

NOTES

VICE PRESIDENT HUBERT HUMPHREY

PRESIDENT'S CLUB

DENVER, COLORADO

DECEMBER 2, 1965

It's always a pleasure to visit in Denver and talk with friends -- or I should say with fellow members of the President's Club. If anybody is a member of the President's Club, I am.

To begin, let me call your attention to the fact that we are now in our 57th consecutive month of economic expansion.

This period of prosperity is the longest -- and the strongest -- in the peacetime history of the United States.

Let me give you some facts and numbers.

- Unemployment is at its lowest point in eight years. There are now more than 75 million Americans in the civilian labor force.
- During the third quarter of 1965, our Gross National Product rose 11.6 billion dollars to approximately 677-1/2 billion dollars. We now produce almost half of the world's total goods and services.
- Corporate profits, after taxes, for the third quarter, are up 7.3 billion dollars above the similar period last year.
- In addition, plant and equipment expenditures in 1965 are expected to gain 13.4 per cent over 1964 -- due largely, I believe, to President Johnson's liberalized tax depreciation schedule.

All told, 1965 will be another good year.

I would remind you that this has been accomplished in a framework of price stability.

My friends, this is some achievement. Remember, it has replaced a postwar pattern of no less than four economic recessions -- three of them in the eight years before 1961.

I believe that business has confidence in the Johnson Administration. I certainly know that this Administration has confidence in American business.

This Administration has done and will do everything it can to provide maximum opportunity for private growth.

You know what has been done already in this Administration:

The 7 per cent tax credit for new business investment.

The sweeping reform of tax treatment of depreciation -- and this was liberalized again early this year.

The tax cut which President Johnson signed into law a year and a half ago -- the biggest corporate and individual income tax cut in our history.

Those measures cut business taxes this year by almost 6 billion dollars.

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

A few months ago excise taxes were substantially reduced and further reductions are to come in January 1966. These excise tax reductions will benefit both consumers and producers and will help keep our economy going full steam ahead.

Those measures have helped this Administration prove its faith in our free enterprise system.

While this Administration has been working hard to unleash the full productive force of our private economy, we have also been working hard to economize in government.

President Johnson has let it be known that each government program must be justified in itself. He has let it be known that he will tolerate no fat and no waste in our federal government.

As a result, you see today a sound federal budget which allows us to save where we can in order to spend where we must.

To illustrate what I mean. I'm going to leave with you today several documents. Among these are reports prepared by the Department of Defense and the Bureau of the Budget. I think you may be surprised to see just where the money goes and what it buys.

I will not go into this now -- I'll simply leave the reports with you -- but I do want to say that I am proud of the fact that this Administration has kept government expenditure in check. But at the same time we have left room for the things that we must do to keep this country strong and productive:

Maintenance of a strong defense establishment -- second to none in the world. (And I refer you particularly to Secretary McNamara's report.)

Investment of almost three and a half billion dollars to aid education -- and there is a basic investment indeed, my friends.

A doubling of the poverty program.

Provision of proper medical care for our aging generation.

Comprehensive attacks on heart disease, cancer and stroke.

Programs to make our cities better places in which to live and work.

Programs to preserve this country's natural resources and natural beauty.

Additional initiatives, such as the excise tax reductions, to keep our economy free and flourishing.

I know that there are a few people in this country who say that some of these things are part of the Great Welfare State -- not the Great Society. My friends, nothing could be further from the truth.

Why a poverty program ? Why greater investment in education? Why a fight for voting rights?

We do these things so that every man and woman in this society can have the opportunity to contribute to his society.

There will be a return tomorrow on our investment today, believe me.

We reap what we sow. The investment we make determines the product we get.

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

That the average family on relief costs the American taxpayers 3,500 dollars a year?

Today, in the midst of our prosperity, one-fifth of our citizens -- some 35 million Americans -- live at or below the poverty line. Some are barely making a living. Others are not making it.

This Administration is pledged to make taxpayers out of many who are today taxeaters.

I repeat what I said earlier:

Our goal is to give each man and woman in this country opportunity to be productive and to contribute to this society.

The investments we make to create opportunity will be small in the long run compared to the prices to be paid for poverty . . . ignorance . . . disease . . . discrimination and crime. Perhaps we can talk further about this in our discussion.

But before we go into our discussion, I'd like to take a few more moments to talk with you about some other investments this country is making: investments which require money, patience, and sometimes human life.

All of our minds turn these days to the troubles around the world which not only do not disappear, but seem to multiply. Today it is Vietnam. Tomorrow it may be someplace else.

There are questions asked: Do we belong in these places? Is it worth the money? Is it worth the lives of our sons?

Believe me, these are not questions to be taken lightly. This country has carried a burden in the world for a long time. It is discouraging to carry such a burden -- to do your best but to see the burden grow heavier -- and then to realize that there's no end to the road in sight.

But, for better or worse, that burden is ours to carry.

In this nuclear age, there is no place to hide.

Some years ago we turned a corner in this country. We chose then to turn toward the world and cast our lot in it. And, make no mistake, I think we made the right decision.

Today, with all our wealth and power, our strength is freedom's only real guarantee in the world. And we know, in our hearts, that were we to drop our burden, it would not be long until the threat to freedom somewhere else became the threat to freedom here.

President Johnson has chosen the hard way and the right way. Today in Vietnam he has pitted our strength against aggression. That aggression has not always been open and easy to understand. (Today, you know, aggression need not come in form of infantry divisions crossing from one nation into another.)

And, in resisting it, it cannot be a simple matter of carrying all-out war to the aggressor's homeland to win a final and total victory.

President Johnson recognizes the fact that defense of freedom and of our own security will not lend themselves to easy or quick answers. And he recognizes the fact that the totalitarians in this world do not intend to blow the world to pieces -- but plan instead to pick it up, piece by piece, as we tire and withdraw.

Several times in this century the totalitarians have said: "The Americans have no patience, they have no stamina, they have no will to fight, they are inward-looking. Let us take the risk."

And the totalitarians have taken the risks. What a price the world has paid.

Today let there be no mistake. We do have the patience, the stamina, the will to resist.

Well -- these are the things that have been on my mind today. Now, I'd like very much to hear your questions, your comments, and your ideas.

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