. But the President of H. H. Humphrey & Sons, Drug Store, of Huron, South Dakota, feels right at home.

[Applause]

The rallying cry of the poor in our land and of the deprived, which you heard over and over again, sometimes not liking it, sometimes understanding it, that cry, "We shall overcome," has become the driving force of the free enterprise system as represented by the Chamber of Commerce. We shall overcome the great problems of this nation.

Change, ferment, restlessness, turmoil, they're not the unique characteristics of the poor or the deprived minorities, they have become a fundamental part of the character of the American establishment, of which all of us in this room are a very basic part, the establishment, both public and private.

I think that this is the strength and the saving grace or factor of our country. Our system of representative government and free enterprise are once again demonstrating the qualities of growth, flexibility, vitality and resiliency. The social revolution that everyone seems to be talking about these days, that social revolution is not the special property

of a minority or any particular ethnic group. This social revolution, the continuing American revolution, is the common property of the American system, a system which has as its goals full and equal opportunity for every America, and a system based on incentive, profit, reward, and above all, respect for the human being.

Now, in our desire for change, and we do want change, we must not abandon or destroy the institutions and the principles that have provided so much for so many.

We need change with order, and we need order with change.

Our responsibility is to build, to extend the application of these principles by which we have grown. Our challenge is to open, to open wide, the American society -- political and economic -- to an ever-increasing number of participants -- meaningful jobs, developed skills, education, private property and ownership, and a decent neighborhood, these are not to be looked upon as the privilege of a few, or even for most. But as the hope and the reality for all, and not a bit of this is beyond the American dream, not one bit of it is beyond our possibilities.

John Stewart Mill, a great British philosopher and economist, once said, "Let a man have nothing to do for his

country, and he will have no love for it."

That is a truth. I say, let a man have a stake in his country, in this country, have a job, have a business, own a share of stock, have a bond, a home or an education, and he will love it, and, what's more is, my friends, he will defend it. It's his. My America, he says.

You see, the business of America is not just business. The business of America is America.

Then, what do we expect to do? What do we seek to do? What is our purpose? We seek to increase the participation of all people in the life of this nation. A government of the people must be backed by an economy of the people, and that is what we mean by political democracy, and that is what we mean by free enterprise, a competitive, open enterprise system.

Note that the facts are that in these 40 years since George F. Babbitt and Sinclair Lewis, American business has become more progressive in many ways than the American political parties. And it is today a strong ally in social enterprise with American government.

You know, I have traveled a great deal as Senator and as a Vice President. And I come back time after time to talk to groups of business people, labor people and others,

and I know American businessmen do not like to be reminded that they are radicals. It upsets you. But you are.

How radical you are! Consumer credit is the most radical invention of an economic system. No other enterprise system in the world has it, but ourselves. But it works. The fringe benefits of a worker in a collective bargaining agreement in American enterprise are better than all of the social benefits of any socialist country.

Now, if you don't want to be called radicals, let me just call you progressives. But don't hide your light under the bushel. Don't let people try to make our capitalism look as if it is reaction. This enterprise system of ours, call it what you will, this American free enterprise system, capitalistic in principle, humanistic in application, has extended more benefits to more people in a shorter period of time than any system that the world has ever known, and we ought to pay tribute to it. [Applause]

And interestingly enough, other people understand it even better than we do. Part of the revolution that is taking place behind the Iron Curtain today is based upon the very principles I enunciated a moment ago, the incentives of rewards, profits, individual recognition. That is what we mean by free enterprise.

Well, why all of this change? Well, I think the reasons are plain. It's good business. And it's also good government and good morals. One of the insurance company executives said, simply and straightforwardly, at the time we met in the Cabinet Room, on the insurance program for slum clearance, he said that the slum clearance investment pledge, "We are not giving anything away." He looked upon it as an investment. It is the Rotary Club model, you know, that he who profits most who serves best.

That is not entirely altruistic when it is put to work on a national scale. There is more to it than this. Most of us are more socially conscious than we used to be, and we frankly ought to admit it. But the business reasons, I think, are relevant. A subemployment rate of 35 per cent in some of the inner cities is a social tragedy. It is an economic catastrophe. And it is political dynamite!

It's a costly waste of potential manpower supply. We spend a good deal of our time looking for markets all over the world. And I am for that expanded foreign trade. I need not mention it is essential. But expanded commerce within the American system is basic and primary. There is mixed cause-and-effect in the fact that the poor in some areas have four times as much heart disease as the rest of the population.

six times as much mental and nervous illness, six times as much arthritis and rheumatism. This means, in addition to the pain and suffering, the human factors involved, tremendous economic cost, manhours lost, money lost, heavy taxes for those who are more fortunate.

Putting it another way around, the employment of 500,000 hard-core unemployed in 50 cities during the next three years will mean an increase in national income under present rates by 1972 of \$2 billion a year, about a billion dollars of increased purchases of American-produced goods and services, and an annual increase in federal income tax receipts of over \$150 million, with commensurate increases in state and local revenues, and an annual saving in welfare costs of \$500 million dollars.

Ladies and gentlemen, if we can employ or find meaningful jobs in the next three years for 500,000 hard-core unemployed, we will not only save lives, and that is what we will be doing, because many of these people, for all purposes, are spiritually, economically, and socially dead, we will be saving also with those lives billions of dollars, and providing untold opportunities not only for them, but for others.

Thereare, you see -- and there have to be -- two

kinds of government in our democracy, with two hundred million members. There is public government, which I represent today, which Jerry Ford represents. There is federal, state and local, public government, and then there is private government, which you represent, of economic and social organizations; the interest and the responsibilities of the public and the private government are different, but they also are interdependent, and they overlap. The difference and the independence that goes with it are vitally important.

In fact, the task of an American politician today is how do you preserve the autonomy of the private sector and at the same time fulfill the duties and responsibilities of the public sector. There has been -- and I hope there will be, will continue to be in the years ahead -- a partnership between government and business, but let me make it clear it is a partnership with certain limitations and obligations, not a partnership in which you are swallowed up, but a partnership in which the government is supplementary and not domineering. It's a new type of federalism with private institutional rights kept clearly marked out, like states' rights. It is a balance, it is a separation of powers and responsibilities. But it let's us work together, a common

interest for common objectives, and we must. There isn't a single problem that confronts this nation today, my fellow Americans, that you alone can handle or the government alone can handle. We must learn how to mobilize the resources of our great economy, of our great nation, without destroying the identity of the participants. We must come to some kind of a consensus, some kind of agreement upon our purposes and our objectives, and then to bring together a great and mighty alliance, to achieve those objectives.

An alliance does not destroy its participants. It strengthens participants. That's what an alliance is all about.

The North Atlantic Treaty Alliance does not destroy its members. It saves them and strengthens them. The National Alliance of Businessmen for jobs and training and placement of hard-core unemployed doesn't destroy American business or the worker. It strengthens and helps both. If, for example, there are hard-core unemployed to be trained, as I have indicated, for private employment, it makes sense for the training to be done on the job, by the employer or at his direction, with the public agencies identifying those who need this opportunity most, and then helping to pay the extra cost which results from those employees requiring

extra training, or even some basic education. Quite frankly, we have come to the business community for this job because government can't do it. I have had people say to me, you know, they think it's sort of a criticism, they say, "I believe you have changed, Mr. Humphrey."

Indeed, I have, and to many people, I say, "Thank God."

Of course, I have, and I hope it's been for the better.

I have been for some almost twenty years, Mayor of my city for two terms, and proud to say, with support from the President of the Chamber of Commerce and the President of the Jaycees, and the President of the AFL-CIO at the same time, proud to say, that kind of a coalition.

What do you learn during these years? Well, you learn one thing above all, you learn how wrong you can be on occasion, and you also learn that maybe there is a better way of doing things. And we are learning that there is a better way of doing what needs to be done in America, not to have all of it done from on top, but rather to have it done in a great alliance, in a great cooperative effort on the part of public and private resources -- the individual, the voluntary group and government, not as antagonists, not

as enemies, not as jealous and suspicious persons, but as people in a common enterprise, and I believe this can be done. There isn't a thing that you want that America doesn't need, and there isn't a thing that America doesn't need that you want. We are together. And the sooner we find this out, the better we are going to be.

Now, what I am talking about is the formula on which the National Alliance of Businessmen is based. I just learned, for example -- I got a little report -- we have presently 500 businessmen, 500 volunteer executives whose salaries exceed \$15 million, who are engaged full-time here in Washington and in eight regional offices and in 50 cities, as a gift from American business, to the needy, to the nation.

And we presently have quotas being filled ahead of time and ahead of schedule, to get this job done. And on the basis of the determination that I have seen in the NAB meetings around the country, and I have been to many of them, I think we are in the midst of a major breakthrough in eliminating the hard core of unemployment. I think it would be a serious mistake, though, to assume that this new public-private federalism is bound to work, just because we are nice folks, because those who used to glare at each other and call

each other names have now joined forces. I haven't heard a responsible government executive talk about an economic royalist for several years. And I haven't heard many responsible business executives talk about those crooked labor bosses, and those so-and-so politicians, the way you used to, either.

It's rather good, that we can temper our language, and hopefully to revise our thinking.

An objective social critic has warned that, when business methods are sincerely and honestly applied to urban problems, with the very best of intentions, they still inevitably lead to antisocial results.

And there are many who today hold that view. They are downright cynical, they are dubious, and of little faith.

I disagree with that point of view. I have been going across the length and breadth of this land, preaching for four years -- and I guess it has been my trouble, I maybe have been preaching -- if we are going to conquer some of the problems of slumism in America, the obsolescence of the inner city, and the rehabilitation of the broken lives, that it had to be done by the most powerful forces in America; namely, our enterprise system; that in some way we had to

find the system or the formula to involve great masses of private investment and private entrepreneurial knowledge and not to treat our fellow Americans as if they are colonists or colonials, but as if they are equals.

I am one who believes that when the so-called ghettos become areas of private industry owned, in part, by the people who live there, when the so-called ghettos have all of the services of a neighborhood, so that the services of government and private enterprise are there, that the day of looting and rioting and arson will be over.

People don't burn down things that they themselves have and own. Ownership, entrepreneurs, jobs, a feeling that it's yours, involvement, it means something. I tell you, if I can get a good contribution out of anybody in a campaign, I know I have him, at least for a while.

It's the same thing in government or in society. The testing is still ahead of us, however, and the time is very short, and we simply have to produce results, and we can.

I am not one of those that believes that these problems can be solved instantly. There are no instant solutions. I am not one who believes that just massive injections of large amounts of public funds will overcome

the problems at once. Quite frankly, if we could put another \$100 billion into our urban areas tomorrow morning, we wouldn't solve the problem. We haven't planned it. We are not ready to use it. We haven't designed the kind of a community we want. You see, I am one who believes that a great metropolitan area ought to be like a federation of neighborhoods. I believe that there ought to be areas that are within themselves almost a viable unit, livable and enjoyable. And I think we can do something about it.

I will come back to you at a later date to speak to you in more detail. I have lived a life of urban problems, first a mayor, and for these past four years, working with all of the mayors of the cities across this nation, and there isn't a single problem in our city that cannot be solved, but not one of them can be solved by speech-making, demagoguery, or false promises, or just massive amounts of expenditures overnight. It can't be done, and the sooner we come to grips with the realities, the better we will be off. The age of innocence, my dear friends, is all behind us. We are a grown-up people now, and we ought to act that way.

[Applause]

Now, I give you one test, though, that we have to face up to, and it is just a few weeks away. With the

present prospect of over a million boys and girls looking for summer work, and unable to find it, unless American employers come through -- I am Chairman of the President's Council on Youth Opportunity, and my job is merely to instill a desire in the part of others to do their job to help mobilize across this nation mayors' councils of youth opportunity to encourage business leaders and labor leaders and church leaders and others to give young people a break.

Those who are especially critical of American youth right now tend to forget that many more of them every year want to spend their summers working rather than causing trouble. Its a different world today than when I started out as a boy. I went to the drug store with my father. I can't take any of my boys to the office with me or you will complain about nepotism.

And who can take his boy to the factory with him? Very few. This is an urbanized, industrialized society. We have to find constructive work opportunities for people. Work is not only an economic benefit, it is a psychological and it is a mental and spiritual necessity. And every time you see a group of young people standing on a street corner, don't say, "Look what they are doing." Say, "What am I doing?"

They have got to have a place to go and to work. The real testing is whether we succeed or fall short in our efforts to stop this cancerous growth of urban and rural slums, and to replace them with live, healthy tissue of human opportunity.

I have never thought that America would be destroyed from without. And I hope and pray to God that it will not erod and corrupt from within. To conceive of a purpose of human opportunity and to conceive of this purpose of building and making better cities and communities only in terms of preventing riots is not enough. Law and order -- I heard Mr. Blount last night speak of it, and it is absolutely essential that we have it. There can be no glossing over the necessity of law and order in this country. You cannot produce human progress in chaos, in violence, in fire and arson and looting and criminal behavior. And every means that we have at our command must be used.

To protect those who are the victims of violence and to protect life and property, law and order are essential conditions of achieving the justice and the equity that we seek, but there is much more to it than that. And we have to face up to it. There is more involved, than just jobs in the ordinary sense, more than just getting rid of rats and

roaches, more than just welfare handouts, there has to be a restoring of a sense of meaning and purpose and responsibility to the lives that have been scarred and stunted, even the providing of opportunity has to provide for special elements to make it equal in fact.

I want to say just a word now about welfare. A nation based on free enterprise should not have as its objective a welfare state, and I don't think we do, but we have been coasting for too long with a welfare system, which is a direct descendant of old-fashioned charity under the Elizabethan laws of the sixteenth century, doing just enough for needy people, to stave off the worse aspects of their plight, without getting at its root causes.

The cost of this system has skyrocketed, and the number of cases continues to rise, even as we are more prosperous than ever, while far too often it has failed in its real objective, to put people on their own feet.

Compassion, yes. You have it and I hope I have it. Adequate public assistance to permit every American who cannot support himself to live in dignity and self-respect, yes. But we owe it to ourselves and to all of those who are potentially able to take care of themselves, particularly the young, to make sure that "welfare" means something more

than a handout. And a relief check. That welfare means an education, it means training, it means skills, it means a job, and it means the opportunity to participate as a self-sustaining individual in the American society.

[Applause] Taxpayers rather than tax consumers. That is what we need.

I think our present welfare system all too often fails both the test of compassion and the test of opportunity, and efficiency. I don't know all the answers. I come to you to ask you for your counsel and your advice. There isn't a person in this room who wants to see an American starve or anyone else. There isn't a person in this room who wants to see a sick person without adequate care. There isn't a person in this room that would want to see anyone denied the essentials of life, but, ladies and gentlemen, that is not enough. And that is what we have been resting our case on far too long.

We have taken pride in the fact that we were kindly to the less fortunate. The best way I know to be kind to the less fortunate is to make him fortunate enough to be able to hold a job, to invest in a business, to be a part of what is going on in this country, rather than to be separated from it. That is the real test.

Check-book diplomacy has been a curse, and check-book relief is a curse, if it does nothing more than just act as an opiate and a palliative.

We have got to get down to something more basic. I believe deeply that the agencies of private and public government, working together, can create a society of freedom and opportunity, where neither could succeed working alone.

But if we were to misconceive the real measure of the challenge before us, the price of failure and disillusionment could be tragically high. The essential condition of carrying out our plans for human and urban redevelopment, for meeting today's rising expectations, which are here in America, is maintaining and strengthening still further the health of this economy.

The really working antipoverty program, the basic antipoverty, full employment and full opportunity program, during these years has been the unprecedented expansion of the economy and the maintenance of a reasonable degree of stability. That is the way you help the poor, more than any other way. Even our unparalleled economic growth has left too many people out. We know now more clearly than we did before the special steps that have to be taken to meet

problems that are more a human problem than economic, the result of society's thoughtlessness and its inhumanity. So no conceivable expansion of the gross national product will cure them.

The economy could reach its highest conceivable pinnacle, and it will reach very shortly the trillion dollar figure, but it could leave the Mississippi Delta or the areas of rural poverty a valley of human despair for tens of thousands of people, particular victims of the very technology that moved the economy forward.

This is the paradox of our time. We now know that even the new economy operating alone won't carry unemployment below 3.5 per cent to 4 per cent. But more significantly, will leave subemployment in the ghetto at the cruel figure of 30 to 40 per cent, and, as I speak to you now, among Negro youth alone, 17 to 21, the average unemployment rate is between 25 and 35 per cent in every city across the land. And yet there is that human energy and that energy that is now fired with a degree of bitterness that is aroused by demagoguery, and conditioned, if you please, by frustration.

You see, it is not the old-fashioned unemployment that we used to talk about, the unemployment of the skilled, and the ready-to-go-to-work, if they had a chance. They

are already on the job. There are jobs now. But the unfilled jobs and the unused people just don't match. So we have set out together -- government and business -- and the various elements in this society to meet this essentially human problem, and in essentially human terms, and I think we are meeting it.

Yet, if our economic base weakens, if our economic growth falters, or if it is stunted or distorted by inflation, then, as a practical matter, these efforts at human redevelopment will be seriously crippled.

No man helps the poor today by ignoring the economic facts of life. It takes more than a good heart to be a good man. It takes some sound thinking and a good mind, and to be a good nation and a kind nation, it takes a prospering economy.

Those 500,000 hard-core unemployed won't be hired if the American employers are under a constant, growing threat of inflation, if costs continue to rise, and exports fall, and money is hard to get, because employers will have all they can do to keep the present employees at work, and there won't be any equal opportunity employment if unemployment rises, for it will be the Negroes and the Puerto Ricans and the Spanish-speaking Americans who will be the first to

be laid off, because they were the last to be hired. So the war on poverty is not the OEO, it is a part of it, the war on poverty is you, this economy and the only hope for equal employment opportunity is employment. You can have all the laws you want about fair employment practices, but if there are no problems, what does the commitment mean, except a high pronouncement.

Now, if that should happen, there would be a frustration of legitimate human expectations, which have been raised now to such heights that they could not be denied, and I would hate to predict the future. Where I saw the iron ore industry crippled, where I saw our companies closing down their mines, where I saw our workers unemployed, where I saw our communities bankrupt, and we set to work to change a whole political policy in the state, and if you will permit me to say with some immodesty, I had a hand in it.

The party of which I was supposed to be a leader opposed a change in the tax policy of my state, opposed treating the iron ore industry, the steel industry, as it would treat other industries. And for years, the political platform of my political party singled out the steel industry for a special kind of political kind of treatment, and it wasn't too friendly.

I spent three years of my public life trying to change that, and lest you think it wasn't a gamble, you ought to try it for size sometime.

We had to amend the state constitution of our state, and to do that, let me tell you, is harder than to rewrite the scriptures.

And any significant group that opposed the amendment would defeat it. And as a spokesman for my party, known as the Democratic-Farmer-Labor Party, I took the challenge and went to my people and asked them to revise their platform and change their posture and their position, and I went to the labor movement and I went to the farmers and I worked with the chamber of commerce, and I worked with the steel industry, the same industry that, may I say, in the past had not been too friendly, and didn't exactly approve of my election, and together we decided that what America needed and what Minnesota needed was investment in jobs, and we lost all of our high-grade iron ore. It had all gone in wars and economic expansion, and all we had left was low-grade ore and taconite.

Taconite, my dear friends, is nothing but hard rock, harder than granite, in which there is a small amount of iron ore, if you can extract it. The process of extraction is exceedingly costly, and highly complicated. We knew

how to do it, but in order to do it, you had to change the whole fiscal tax structure of your state. But we needed the jobs. We had been having unemployment compensation. We had relief. We had everything that the federal government could do in terms of charity and compassion, and the state government and the state in Northeastern Minnesota was drying up, dying out. And then, together, businessmen and labor, Republicans and Democrats, radicals and conservatives, liberals and progressives, we finally got enough of us to stand together on this.

There were plenty of people opposed to us, yet, but enough of us stood together, and I am happy to say I was in the forefront of that battle, and we passed a constitutional amendment and today we have a billion dollars of new investment, and we have jobs for everybody who wants a job, and we are producing taconite at the rate of 50 million tons a year, and we are competing in the world markets in steel.

It can be done! It took a worthless rock and make it into a precious metal. It can be done! You can take a human being that today is unskilled, uneducated, bitter and cynical, and you can make him into a good citizen, skilled and on the job, producing, and having a good family and a

good home. It can be done. I believe it. [Applause]

I will keep you just a moment more. I speak of a sound economic policy, and I give you an example. I know generalities mean very little. They are a dime a dozen. I thought you ought to know what I meant. The most important of all, however, are the interrelations between business and government. If ever we needed this cooperation, it is now, we got too much at stake not to have it. It is the key to public fiscal and monetary and budgetary policy to prevailing economic circumstances, and today that inter-relationship is seriously threatened. This is a critical week in America, with the Senate and the House conferees still debating, with the outcome uncertain, whether and in what form to accept President Johnson's proposals of now eight months ago, of what we believe to be at least fiscal responsibility.

I suppose some of you are surprised when you hear a Democrat say that we can no longer tolerate the unbelievably large budget deficits that we have experienced. But the fact of the matter is we can't. And we cannot afford to have a shrinking base of exports. And we cannot afford to have the American dollar, which is at the very center of world currencies, eroded and corrupted through inflation or

lack of fiscal responsibility. I wish we had as much patriotism in this country over our economy as we sometimes have over that flag. That flag has real meaning, when it speaks of a country that is on course, doing its job, opening up opportunities, and has an economy that can support all of those high ambitions.

The cost of living went up again last month. The price of money has been raised again, and presently the dollar is still under attack. But it is the future of our social as well as our economic condition that is in question, and specific proposals before the Congress need affirmative action.

The surtax is a penny out of an earned dollar, that is all. And it is far less than what the taxes were. The American people are paying a lower rate of taxes today than they have paid in many, many years, as far as the federal government is concerned. Nobody likes taxes, whenever you find anybody who gets up and says that, you better have suspicion. But we cannot continue to do what we are trying to do at home and abroad, even with reductions unless we have a tax bill. And that surtax must be passed. It is the medicine that we have to have. The budget expenditures are now being re-examined, and they are being cut, and they must

be held to the minimum essential to meet our national obligations at home and abroad, and I can well imagine that that is not going to make very good political news, because I can't outpromise some people. And I don't intend to. I have been Vice President of the United States for three and a half years, and I think I understand a little bit what the obligations of this nation, this government, are now, and what the burdens are on the economy.

The balance of payments must be brought decisively towards equilibrium and politics are no excuse even in this political year for looking away from the hard but necessary answers. There are certain facts that we have to face up to.

Now, I am not at all discouraged, because I think there is a great body of common sense in this country, and I do not speak from fear. If ever there was a time to repeat what one President said, who was not particularly popular with you, it's time now, "All we have to fear is fear itself."

Fear can destroy you. And we ought not to let it get at us. I urge that we lead here again not from weakness, but from our strength, from confidence in this country, in its great resources, in its great heritage, in its great science and technology, in its people. We need only to make

the decision that we will invest a small part of our unprecedented abundance according to the clear dictates of economic stability. We can do what we need to do if we have the will to do it. We have the capacity to do the impossible if we have the will to do what is required, and my fellow Americans, I now appeal to you not as partisans, but as fellow citizens, to remember that a nation is judged not by the quality or the quantity of the goods, but by the character of its people, and if America is to deserve the title of being great, it will be because its people had the courage to act as great people, to make the decisions that were necessary, the sacrifices that were required, and to have unlimited faith in our capacity to do what needs to be done.

Thank you ver much. [Applause]



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