

REMARKS OF VICE PRESIDENT

HUBERT H. HUMPHREY

NATIONAL MILLERS FEDERATION

APRIL 28, 1965

Mr Beckwith
Country Bay
John
Texas

L — On Sunday our nation will enter the fifty- — 51
— first consecutive month of economic expansion.

That will make this expansion the longest --
as well as the — strongest -- in the peacetime
history of the United States.

The record speaks for itself.

L Unemployment is lower today than it has been
at any time in more than seven years.

L Furthermore, we are still moving strongly
ahead. The latest figures show industrial
— production, retail sales, construction and profits
all moving up.
—

↳ In fact, during the past quarter, the American economy has advanced as rapidly as it has at any time since the expansion began.

↳ While we can't expect continued gains of the same magnitude throughout the year, all the evidence supports our conviction that the whole of 1965 will be a period of solid economic advance.

↳ All of this has been accomplished within a framework of continuing price stability -- a record unequalled by any major industrial nation in the free world.

This is a truly remarkable record of economic achievement.

↳ It is even more remarkable when you consider that it has replaced a postwar pattern of no less

than four economic recessions -- three of them
in the eight years before 1961.

↳ It is no accident that this trend has been
reversed, that business pessimism has been
replaced with business confidence, and that our
economy has forged ahead to record highs.

↳ It is the direct result of government economic
policies based upon a tough, realistic and imaginative
analysis of what our economic problems are and what
should be done about them.

↳ The climate for prosperity has never been
better than it is today.

↳ This healthy climate is the direct result of
measures designed to give maximum opportunity for
private growth.

↳ These measures were not measures to increase
Federal spending.

Budget
→

\$ 1 Billion a yr
as compared to
53B

51 months - 7% Growth -
netted spending
- 4 -

↳ They were measures to strengthen and revitalize
the private sector. They included:

↳ The 7 percent tax credit for new business investment. | Invest

↳ The sweeping reform of the tax treatment of depreciation, which was liberalized again early this year. | Deprec

The tax cut which President Johnson signed into law only a little more than a year ago -- the biggest corporate and individual income tax cut in our history. | Tax cut

↳ Those measures cut business taxes this year by some 5 billion dollars. |

Those measures raised the profitability of business investment in new equipment by an estimated 35 to 45 percent.

Those measures created an increase in the rate

of return on such investment -- a rate comparable to the increase which would have resulted from cutting the maximum corporate tax rate from 52 percent to somewhere between 29 and 34 percent.

Those measures have sent investment up. The February Commerce Department-SEC Survey estimated that capital investment spending for 1965 will be 12 percent above last year's level and 41 percent above the 1960 level.

Those measures have helped this Administration write a record of faith in our free enterprise system.

And our free enterprise system has fully confirmed that faith.

President Johnson will demonstrate that faith again next month when he sends his recommendations for excise tax reductions to the Congress. These reductions will benefit both consumers and producers, and will help to keep our economy moving strongly ahead.

As a result, President Johnson has been able to recommend a sound and prudent budget which allows us to save where we can in order to spend where we must.

The budget he has recommended for next year is much lower than anyone expected. But it still leaves room for essentials:

For an excise tax cut.

For aid to urban and rural poor.

For investing more than one and a half billion dollars to aid education.

For proper medical care for
older people.

For aid to Appalachia.

For a comprehensive attack on such
killers as heart disease, cancer, and
stroke.

For many other measures to make this
country a better place in which to live.

These programs represent investment in our
most important and productive national resource:
people.

Such investment pays very high dividends
indeed.

The return on this investment in human terms
alone would justify the expenditure. But
investigate the economic return on such investment.

Do you know that the average school dropout costs American taxpayers 1,800 dollars a year?

Do you know that the average family on relief costs American taxpayers 2,500 dollars a year?

Do you know that the average prison inmate costs the American taxpayers 3,500 dollars a year?

When you add up the cost of poverty, ignorance, disease, bigotry and crime in the United States today, the total is staggering.

It should be clear to anyone that any investment we make to increase opportunity will pay tremendous benefits -- not only in human terms, but also in hard dollars and cents terms.

As we spend to increase opportunity for our people, we also increase their ability to contribute

to our expanding economy.

As the Great Society moves forward, the economic impact of extending opportunity to those who need it will be tremendous. Today's tax-eaters can become tomorrow's taxpayers.

As the Great Society moves forward, our nation -- today the wealthiest on the face of the earth -- will become even more wealthy.

But we must not forget that it was not wealth alone that made our country great.

The greatest qualities -- those which have been evident from the beginning of our history are:

- our concern for others.
- our willingness to share.
- our desire for justice, and above all our respect for human dignity.

And this Government, gentlemen, I wish to assure you is a Government with an open mind. There are no dogmatists, no men with closed minds, no men who are not willing to listen to the facts and to opposing points of view before final decisions are made.

The President of the United States -- and this is important *for* every American businessman to know -- believes in listening to all sides of a question. Business is getting a hearing, as are the spokesmen for other economic groups in our nation. And business will continue to get a hearing from the President and this Administration.

We are all, I think, dedicated to what we believe to be the general welfare, to the common good, to the safety and well-being of our country. The differences among us come when we start charting the road to accomplish those national objectives. And it is at that point that leadership must keep its mind open -- on ways and means, on how we will proceed, how fast we will go, how far we will go. This is the way to consensus, this is the way to genuine unity, this is the way that we make democracy work.

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Today the world has need of greatness.

We must, not only for the sake of our own nation,
but in response to our role of leadership in the
world respond to this need.

INFORMATION

FROM THE
PRESIDENT'S COMMITTEE
-ON-
EQUAL EMPLOYMENT OPPORTUNITY
Washington 25, D. C.

REMARKS OF VICE PRESIDENT HUBERT H. HUMPHREY
NATIONAL MILLERS FEDERATION CONFERENCE,
SHOREHAM HOTEL, WASHINGTON, D.C., APRIL 28, 1965

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Furthermore, we are still moving strongly ahead. The latest figures show industrial production, retail sales, construction and profits all moving up.

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While we can't expect continued gains of the same magnitude throughout the year, all the evidence supports our conviction that the whole of 1965 will be a period of solid economic advance.

All of this has been accomplished within a framework of continuing price stability -- a record unequalled by any major industrial nation in the free world.

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It is even more remarkable when you consider that it has replaced a postwar pattern of no less than four economic recessions -- three of them in the eight years before 1961.

It is no accident that this trend has been reversed, that business pessimism has been replaced with business confidence, and that our economy has forged ahead to record highs.

It is the direct result of government economic policies based upon a tough, realistic and imaginative analysis of what our economic problems are and what should be done about them.

The climate for prosperity has never been better than it is today.

This healthy climate is the direct result of measures designed to give maximum opportunity for private growth.

These measures were not measures to increase Federal spending. They were measures to strengthen and revitalize the private sector. They included:

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