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ABC's

I S S U E S A N D A N S W E R S

SUNDAY, FEBRUARY 5, 1961

GUESTS: Senator Strom Thurmond
Democrat of South Carolina

Senator Hubert H. Humphrey
Democrat of Minnesota

and

Senator John Sherman Cooper
Republican of Kentucky

QUESTIONED BY:

John Rolfsen, ABC Washington News
Correspondent

THE ANNOUNCER: From Washington, D. C., the American Broadcasting Company presents "ISSUES AND ANSWERS."

Senator Humphrey, what are the issues?

SENATOR HUMPHREY: Well there are two issues as I see them that the President, President Kennedy, has challenged the nation with. The first issue is that of our economy, the economic issue. Not merely to overcome the current recession but to really fulfill the economic potential of this great nation.

The second is international. Not merely to provide

for our military security, which is essential, but more importantly to provide for genuine peace with freedom and honor.

THE ANNOUNCER: Senator Cooper --

SENATOR COOPER: The first problem is still that of security and maintaining peace. I think practically that involves our ability immediately to talk with the Russians about Berlin which still presents danger, disarmament and such issues as Laos and the Congo. Interrelated, of course, is the problem of our economic strength. We have emergency problems to consider and handle but it is incumbent upon the new Administration to so manage our fiscal and monetary policy that our country and the world has confidence. And third, of course, the great human problems. I place in that the problems of civil rights and what we do about education.

THE ANNOUNCER: Senator Thurmond --

SENATOR THURMOND: There are two main problems facing the Congress and the people of the country. The first is whether we shall follow the welfare approach with a larger, centralized government in Washington, or follow the Constitution which provides for three separate branches of government with checks and balances, and a division of powers within the national and the state governments. And the second big problem is that of world peace. The

manner in which we handle the Communists, I think will determine this. We must remain strong militarily and we must remain strong economically.

THE ANNOUNCER: You have heard the issues and now for the answers. Here to explore the issues is John Rolfson, ABC Washington News Correspondent. To give us the answers is Senator Hubert H. Humphrey, Democrat of Minnesota and Assistant Majority Leader of the United States Senate, Senator John S. Cooper of Kentucky named in a news poll of Washington correspondents as the ablest Republican in Congress, and Senator Strom Thurmond, Democrat of South Carolina, the 1948 Presidential nominee of the States Rights Party.

And now with the first question, Mr. Rolfson.

MR. ROLFSON: I would like to direct the first one to our two Democrats who on this panel have about the same majority as in the United States Senate and who also represent some of the party's strongly conflicting views on various issues.

Senator Humphrey, President Kennedy has painted a very grave and grim picture of the economy. Has he painted it accurately and do you think the remedies he proposes are needed?

SENATOR HUMPHREY: Yes, I think that President Kennedy has done a great service, fulfilled a great

service to the American people by his frankness and his candor. It is not a test of leadership or even of our greatness to more or less fool ourselves. We have been living, I would say, in a sort of period of self-dillusion. What President Kennedy has attempted to do is to set the record straight, to take an inventory of both our liabilities and our assets and he has told the American people quite frankly that we face some grave economic problems at home and abroad and he has also told us in no uncertain terms of the challenge that we face on the international front from the Communists and from other forces in this world.

I think this has been needed, sir. I believe that the American people will respond only if they are told the truth. And sometimes the truth is not very pleasant.

MR. ROLFSON: And Senator Thurmond, would you agree with the seriousness of this economic assessment -- agree with your Democratic colleague and the Democratic President?

SENATOR THURMOND: According to the figures I believe in January this year we had 5.4 million unemployed. I agree with a great many executive actions that the President has recommended. I am not in accord with a great many of his legislative proposals.

I think one of the things that could be done would be

to try to encourage private enterprise more and if we are going to encourage private enterprise, I think there are three things we must keep in mind. The first is, we must stop the excessive imports coming into this country. In the matter of textiles, they are just about taking over the textile field. My state is a textile state, for instance and a bill in Rock Hill which closed just a few years ago were making velveteens and the Japanese and other countries have gone into that field and have almost taken it over. The same applies to bicycles, steel, barbed wire, watches, jewelry and other things. I think we must protect our own industries in this country.

Now other countries do this. They do it by tariffs, they do it by quotas and they do it by licenses and they do it by currency control. And we could follow some of those methods to protect our industries.

Now another thing too that I think has got to be done is wage and fringe benefits that are brought about by collective bargaining in my judgment must be based on productivity increase. In other words, if we produce the productivity, we can raise the wages. But we have almost priced ourselves out of the world market and we must keep that in mind.

And then too I think we need a tax reform bill, and

as I understood from President Kennedy's program he is going to recommend something along that line. Such as depreciation on machinery. We are unrealistic about those things. Other countries are giving larger depreciation, other methods of depreciation and so forth and those three things I think will spur the economy of this country.

MR. ROLFSON: Senator Cooper, we have had in the last month two assessments of the State of the Union, President Eisenhower's and President Kennedy's. As a matter of fact in many respects it was a little difficult to recognize them as the same Union they were describing.

As a Republican, which do you think was the most realistic assessment of the economy.

SENATOR COOPER: Actually I think if you look beyond the mere words, there is quite a good deal in what both said. I would say in balance if you look over the last eight years you would have to recognize that gross national product has increased over \$500 billion for the first time. There is still large consumer spending. And I think more people in this country are living better than they ever lived. We know that. It is just evident.

On the other hand I would assume that the President was not talking about that. He was talking about the bad spots. Unemployment is a bad spot and I think it grows chiefly from technological changes and automation and the very

vitality of our economy but it is there and we have to deal with it.

I would say first, I am in accord with doing something to deal with these emergency problems. But I think in the long run, now, we have to see in the new Administration -- and I would say that his message has shown some awareness of this fact -- fiscal and monetary policies which will invoke the confidence in this country abroad. Particularly in dealing with the balance of payments. As I say, it takes in dealing with emergency problems that the Administration, if it is going to have the campaign of blood, sweat and tears that his message implies, that itself will have to establish priorities and not permit this program just to be used for the advantages some people want.

In the Congress we have to establish those same priorities and in the country. Labor and management will have to show restraint, too.

I do think that the success of the program depends upon the confidence it can invoke in this country and abroad and that is going to depend in large upon the willingness to actually have a program of blood, sweat and tears, and not just use it to satisfy the desires of everybody in this country.

MR. ROLFSON: Senator Cooper, you have not been in

agreement on all the economic issues with your party's leadership. For example, you are the chief Republican sponsor of the Democratic depressed areas bill. The party leadership is offering a smaller bill. Do you expect that many Republicans are going to join the Administration forces on this?

SENATOR COOPER: Oh, I think so. We have had these programs for some time. I have been a sponsor before. I must say that the Democratic program does do this, it restricts the expenditures in the first year to just a little bit above the level of the expenditures proposed by President Eisenhower, but I am for the bill, because we need it. I think we will have support, some support.

I hope that out of this bill though we will get down to the basis that we will attack the basic problems of these areas, rather than just having a program which deals with the emergency.

MR. ROLFSON: Senator Thurmond, a Democrat from South Carolina, are you for this Democratic depressed-areas bill?

SENATOR THURMOND: I am opposed to the depressed areas bill. I don't see why an industry, subsidized or sponsored by the government, stands a better chance to succeed than an industry sponsored or supported by private enterprise. And this plan as I understand is to attempt to finance industries in areas where industries have failed.

I think you have to remove the cause of the failure and the causes I mentioned a few minutes ago: excessive imports and a realistic tax program and things of that kind in my judgment are the things that are going to remedy the source of the trouble and we have to do that in my opinion.

MR. ROLFSON: Senator Humphrey, now you are going to be charged with getting this bill through the Senate and we have a number of your party against it and Republicans for it. What do you think your chances are?

SENATOR HUMPHREY: Well, if we can just keep that happy balance we will pass it. I think that we will pass it rather quickly. There will be new hearings held on the so-called depressed areas bill and we will process it sometime in the latter part of February or the early part of March. With the administration's support of the bill we will make it a law.

Now this bill provides for diversification of industry, for new industry in areas of distress, where you may have had

a one industry economy. It makes available loans, substantially, not grants. Grants, yes, to some states and localities for the purpose of retaining workers and relocation but it is essentially on the home front what we have done on the international front. We have the Development Loan Fund abroad for areas of the world where there is a need for economic development. The Distressed Areas Bill provides a development loan fund at home and I happen to believe that our people are about the best credit risks in the world. We have proven through RFC, through the Farmers Home Administration, through the Home Owners Loan Corporation, we have proven that the American people when given a break by their government, in cooperation with private industry may I say -- this is not government-owned industry, this is not government-owned financing, this is cooperative financing with banks and the government of the United States with private industry, with state and local government to broaden the base of our economy. I think it is good. And I want to add one other thought: President Kennedy's economic message, gentlemen, really first of all emphasized confidence in the American economy and I agree with Senator Cooper that there were many areas of agreement between the analysis of the former administration and this administration about the economy.

The second point that President Kennedy pointed out was there were soft spots and he says 'now let's come to grips with

those before it is too late."

For example, we are going to have 1.5 million unemployed workers who have exhausted their unemployment compensation benefits. President Kennedy says let's have an emergency program to extend those benefits over this crucial period of the winter and spring months until employment opportunities expand.

He also has advocated, as Senator Thurmond has indicated, new tax reforms that will offer incentive to private business for capital expansion. I agree with you on new machines and capital equipment, that we do need a new depreciation schedule to encourage greater investment.

The President has also said that the highway program ought to be picked up, stepped up. There is \$724 million of funds that the Congress has appropriated that are available that now can be made available to the states and many states are ready to go ahead. They have been held back by the slow parcelling out of these funds.

The President has said "Look. There may be some reforestation that is needed. There may be some community public works that we ought to step up." And he has merely asked that the nation put the gears of this country into high gear rather than into intermediate. And I think he is right.

I believe that if you give this economy a shot in the arm, as they say, now, that it will have the momentum to

again gain the high velocity that is needed for full employment. And I think that President Kennedy has been modest, I think he has been very responsible in his proposals and I think he has shown a degree of confidence and foresight that is really a very healthy thing for this economy.

SENATOR THURMOND: I would like to commend the President for not advocating a pump-priming program. I think that is very commendatory of him in that respect. However, again I say you've got to have the right environment for industry to succeed and it doesn't matter who finances an industry, whether the government or anybody else does, your local conditions for industry have got to be right or it will not succeed. And in my opinion private industry will succeed if it has the proper environment and conditions. And I think it is very unwise for the government to go into this program because if it won't succeed from a private standpoint I don't think it will succeed from a government standpoint.

SENATOR COOPER: May I address myself to that. I would like to express my position a little more clearly: What I meant when I discussed this economic situation is this, and I will illustrate: First, I think the emergency program offered by President Kennedy doesn't differ too much from the emergency program offered by President Eisenhower in 1958. I made my rough calculation, like others. It seems to me that it might in this fiscal year involve an expenditure

of a billion dollars, which he hopes to catch up in increased tax revenues.

What I emphasize is this, that I do not believe that message called for any exercise of blood, sweat and tears upon the part of the Congress or the people, either. What I am emphasizing is that we have to go to more basic things: Tax reform as Senator Thurmond and Senator Humphrey said, which may call for some blood, sweat and tears. A restraint upon the part of this administration, the people and the Congress in trying to push into this emergency program many other things, because Defense and others are still our main projects.

And third, particularly with our balance-of-payments problem, we have to realize that if the country is to go ahead we do have to watch this problem of our budget. If we spend more we've got to provide more funds. Otherwise we are going to destroy the base, the confidence which makes productivity in this country and which will ruin us on this national balance-of-payments problem that we have. What I am saying is, we have to "do" the blood, sweat and tears and so far it seems to me, and I say this message had to come but it hasn't called for any sacrifices upon the part of the American people.

SENATOR HUMPHREY: I do think there is one point that we ought not to overlook: You cannot get more out of this

American economy in a sense than you put into it.

Let's take a look, for example, at some of the areas of real trouble that have to be looked at and something has to be done about it. There is our agricultural area. Now it is unconscionable that the Federal Government for agriculture as it has been in the past should get up to about \$7 billion a year. Now we can do something better than that and we must and an agriculture program is one of the priorities, it seems to me, of this administration. We can discuss some of the details of that.

MR. ROLFSON: Excuse me, Senator Humphrey. Could I ask if Senator Thurmond agrees there must be farm legislation in this congress.

SENATOR THURMOND: I think steps should be taken to improve the lot of the farmer. Today the farmers receive less than one-half of what non-farmers receive and steps should be taken along that line.

I was interested to see that the President has practically, I understand he is going to recommend a farm program that is patterned after Mr. Nixon's program and we will be interested in seeing that.

SENATOR HUMPHREY: No. You have a big surprise coming for you, Senator.

SENATOR THURMOND: At any rate, I am for any program, I don't care who sponsors it if it is the right program. But I do think we must keep in mind the principles upon which this country is founded, and to be sane and sensible, in whatever

program we advocate.

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SENATOR HUMPHREY: The second area I want to emphasize is our cities. These cities of ours need urban renewal, they need a housing program -- which is not an expenditure, gentlemen, housing is an investment. Let me give you an example in Southwest Washington. Right here in the Nation's Capital. One of the most blighted areas of the entire nation is right here in what we call the Southwestern part of Washington. There have been many blocks of those old tenements, that filthy old housing, torn down.

The first year's tax revenue on the new housing development that has been placed in the old area -- the old houses removed, destroyed, pulled away -- new apartments, new housing, new land values -- the first year's tax revenue was more than the total assessed evaluation of the old housing area.

Now that was done through government cooperation, through urban renewal and I do not call these investments by the federal government in housing and urban renewal, these mortgage loan guarantees, this public housing, this slum clearance, I do not call those expenditures. I call those real investments, real assets. In fact, our whole budget needs to be reexamined in terms of expenditures on the one hand for current operations and capital outlays for long-term investments. And many countries have this. Switzerland has this. Sweden has it. The

Scandinavian countries have it.

I see no reason that we ought to have real what you call genuine capital improvements, power projects, housing developments, urban renewal projects, revenue-producing projects on the part of the government with private enterprise, I see no reason that you should have those listed as expenditures.

MR. ROLFSON: Excuse me, Senator. Shall we go on to another subject?

Senator Humphrey, there have been Republican charges that a deal has been made to keep peace within the Democratic Party, a deal which provides that no civil rights legislation will be proposed or pressed in this session of Congress.

Is there such a deal?

SENATOR HUMPHREY: You know, one of the things that always amazes me about you wonderful newsmen is if we seem to be getting along well, somebody says "Can't we stir up some trouble?"

I know that trouble is the source of news frequently, but let us be happy for the smaller little areas of agreement that we may have. We are making progress in the field of civil rights and we are going to make more progress. We have passed two laws in two sessions of Congress, in 1957 and 1960. The new Administration intends

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to take certain steps at the executive level on civil rights. There will be contract compliance, which is a type of fair employment practice program with government contractors and the United States government. I am sure the Administration will demonstrate in many ways its dedication to civil rights, and there will be civil rights legislation. There will be civil rights legislation introduced at the appropriate time and the Congress will be called upon to process that legislation.

Now that legislation may not be presented by the Administration for the first few months, but before this 87th Congress is through -- and that is the way you judge a Congress -- there will be civil rights legislation and my friend Senator Cooper and I will have to take on our good friend over here from South Carolina I suppose on this matter.

SENATOR THURMOND: You certainly will.

SENATOR HUMPHREY: We will be ready.

SENATOR THURMOND: The finest civil rights is found in the Bill of Rights to the Constitution and all of this other so-called civil rights in my judgment -- of course I would not attribute any bad motive, to you or anyone else, my good friend, but generally the other types of civil rights are politically inspired and I feel it is going to be a great mistake and it is going to divide the Democratic Party, and it is going to create trouble all

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throughout the country.

SENATOR COOPER: There is one thing upon which I think the Republican Party is united. Although it didn't appear to be in the elections. I never could understand it.

The Republican Party is united upon this basis of civil rights. The Democratic Party is not. There is my good friend Strom Thurmond of South Carolina. My people came from South Carolina. I live in a border state.

Here is my friend Senator Humphrey. The Democratic Party has been divided. We have been united. My own judgment is there is one problem which I know is a tremendous problem in the South, but I have to say what I think. The immediate issue before us is this question of school desegregation. It has been seven years since the Supreme Court made its decision. It has now become a question of law and order, respect for the Constitution, respect for the courts, as well as the human and ethical problem.

I think we ought to deal with that and finally I have come to that conclusion. I offered an amendment to the Civil Rights Act to permit the Attorney General in those cases to intervene upon behalf of persons who are attempting to enjoy their rights of integration in the schools.

SENATOR HUMPHREY: And Senator, you know that I likewise strongly support that particular proposal. I believe

that this is the least that the government of the United States can do for its citizens. But speaking in terms of our schools, may I say that there is a basic problem in America which I think all of us must face up to and that is the adequacy of our educational structure. I not only mean the adequacy in terms of its facilities -- and I think there is going to be a great need for expansion of facilities at the elementary and secondary level, but may I add also, higher education. We will double the number of university students in this country in the next ten to fifteen years. That means almost doubling the total higher education plant. This is going to require a greater outlay of public and private resources for education, greater at the local level, at the state level, and I must say at the federal level, and I feel that federal aid to education is long overdue.

I believe that the Communist challenge within itself necessitates a greater effort on our part. But if there had never been a Communist -- I don't want to put my reactions to these matters on whether or not the Communists are going to get us. I think that education in a free society is one of the great accomplishments of our society and one of the great challenges and I must say that I can see no way out of meeting the high educational needs of this nation, the technological needs, the needs in the arts and

the sciences and the humanities, without a program of federal aid to education.

I hope that President Kennedy will press this. I know that if he does he will have the support of a man like Senator Cooper, he will have my support, and I have a feeling that we will get a lot of support in the Senate and the House that will make it law.

SENATOR THURMOND: The other two have expressed themselves one way, and you might want my view. I am opposed to it. If anyone is interested in education, I am. I taught school. I was a school superintendent. I think it is the hope of the future.

But in the first place the federal government has no jurisdiction in the field of education. Under the Tenth Amendment, only the fields that have been delegated to the national government by the states are the fields in which the national government can operate. The word "education" is not even found in the United States Constitution. The field of education has never been delegated to the national government. Therefore it has no jurisdiction in that field.

Furthermore, I think it would be unwise. There is no question whether at the beginning or not, sooner or later federal control follows federal aid.

Out in Oregon, for instance, a question came up about highways and they had a yellow line as the center line.

The national government said "If you get federal aid you've got to have white lines," so they changed the white lines.

It is just a matter of time until federal control is going to follow this federal aid. I am in favor of the states taking care of the education problem. Education is dearer to the parents than any other one subject. It ought to be kept nearer home. In the school district, in the counties and in the states. And furthermore, it is unnecessary. The states are making tremendous progress. If we had time to go into this question further, I could cite you figures and show where there is no need for school construction and these other things.

But I just want to bring those points out at this time since they mentioned it.

MR. ROLFSON: If we could quickly get to one other issue which you all mentioned. Senator Cooper, do you see any concrete evidence that the Soviet Union is going to be more willing with the Kennedy Administration to reach accommodations than with the Eisenhower Administration?

SENATOR COOPER: With a new Administration, there is always an opportunity. We have had it with every change of Administration. I think the President expressed it well when he said it was a time of opportunity. It is also a time of peril. My judgment is that the Communists

have not changed their objectives but there is a chance to begin to talk.

I would say that Berlin is still pressing. Our position ought to be very clear upon Berlin and I think we ought to try to reach some solution in Laos and the Congo which will not interfere with the great problems of Berlin and disarmament.

It is the time of opportunity.

MR. ROLFSON: I am sorry we can't go any further into this. We are out of time.

I want to thank you gentlemen very much for being with us on ISSUES AND ANSWERS.

THE ANNOUNCER: You have just seen another in the series in which leading authorities bring you answers to issues of today. We invite you to join us again next Sunday at this same time when ISSUES AND ANSWERS presents a special documentary report on President Kennedy's Food for Peace Program.

Our guest will be the President's newly appointed Special Assistant, Dr. George McGovern, Director of Food for Peace.

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