

NOTES

VICE PRESIDENT HUBERT HUMPHREY

PRESIDENT'S CLUB

NEW YORK CITY

JANUARY 24, 1966

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

Today we are in the midst of unprecedented
economic expansion and well-being in our country.
I think it is well for us today to take a look at where
we've been and at some of the things that have
contributed to our prosperity.

Within a month, we shall be celebrating the 20th anniversary of the Full Employment Act of 1946. In the past five years, we have been realizing the vision and the promise of that farsighted Act.

Five years ago, we took modern, 20th Century economics out of the doghouse and put it into the White House. I think it should be plain to everyone by now that it works.

I was interested to note a recent statement by Arthur E. Burns, President Eisenhower's chief economic adviser, who used to scoff at the so-called "new economics." Now he says that most businessmen -- and I quote -- "take it for granted that the course of the economy will be shaped in large measure by governmental policies and that the more serious mistakes of the past can and will be avoided."

I would be the first to say that Arthur Burns perhaps gives too much credit to government for our prosperity. I think that the main credit belongs to the creative energies of the American people.

Ours is an economy of private initiative. It draws its strength from the competitive spirit of our businessmen, the skill of our workers, and the productivity of our farmers.

What's changed in the past five years is that government has been doing its share of the job. By carefully tailored, highly sophisticated fiscal and monetary policies, government has helped provide a framework in which our great productive forces can have full opportunity for expression.

We used to suffer from what I call a "cha-cha-cha" economy -- backwards and forwards, with a hesitation step in between. We went through that kind of recession three times in the eight years before 1961.

Now, as I speak to you, we're enjoying our 59th month of continuous economic expansion. Since the last recession ended in 1960, our growth has averaged a phenomenal 5.3 per cent a year.

-- Unemployment, at 4.1 per cent, is at its lowest level in nine years. 73.4 million Americans have civilian jobs, compared with only 3.1 million who are unemployed.

-- During the last quarter of 1965, our Gross National Product was running at the annual rate of 695 billion dollars, 6.3 per cent higher in constant dollars than in the same period a year ago.

-- Corporate profits, after taxes, for the third quarter of 1965 were up 18.7 per cent over the same period a year ago.

-- In addition, plant and equipment expenditures in 1965 were 15.4 per cent higher than in 1964.

These figures (and I could cite many more) add up to economic strength -- strength for the peace which the President is seeking in Vietnam, and strength to meet our responsibilities at home and in the world.

Indeed, our economy is so strong that it makes the old dilemma of "guns vs. butter" irrelevant.

To put the matter in perspective, the 12.7 billion dollars in additional funds which the President has asked of Congress to combat aggression in Vietnam represents only 2 per cent of our Gross National Product.

It is, of course, a much more substantial proportion of our Federal Budget, which was published today.

But, by stringent economies in government, the President has achieved a sound Federal Budget which saves wherever we can to spend where we must.

We shall be able to meet our responsibilities in Vietnam and at the same time go on building the Great Society we seek.

Let me make this clear: If every program the President has recommended in his State of the Union message is enacted by Congress, the total deficit in our so-called "administrative budget" will be only 1.8 billion dollars -- one of the lowest in many years.

Cash budget surplus of \$600,000,000

On a cash basis -- which as the President has pointed out, "is the way you and I keep our family budget" -- the government will collect half a billion dollars more than it spends.

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Incidentally, this is/much more meaningful way of presenting the government's accounts than the traditional "administrative budget", and I hope it will win increasing acceptance in coming years.

We have gone a long way toward achieving full employment -- even though substantial unemployment lingers in certain depressed areas of the country and, for our Negro fellow citizens, is running tragically at twice the overall rate.

Now we have the problem -- a welcome problem, indeed, but still a problem -- of living with relatively full employment.

During the past five years, we have been drawing upon our reserves of unused productive capacity and unemployed manpower. Now we are nearing the bottom of both those barrels.

The operating rate of industry is up to over 90 points, less than two points below the preferred rate for manufacturing. Indeed, we should already be in trouble here but for the foresighted measures taken by this Administration -- the tax credit and the liberalization of depreciation schedules -- to stimulate investment in productive capacity.

On the manpower side of the equation, shortages of skilled labor are already beginning to appear in some industries and some areas of the country.

↳ These are the classic storm warnings of inflation -- and they threaten the stability of our cost of living index, which has gone up only 1.7 per cent in the last twelve months.

In these circumstances, three measures are urgently necessary:

↳ • Careful respect by both management and labor for the wage-price guideposts.

↳ • A stepped-up effort to put the remaining unemployed to work, with accelerated training programs where necessary. Since a very substantial proportion of the unemployed are members of minority groups, sound economics, good business and social justice converge here.

• Stepping up productivity by the fullest possible use of modern technology. Here the State Technical Services Act, enacted by Congress last year, can make a big contribution. It can make the best existing technology, already used by the most efficient companies, available to industry across the board.

↳ Living with prosperity . . . living with full employment, will require a continuing close working partnership between government and business. President Johnson is wholeheartedly dedicated to maintaining and strengthening that partnership.

↳ There will be sacrifices, of course. The President has asked for a temporary suspension of the excise tax cuts which became effective at the beginning of this month.

And he has warned that, if the needs of Vietnam require it, he will ask Congress to provide additional revenues.

He has said:

"Time may require further sacrifices. If so, we will make them."

But he has sternly and rightly rejected hard-hearted and small-minded demands for sacrifices from those who already have too small a share in our affluence -- the poor, the sick, the ill-housed, the children at school.

And he has declared:

"I believe we can continue the Great Society while we fight in Vietnam. But, if some do not believe this, then, in the name of justice let them call for the contribution of those who live in the fullness of our blessing, rather than strip it from the hands of those in need."

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These are some of the things that have been on my mind today. I would certainly welcome now any questions you might have.

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PRESIDENT'S CLUB OF NEW YORK

S E M I N A R

held at

Royal Ballroom
Hotel Americana
7th Avenue at 52nd St.
New York, New York

on Monday, Jan. 24, 1966

at 1:15 p.m.

ARTHUR KRIM,

Chairman

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[A Seminar of the President's Club of New York convened in the Royal Ballroom of the Americana Hotel, New York, New York, on Monday, January 24, 1966, at 1:15 p.m., Mr. Arthur Krim presiding.]

CHAIRMAN KRIM: Honored Guests, and Fellow Members of the President's Club of New York: Welcome to another one of our Seminars. This one was supposed to start at 1:15, and I do believe we have made it.

Before introducing the speakers who are going to lead this discussion today, I would like to acknowledge the presence of some of our honored guests.

First, the Chief of Protocol of the United States, Ambassador Lloyd Hand [Applause]; Honorary Chairman of the President's Club of New York, Mrs. Herbert Lehman [Applause]; Honorary Chairman of the President's Club of New York, General James Farley [Applause]; the Executive Director and Acting Treasurer of the Democratic National Committee, Mr. Cliff Carter [Applause]; the Administrator of the United Nations Development Program, Mr. Paul Hoffman [Applause].

The Chairman of the Democratic National Committee has just advised us that due to weather conditions he could not be with us. That is true, also, of the Chairman of the New York State Democratic Committee. But we

do have with us the Vice Chairman of the Democratic State Committee, Mrs. Mae Gurevitch. [Applause]

We have with us the Chairman of many events of the President's Club of New York, Mrs. Anna Rosenberg Hoffman [Applause]; Chairman for the past two years of our upstate division, Mr. Howard Samuels [Applause]; United States Attorney for the Southern District of New York, Mr. Robert Morgenthau [Applause]; and Assistant Attorney-General of the United States, Ed Weisl, Jr. [Applause] Assistant Attorney General and candidate for Congress, Mr. Orin Lehman [Applause].

We have with us two gentlemen who have contributed so much to the administration of our city these past years, the former President of the City Council, Mr. Paul Screvane [Applause]; and former Comptroller, Mr. Abe Beame [Applause].

We have three friends from Washington who are going to be our liaison for the President's Club of New York. First is Miss Jerri Hair [Applause], and then Miss Dolores Hunter [Applause] and Mr. Jerry Blaine [Applause].

The President of the City Council has just come in, I understand, Mr. Frank O'Connor [Applause].

I am delighted to see in front of me the Executive Committee of the Associate Division. I would to introduce the three Chairmen: Mr. Don Ohrsman [Applause], Mr. Seth Baker [Applause] and Mr. Harry Gould, Jr. [Applause].

I am sorry that weather has kept some of our upstate friends from being with us, but I am also delighted to see that many of you new members are attending this Seminar, for the first time.

I don't think there could be any more impressive a demonstration of the support of our President for the objectives of the President's Club than the presence here at his request of two of the most eminent statesmen in our country to lead our discussion today.

It has been a prime objective of the President's Club to help create an informed constituency, and to maintain a continuing and constructive liaison between the President and his Administration, and their supporters in New York.

I am happy to say that in the months immediately ahead--that is to say February, March and April--there are a number of other events planned in which various of the members of the President's Cabinet and the President himself are going to discuss the programs and policies

of the Administration informally with all of you.

I think we all share a sense of fulfillment in playing our role in support of a truly great President, and I also feel that we today share a special sense of pride that we have supported an administration which boasts two such great leaders as the Vice President and the Ambassador to the United Nations, who are with us here for this Seminar. [Applause]

And now I should like to turn the Seminar over to its Chairman, our very own distinguished leader, Mr. Ed Weisl, Senior. Thank you. [Applause]

[Mr. Ed Weisl, Senior, assumed the Chair.]

CHAIRMAN WEISL: Mr. Krim, Honored Guests, Ladies and Gentlemen: I want to express on behalf of the President's Club our very deep appreciation to the Vice President, and to the Ambassador to the United Nations for taking time off from their busy schedules to speak to us about the problems of the United States in its relationship to the Free World. I want to thank all of you, also for coming here to participate in this program.

It is a source of great personal pride to me to introduce the Ambassador to the United Nations. He and I were both born in the City of Chicago and raised in

what we call both the poor neighborhood of that great City.

But it isn't for that reason alone that I express this personal pride. Ambassador Goldberg is truly a great and dedicated public servant. I don't know of many people, if any, who would give up their service on the greatest court in the world to serve the commands of the President of the United States as Ambassador in that most important job. [Applause]

It is my great honor and privilege to introduce to you the Ambassador to the United Nations, The Honorable Arthur Goldberg. [Rising ovation]

AMBASSADOR ARTHUR GOLDBERG: Mr. Vice President, my friends, Eddie Weisl, Arthur Krim, Ladies and Gentlemen: I am delighted to have this opportunity to be with you to renew old friendship and make new ones, and to have the unique privilege of sharing with the Vice President an opportunity to talk with you about what is really the overriding problem of our foreign policy, that is the situation in Vietnam.

Eddie Weisl says that we were born in the same neighborhood in Chicago, and that is true. We call it "the wrong side of the tracks," but I was very interested

when I was in Britain recently for the President, to see Prime Minister Wilson. They have a better term for it. They say "The ill side of the tracks."

I think that maybe that is a great lesson for us, that there is no wrong side, but there can be an ill side, which the President and the Poverty Program and his Administration are trying to correct.

The Vice President, who has played a leading role in the recent peace initiative of the President, will, I have no doubt, have something to say to you on that subject. I am going to make a few remarks about it from my standpoint as your Ambassador at the United Nations.

Many people have asked this question: Why did the President engage in this peace initiative? There is an overriding answer to that, and all answers are ultimately simple answers.

The simple answer is, because the President wants peace. He does not want war. He wants peace as soon as peace can be concluded on honorable terms. Therefore, he made the determination at the appropriate time to make a strong public approach.

I will have a word to say about that attempt to bring this very grave and very serious and very tragic

conflict from the battlefield to the conference table.

Why was it done now, and why was it done in conjunction with the Christmas Truce and the bombing pause? There is a very simple answer to that, too. It was not done just now.

We have had a continuing effort to conclude a peaceful settlement in the Vietnamese War. The President gave some figures. He likes to keep these figures.

He said there were 300 conferences that were held between the Secretary of State and other people and various nations, looking for this result. I had to call him and correct his figures, because in addition to the 300 of which he apparently had knowledge, I myself had conducted 116 additional ones here in New York. Since I have been here during the last six months I have met with representatives of every country accredited to the UN and a prime subject of discussion in my meetings has been what might be done to bring peace instead of war in Vietnam.

The figures go beyond the 300 conferences the President talked about.

Why did we make a public demonstration? People have asked about that--people out of bad motives--

calling it a propaganda circus. And many people have raised legitimate questions. Is this the way that you conduct diplomacy, by sending emissaries all over the world; public emissaries? Does this not defeat the traditional way of going about business?

There are several answers to that. The first thing is that we live in the Twentieth Century. We do not live in the Nineteenth or Eighteenth or Seventeenth Century. Diplomacy today is different from diplomacy of another era.

And this is particularly so since we are dealing with the Communist World, which is a different world, and which does not conduct its explorations in the traditional ways that have characterized the diplomacy of other periods.

It was important to communicate the attempt so that world opinion could be mobilized in support of this effort.

It took more than three weeks--we are now in the fifth week of the bombing pause--and it took more than three weeks before the fact that there was a bombing pause was even adverted to in Moscow for the benefit of the people in the Soviet Union.

It took almost four weeks before this fact was ever mentioned by Ho Chi Minh and his administration in Hanoi.

Public opinion and world opinion is not inconsequential in trying to bring about objectives that we were trying to bring about. Therefore, that was the important factor in the manner in which this was handled.

There were other subsidiary reasons. The President said, I thought pretty well, that he had tried putting a wig on Luci but he had given that up and he couldn't put a wig on me and Harriman and Governor Williams. That is quite true. As a matter of fact, when he asked me to take the trip I left in secrecy. I arrived in Rome in secrecy. I saw His Holiness the Pope in secrecy.

But I had to advise the Italian Government that I was in Rome, and I had to tell them that I would call upon President Saragat and Premier Moro and Foreign Minister Fanfani. When I left the Vatican and I communicated with the Italian Government, in twenty minutes the whole press corps in Rome called upon the Embassy.

There are reasons for that which are obvious. The Italian Government has an important stake in the War in Vietnam, and the Italian Government wanted it to be

known, number one, that they were being consulted, and number two, what their point of view was in it.

And so it was impossible to conduct these meetings in secret.

The next question that has been asked is why is it necessary, and why could this not have been handled quietly through our Ambassadors? There is an answer to that.

With reference to the Pope, we are not accredited to the Vatican. There are channels of communication on the lower level that are used to convey messages back and forth, but the Pope cannot, under the protocol arrangements applicable, where you are not accredited, the Pope cannot meet with our Ambassadors. Someone had to be the emissary for that purpose, and then talking in this family, I don't think our Ambassador could have got De Gaulle back from his Christmas weekend. It required a special emissary from the President to get him back.

[Laughter]

And I don't think that Prime Minister Wilson --and I know my wife and I agree with him--I don't think that an Ambassador could have gotten Prime Minister back from celebrating his twenty-sixth wedding anniversary. I

say this, perhaps, in a facetious way to illustrate a point.

It has been traditional and important, where matters of great moment are under way, to add the prestige of the President's emissary. That is nothing personal. Our Ambassadors in those capitals could have made the presentation just as effectively as I did, but the fact that the President sent an emissary added emphasis to what he was attempting to do.

Now, there is another reason for this. From the day I came down to the UN, I was told by friendly countries, non-aligned countries, and unfriendly countries, that the key to a peaceful resolution of the Vietnamese conflict was a bombing pause, and what I was told was that you have to understand the Asian mind, face is involved. Ho Chi Minh will not come to the conference table so long as our bombers are ranging over North Vietnam.

We made it very clear, right even then, that we have no desire to have our bombers ranging over North Vietnam, that we could work out reciprocal arrangements to stop that, since the bombing was in response to infiltration from the North.

But that apparently got us nowhere. It got

us nowhere, although many of the people, countries with whom I spoke, conceded the logic of that statement.

Nevertheless, it was said, "Well, even if it is true, America is big enough and powerful enough to go another step down the road; stop the bombing; give a pause of a reasonable duration," and then they would come to the conference table. That was the key.

Well, we have stopped for thirty-one days and nothing has happened. We had hoped something would happen, frankly.

I am reminded of a statement by Sir Francis Bacon, in which he said, "Hope makes a good breakfast but not a very good supper." I think we are pretty much in that situation right now. We don't have the supper of our hopes at the present time.

Now I see a new theme developed from many of the same people who have told us that if we paused in the bombing that that would bring about a conference and a peaceful solution. Now the theme is that, "Well, you have done that, but now there is another factor. That factor is the representation of the Vietcong at the bargaining table." America would now say that the Vietcong could be represented at the bargaining table, and

that would open the way to a conference. That is the new theme.

That was not the theme that was advanced, I must say, earlier, before our bombing pause. It was the bombing pause.

I think there is a very simple answer to that. The President has said very categorically that if there is a desire on the part of Hanoi to make a peaceful settlement, this would not be--and I am quoting him exactly --"an insurmountable problem." Now people say, "Well, what does that mean?" I answer only in my own terms, the terms drawn from my experience, for example, in the labor field, which I am sure Jack Potofsky would share with me if he sat down to a conference table at negotiations representing a trade union, and I said to the employer, "Well, we have got five points. The first is we would like the money; we would like some wages. We have other important points."

If the employer at that point were to say, "All right; on your first point, the money element will not be an insurmountable problem; let us go on," I would go on because that would be enough an indication to me that there is flexibility in that area, and that that does

not bar the way to a settlement. And so this, to me, at least, is the answer to that problem.

The real question involved is a very basic one. Is there a will to settle this in negotiations where all these problems--representation and all these other problems--could be discussed and could be settled by negotiation, and thus far, at least, the will is only unilateral will on the part of the United States.

Finally, I would make one other observation, and that is this. We know we haven't heard anything. We don't know what will be. But we do know this: That the American policy here must be a constant policy. Peace initiative may take place and it may not be responded to, in which event we must continue to manifest our plain determination that we will settle only at the conference table and not be forced out, and we will not be forced out.

But then we must continue a constant pursuit of a peaceful settlement, and that pursuit must be constant and unremitting, because that is the objective of American foreign policy.

We do not desire to annihilate even the Communist regime in the North.

An old Greek said that the sensible purpose

of war was not to annihilate the enemy, but to teach him to mend his ways. That, really, is the purpose of American policy.

We seek to teach the Communists to mend their ways, not to believe that they can ride over smaller nations and impose their will by subversion and terror and force.

And so we must continue our policy. It is difficult; it is arduous. It is painful and it is tragic, but no one has made any other sensible suggestion.

Regardless of what happens in this initiative, we will have succeeded in one major thing, and I think the people of the world are convinced of the great sincerity of the American purpose. Thank you. [Applause]

CHAIRMAN WEISL: After the next speaker has completed his address, the audience will be asked to submit questions to each of them.

I now have the honor and the pleasure and the privilege of introducing our next speaker. Last night, when the wind was blowing, and the rain and the snow was falling, I had great fear and apprehension that he would not be able to get here.

But Vice President Humphrey reminds me of

that old song that we all used to sing when we were younger, and which some of us still sing, which says, "No matter where he goes, the sunshine follows." [Applause]

He is a great optimist. He is a man of indefatigable energy, which is only exceeded by his capacity and dedication for service to his country and through that to the world.

It is my great privilege and honor to introduce to you the Vice President of the United States. [Standing ovation]

VICE PRESIDENT HUBERT HUMPHREY: Thank you very much, Eddie Weisl. Our good friend, Arthur Krim, and my esteemed colleague in the service of this country, a very great American and an unusually capable diplomat, our Ambassador, Arthur Goldberg--we are all so proud of him, and I know that is the way you feel.

Somebody once asked me, at a question and answer period at one of our universities, "What is the attitude of President Johnson toward the United Nations?"

I said, "I think I can answer your question in a very subjective and yet objective manner. The President of the United States thinks enough of the United Nations and its role in American diplomacy, and its

purposes and its contribution to world peace to have asked one of the most distinguished of our lawyers, a man who had a lifetime job on the greatest court in the world, to become our Ambassador to the United Nations, and I think that is the best testimonial to the faith in the United Nations that our Government and your President has." [Applause]

I am going to read a few lines from the new budget message today. This is a Seminar. It is not an oratorical contest, and we are not here to convince one another.

We are here to study and think out loud. One of the blessings of the Democratic Party and one of the great good fortunes of the President's Club is the fact that we reserve for ourselves the right of some independence of judgment. We have never asked for unanimity. We have got a sense of unity, where people may on occasion disagree, as we have said, without being disagreeable, but at the same time do their own thinking, and ultimately we hope out of the refiner's fire of cross-examination and question and answer, find some common objectives and purposes.

Today, the President of the United States

sent to the Congress his Budget Message for fiscal 1967. Now that Budget Message is in your hands. In fact, you have received it before it was even presented in the local or the daily press.

A budget message is generally looked upon as a rather dull statistical document.

When you see it as it is placed on the desk of a Senator or Congressman, or a Member of the Cabinet or the Administration, it does look like a very imposing and at the same time dry, heavy, uninteresting document, but it is not.

I think the first words of the President's Message on the Budget tell us what it really means. He said, "A budget is not simply a schedule of financial accounts. It is a program for action. The program of the Federal Government which this Budget recommends is grounded on these fundamental premises:

"In international affairs we are determined to seek peace with every means at our command--but we are fully prepared to meet the costs of opposing aggression.

"In domestic affairs we are determined to press confidently forward toward the Great Society, but we shall do so in an orderly and responsible way, and at

a pace which reflects the claims of our commitments in Southeast Asia upon the nation's resources.

"The budget for 1967 bears the strong imprint of the troubled world we live in."

From there on out the rest is detail. There is no need of our spending many moments here going over the statistical facts of this budget, even though they are quite evident, and in a very real sense very imposing.

But this is a budget that aligns, or should I say delineates the use of the resources of this nation. One fact stands out above all, that America's military power is only as great as its social and economic base, and we have learned that lesson over many years of history, that the military is but the cutting edge of the strong weight of our economy and our sense of social justice.

And so in this Budget Message, as well as in the other messages that the President will present to this Congress, in the second session as he did in the first session of the Eighty-Ninth, you will have domestic policies and programs which have definite international implications.

For example, I am one that believes that the Civil Rights Act of 1965 was our most important act

of foreign policy in recent years, in this century. I think it has had a greater impact upon our foreign relations than almost anything that we have ever done. It surely stands with the creation of the United Nations and the Marshall Plan.

Likewise, I am convinced that our fiscal policies, the new economics, as it is called, this flexibility in the tax structure, this release of capital for the purposes of investment and the creation of jobs through investment, the fiscal policy is as vital to our national security as the adding of another five, ten, fifteen divisions to our military establishment. You can no longer separate them; they are intertwined.

And for people to try to get up and discuss domestic policy without reference to foreign policy, or foreign policy without reference to domestic policy is only to prove that you haven't answered the Twentieth Century in your thinking.

Likewise, for us to discuss anything that we do as a nation without its reference to other nations is to ignore the fact of international interdependence.

Some of the facts that are before us are, I think, worthy of your consideration. Our economy has

been growing rapidly. Our growth rate is well over 5 percent, which is a sustained growth rate.

I want you to recall that only a few years ago, when we used to get together, we were talking about the recession that we were getting out of, or the one we were getting into.

We had three economic recessions of serious consequence in eight years, from 1953 to 1961, and we were in a recession in 1960.

The very state I was privileged to represent in the Senate had in its Northeastern section a rate of unemployment as high as 25 percent. Today it is one of the fully-employed states of the Union, including the very area of Northeastern Minnesota.

We used to talk about it as being sort of "cha-cha-cha economics"; one step forward, pause, and one step backward, but the pause got a little longer each time and so did the step backward.

Then we set to work with some new--I won't say new thinking, but the application of some real sound thought, and we liberated, so to speak, the dynamism of this economy. It speaks for itself. The rate of investment is incredible.

We are going to approach the \$700 billion economy in 1966. We were running at the rate of \$695 billion gross national product in the last quarter of 1965.

There isn't any doubt about the forward thrust of this economy. In fact, the forward thrust is such that our concern now, is how do we learn to live with this prosperity, without having the prosperity be adulterated or corrupted or weakened by inflation.

We have some lessons that we can learn, here, and some that we think we can apply.

The budget for this year runs at about \$112.5 billion. Actually, I believe it is \$112.8 billion, if I am not mistaken.

In that budget we have given an honest--I want you to understand these words--an honest accounting of everything that we can foresee. One cannot predict with certainty what the international situation will offer, but we have tried to give to the Congress an honest accounting; an honest projection of every foreseeable situation, including domestic and international.

Many people have been worried that because of the troubles in Southeast Asia, could we continue our

programs of the Great Society. Yes, that is the advantage of having a strong economy.

As a matter of fact, the percentage of the Federal budget related to gross national product is lower right now than it was four years ago in the new budget, and the statistics in this budget message will show it.

The percentage of gross national product, the percentage of the budget, the relationship of the budget to our total production, is not a burden that we cannot carry rather readily if we have the will to do it.

I want you to know as business and professional people, many of you, that about seven or eight months ago the President of the United States called upon about every Cabinet officer, not by suggestion but by order, to trim every departmental budget of all obsolete and unnecessary programs.

We have saved, in this past year, \$4.6 billion of old programs that had lost their meaning, or that could be converted and put over into the private sector of the economy, or where there were direct Government loans that could be private loans with Government guarantees.

There is \$5.2 billion of new money in this budget, \$4.6 billion of savings. I speak now on the domestic

side. The actual increase is \$600 million.

Figures are very confusing. I will simply give you one more that I want you to remember, that the cash budget--and that is the kind that you and I have, how much do you take in and how much do you spend--the cash budget, including everything, has a \$500 million surplus in the Budget Message of 1967.

This \$500 million surplus is important, because this is a bit of a damper upon an economy that is rather heated.

We are trying to use the tools of fiscal and monetary policy as a way and a means of directing the energies of this economy, without going into direct control.

There isn't a person in this room that really wants the Government of the United States to exercise control over prices and wages and the allocation and flow of material.

We have learned, now, through the past twenty-five or thirty years, much more about the management of an economy and, indeed, even our most severe critics agree to it. The Chief of the Council of Economic Advisers under President Eisenhower, Mr. Burns, who was highly critical for a period of time of some of the so-called new economics,

has said within the month that the policies that the Government pursues are the policies which ultimately determine the viability of the economy.

And so we can honestly say to you that you can have both guns and butter. That is a simplified phrase, and I think it is a little bit out of style. But what we are really saying is that we can fulfill our international responsibilities and press forward with the Great Society.

You can't do everything all at once, but you can make forward advances. And to those that have concern about what are we going to do about the War on Poverty, we are moving ahead. What are we going to do about the problems of our cities? We're going to move ahead.

What are we going to do about a host of things --medical research? We are moving ahead; we are not moving ahead with a mad race, but we are moving ahead with measured steps.

I am convinced that we will get more for the dollar out of that kind of measured response to the needs of our country than we would by pell-mell and rushing forward without the proper administrative structure to handle the many difficulties that beset us.

I want to just comment a bit on this matter

of the danger of inflation, because it is talked about so much.

I am no real economist; I want you to know that, even though I have had my share of the theoretical study of economics.

An economy that is approaching the levels of ours, where your industrial capacity is now being used to almost 90 percent of its total, and an economy where most of the people that are available for gainful employment are employed, that economy does have some problems that could be said, "What are we seeking to do."

We have a pool of labor that is not employable at the present time in our highly industrialized, automated society. We are seeking to train that pool. That is what the War on Poverty is about in part.

Our training programs, and these trainings programs are being matched with industrial needs. They are not just training programs for the sake of giving somebody a little slip of paper and saying, "You have been trained, the Government has helped you." They are training programs designed to meet the needs of American industry now.

We have a substantial pool of unemployable

labor at the present time. To make unemployable labor employable labor requires basic schools and basic tools of literacy, reading and writing, and some practice or some habit in terms of modern work discipline. Through Manpower Training, through the Job Corps, through the Neighborhood Youth Corps, through the Adult Literacy Program, through apprenticeship training, through on-the-job training, we are training thousands and thousands of men and women to fill the gaps, to fill the needs of an expanding economy.

We are also asking labor and management to follow some guidelines related to productivity on wages and prices.

Your Government has the responsibility to the general public. When the Government of the United States sees the economy moving off too sharply in a price rise, it has a duty to try to do something about it.

We have had wonderful cooperation from American business and American labor. There are those that would like to promote a controversy. That is always the situation.

But I can tell you that the American business community and the American labor movement are working

with your Administration and your President to see to it that this economy does not get out of hand, because anybody who has any thought at all about economics knows that short-term gain in inflation calls upon you to pay a long-term price in terms of lack of purchasing power and possibly ultimate unemployment.

There is a sense of statesmanship here that is within the leadership of the great economic forces of our country.

To be sure, some would violate it. There are always those that do. That is where the Government comes in, to see that that doesn't happen.

We are going to do everything we can to promote productivity. This is why we still maintain the investment tax credit. This is why we still maintain our tax laws that have released a great deal of capital, because productivity permitted adjustments in the economy in terms of wages, and also permits business to hold down prices.

And while you are reading a great deal about prices going up, may I say that for every company that is raising prices, there are two that are holding the line and lowering them. You are going to be seeing

some examples of this, so that the economy is not out of balance.

I want to include an observation or two on the international front, because as I said, you cannot separate these.

The first thing that this great nation needs to do is to believe in itself and its purposes.

The nation today is represented through its Government and through its President. There is a determined effort on the part of powerful forces outside of this country, working within this country, to try to destroy the credibility of this Government, of your Government's actions and policies.

There is another way of putting it. They are trying to destroy the sense of integrity, your belief in the integrity of this Government.

There were those that said, as Ambassador Goldberg pointed out to you, that the President's peace initiative was just so much razzle-dazzle, public relations. Nothing could be further from the truth.

I have had the privilege for one year--this is just a few days beyond our first anniversary--of sitting with the President and the Cabinet and in the National

Security Council.

The members of the Cabinet that sit at the National Security Council--and Ambassador Goldberg is a member of the National Security Council, and member of the President's Cabinet--and I have been at the same meetings that Ambassador Goldberg has been at, and he has been at some meetings I haven't, and I have been at some that he hasn't attended.

But I can tell you that the decision-making process of this Government, and the decisions being announced by the President, and pronounced by him are not decisions that the President just takes some afternoon, on his own.

The decision-making process brings into it that flow of information that the President receives, candid comments by Ambassadors, and sometimes many more people than that.

I have heard the Ambassadors speak up in these meetings time after time.

We are not asked to just give a yes. In fact, the President of the United States goes so far as to appoint an advocate of the opposition point of view. Sometimes he designates a member of the National Security

Council to plead the other point of view if he feels he is not getting enough controversy about the factors that make up the decision.

There are no hasty decisions---none. Every decision is one that is gone over with meticulous care and painful agony. Because every time in Southeast Asia a decision is made, it is life or death.

And when I hear people talking so easily, "Are we going to escalate the war," like "Are you going to go out and walk around the block," these are not decisions that are taken lightly. "Are you going to continue the bombing pause," as if somehow, this was something you just figured out some afternoon, and you're to answer the reporter's question the first time he puts it to you, and you are talking about the life of a nation. You are talking about the survival of the world, possibly.

You don't answer these questions willy-nilly. "How many men are you going to put in South Vietnam? What are you going to do? Are you going to move across the 17th parallel?" They are asking these questions like a sophomore in high school.

These are decisions that affect your children, your lives, your business, your nation, and these

decisions are not arrived at just to please a newspaper reporter, or to make copy. These are decisions that tear at the very heart of this republic.

This is why the President of the United States must have the best advice he can get. Furthermore, that is why, because these decisions are so delicate, that there is a concerted effort on the part, particularly, of Peking and Hanoi to discredit the President of the United States; to discredit the credibility of our position, to try and get you to have lack of faith in the integrity of our purpose.

It is amazing how many people who listen to that kind of chatter and nonsense. I hope that you realize, as I'm sure you do, that there has never been a President of the United States that was a warrior at heart. He is no hawk. Republican or Democrat, hawks and doves--what a simple way of explaining a complex situation. How easy it is to use these phrases.

I only want to say this, that our purpose is what it has always been, all through the history of this country. It hasn't changed. It is the purpose that Woodrow Wilson had. It is the purpose that Franklin Delano Roosevelt had. It is the purpose that Herbert Hoover had

that Dwight Eisenhower had and that Harry Truman had. It is the purpose of peace.

It is the purpose of trying to maintain an order in which freedom can survive. It is the same purpose that we have had, historically, of self-determination. It is what we ourselves believe in, the right to make something out of our lives.

When I hear people say, "How can you be for peace and at the same time use force," I say, "What do you think was our purpose in World War II--just to conquer Europe--just to destroy Hitler?"

Our purpose was peace. Our purpose was a better and more peaceful world. If it wasn't why did we rehabilitate Germany and Japan?

In fact, our enemies of twenty-five years ago have been the greatest recipients of our benevolence.

The purpose was peace, and you do not always contribute to peace by letting the bandits run loose. You do not contribute to the peace of the City of New York by locking up the Police Department, and you do not contribute to the peace of the world by ignoring the fact of aggression.

You have to believe, or at least seek out

the facts that make you believe, or bring you to the belief that aggression has taken place. I believe it.

I get many letters from people saying, "I am very disappointed in you, Vice President Humphrey. I used to belong to the ADA or I used to belong to the Liberal Wing of the Democratic Party, and you surely have been a sorry disappointment to me." I have heard that a lot of times.

I answer many of these letters. They say, "I thought you were going to speak up." Well, we do. Arthur Goldberg speaks up.

But his job as Ambassador is not to stand out here some place on Fifth Avenue and say, "Gather around here, folks, while I assail the President."

First of all, the President wouldn't be hearing him anyway. What he does is to speak up on any point of view he has where it counts.

I have said on any number of occasions that I would rather have five minutes with the President in his office than five hours outside, alongside the fence, carrying a sign. I don't think that is going to help a bit, or not much.

The fact of the matter is that we know

aggression has taken place. We think that we have learned some lessons about aggression.

We are not in Southeast Asia only because of South Vietnam. We are in Southeast Asia because we do not believe that political decisions ought to be made by use of brute force.

We are in Southeast Asia because we believe in the commitment to the Charter of the United Nations, and we are in Southeast Asia because we believe that aggression unstopped is aggression that is contagious.

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I can tell you after having been in that part of the world that I don't know of a single country that doesn't think that what we're doing in Southeast Asia is not necessary. Some of them, for their own domestic political purposes, weighing the political opposition, will sort of say, "Well, you ought to quit bombing," or, "You ought to talk to the Vietcong."

But I want to ask this question: Do you think that India doesn't think we ought to be there? I can tell you from personal conversation they know we need to be there. Do you really think that Japan doesn't think we ought to be there? We provide the defense for Japan today, you know. Do you think that the Philippines are

of the opinion that we are wrong in being there, that Thailand and Burma do? I can tell you who thinks we ought not to be there--the Communist forces.

And when you get right down to where you sit down, as Arthur Goldberg does, with a lot of the heads of state, and you put it right up to them, "Do you want us to withdraw?" they will put their hands up and say, "For goodness' sake, don't even bring up the thought!"

We say, "What do you want us to do?"

"Well, we don't know."

We have pleaded, in fact. One of the missions that Ambassador Goldberg and I had was to ask people, "What else do you think we can do? What would you do? Please tell us; we want to do what is right. We don't want to trigger war. We don't want to be a part of war. Tell us what do you think we ought to do?"

I have asked at least a half-dozen heads of state that myself, and I am sorry to have to tell you I didn't come back with much advice, except just, "Don't give up," from every one of them.

I ask you to do one thing above all: Believe that your President is as dedicated to peace as you are.

When I read some of the mail that I receive, I almost can weep, because there are people that really believe--and I'm sure they really believe; at least they have been encouraged to believe--that somehow or other we are just making the decisions because this is the easy way out.

The hardest thing to do is to be President of the United States, to commit American manpower to Southeast Asia or any place else. Every decision is a gamble.

The easiest thing to do would be for us to hope these things wouldn't get too bad, somehow or other, if we just had never been there and buy some time while other people chew up the world. Well, I am here to tell you we don't intend to do that. [Applause] So you will now have your chance to ask some questions. I am sure that some of you have some questions.

I trust, after we leave this meeting, you will feel that you have spent a worthwhile period of time in consultation with at least one member of the Administration who knows what he is talking about, the Ambassador. [Applause]

CHAIRMAN WEISL: After listening to the

distinguished Vice President, and the distinguished Ambassador, I can think of no greater tribute to the judgment and the wisdom of the President of the United States than his selection of them as literally partners in this great effort. [Applause]

Now the time has come for questions. Mr. Benjamin, do you have a question?

MR. BENJAMIN: I have questions from the floor. For Ambassador Goldberg, the first cease bombing was so short, the North did not know about it until the time was over. The statement that it had taken all these weeks for the North to tell its people makes me wonder whether another equal time would force a knowledge of favorable action.

AMBASSADOR GOLDBERG: You have to distinguish between a government letting its own people know about it and a government itself knowing about it. The Hanoi, and for that matter Peiping, but Hanoi, have directly known about the President's peace initiative when the American people knew about it, which was when we left on our peace mission. That is about a month ago.

As you have heard, and frankly, as we did not want to say, except that our credibility was challenged,

as the Vice President has indicated, by a rather gullible college professor who went to Hanoi and who asked a question and who credited the answer he got by Van Phan Dung, when he asked whether we have directly communicated with Hanoi, and got an answer which said, "No."

Then he came back and was prepared to tell the American people that we had not directly communicated with Hanoi, which is not the case.

It became necessary, then, to make a statement. Interestingly enough, he made another statement which he might have reflected upon after the first statement that turned out not to be satisfactory.

He said Van Phan Dung had told him with great sincerity that there were no North Vietnamese forces in the South, and because it was said with such great sincerity he believed it.

The fact of the matter is that the I.C.C., which is the International Control Commission, not us, but the Poles and Indians and Canadians, reported a long time ago that formal military units of North Vietnam were in the South; so that there was plenty of time for the Government of Hanoi to know what our intentions were.

It has been more than thirty days since a

direct communication was made to Hanoi, indicating what our intentions were.

CHAIRMAN WEISL: Do you have any questions?

MR. LEVIEN: Yes, Mr. Weisl, we have a great many questions here. We will try to ask the ones that appear to be the most interesting.

Mr. Vice President, you have stated that the Administration feels that we can continue what you describe as the "guns and butter" policy.

I think we would like to know what your reaction is to the attitude of Congress with respect to this.

VICE PRESIDENT HUMPHREY: I believe the Congress will, in the main, support the President's program. I say this not out of loyalty to the President, as much as out of knowledge of the Congress.

The President, as you know, has asked for about a \$4 billion increase in our tax revenues, which will come from holding back on the application of certain excise tax reductions, and the speedup of collection of certain taxes.

Then there is about another \$7 billion of increased revenue that comes automatically out of the

expansion of the economy, which gives you about \$11.1 billion of new money.

With the money available that comes in under those terms, and with solid support for the tax program that the President has presented--and that is a fact, that there is broad support for the tax program-- I think you will find that the rather reasoned and balanced program that the President has presented will be in the main adopted. I am speaking now, primarily, of those features of the Great Society Program that relate to air pollution, water pollution, urban redevelopment, poverty program, the education program, the medical program.

Actually, there is \$3.3 billion of new money strictly on urban, relating to urban life in this budget.

I guess most of us would agree that that is rather essential. It will undoubtedly be, I think. You can't say, "undoubtedly," but it will be adopted with very few or minor alterations.

MR. BENJAMIN: Ambassador Goldberg, to continue this diversification from Vietnam, even if only for a few minutes--because most of the questions are on Vietnam--there are three questions with respect to Red

China. Would you comment on the advisability, soon, of our Government saying publicly and candidly the conditions upon which we would vote for the admission of Red China to the United Nations, thus converting a negative posture into a positive one, and perhaps thereby winning back to our side some of the countries that have in the past few years switched or altered their position?

There is another question in the same general area: How can the United States prepare, between now and the next session of the General Assembly, to defeat attempts to expell Nationalist China from the United Nations and to seek Communist China?

The third one is in the same area. If Red China is finally admitted to the United Nations, and Nationalist China permitted to retain its seat, what do you think would happen to membership in the Security Council?

AMBASSADOR GOLDBERG: Our Government's position about Red China in the United Nations is not very complicated. We have no conditions about Red China coming into the United Nations, except one, and that is that it adhere to the Charter of the United Nations.

That is a very simple statement which is

applicable to all groups. We would apply it to any group to which we belong.

People are inclined to overlook that. They are inclined, because of not analyzing the problem to say, "Well, America is stuck on a bad position. She ought to get out of it."

Red China's terms for admission to the United Nations are terms that are not acceptable to us and should not be acceptable to any member state which really believes in the United Nations.

These terms are these. This is the question. No. 1, we have said it ought to renounce its view that war is the appropriate of settling international disputes. The Chinese are unwilling to do that. The official, expressed, repeated view of the Chinese is, as has been said by their leaders, political power grows out of the barrel of a gun, and that no type of war is excluded as a matter of international policy, including nuclear war.

That is inconsistent with the Charter of the United Nations, and that, of course, is horrendous for the very survival of all mankind.

The second statement of the Red Chinese-- and, by the way, you shouldn't just dismiss these because

they have repeated them several times, is that we must apologize for our United Nations' activities in Korea, that there must be an apology by the U.S. and by the United Nations for its action taken to defend the freedom of Korean.

I don't imagine there is anybody who would expect us to apologise; anybody in his right mind, and we do not intend to apologise for what was the most courageous act, and one which was in a great sense maintaining peace, the intervention in Korea to defend liberty there.

The third thing is they say we have got to expel from the United Nations, as a condition for admission, all of the imperialist puppets of the United States.

We don't know what they mean by that, but they have in other circumstances indicated what they mean by that. They mean, for example, that since they support what the Indonesians were attempting to do in Malaysia, that you would have to expel Malaysia from the United Nations.

Malaysia was admitted to the UN by unanimous vote as an independent state, entitled to admission. Presumably, they have another list, undisclosed, of member nations of the United Nations who have to be expelled.

I have said, and I repeat, Red China is the one keeping itself out of the United Nations, not the U. S. I wish I could get that message across, because there seems to be some misunderstanding about it. They are the ones who are keeping themselves out.

Many people of goodwill have said, "We ought to have a two-China policy. We ought to admit them both."

The simple answer to that is that a two-China policy is not acceptable to Red China. They have made it very clear that they will not enter the United Nations on the basis of a two-China Policy.

It is a very academic question for us to get into a prolonged discussion as to whether we will support a two-China policy when the Red Chinese have made it very clear that they will not countenance a two-China policy. Proof of that was what took place at the UN this time.

The proponents of the admission of Red China offered a resolution which was ambiguous, about whether it was a two-China or not. They prepared it; they didn't offer it.

The Cambodians were the principal opponents.

They were specifically told by the Red Chinese that they could not offer such a resolution. The resolution which was offered was a one-China, not a two-China resolution.

What is going to happen in the future I think will largely be determined, again, not by what the United States does but by what Red China does. If Red China continues its policy of aggression, if as seems to be apparent it is the country that is standing in the way of a peaceful composition in Vietnam, I don't believe they will be admitted to the United Nations. [Applause]

MR. LEVIEN: Mr. Vice President, some of us had the privilege last week of hearing your impressions of some of the individual world leaders whom you met on your recent trip. There are several people who are very much interested in having your personal impression of Mr. Kosygin.

VICE PRESIDENT HUMPHREY: I can give a personal impression of Mr. Kosygin without going into the matters that were discussed. I met Mr. Kosygin for the first time on the occasion of the funeral ceremony for the late Prime Minister Shastri.

We were in the President's tent, so to speak, at New Delhi, and I merely paid my formal respects

to the Premier of the Soviet Union, and during that moment had a chance to extend to him the appreciation and thanks of the President of the United States for the contribution to peace that took place at Tashkent.

I want to make it quite clear that our Government supported that effort, as you know. In fact, Arthur, you may recall that when President Ayub was at the White House, the President of the United States made it crystal clear that we looked with favor upon the meeting at Tashkent.

I have the feeling that one of the reasons the meeting took place is because of some of the actions that took place in our own country, where we frankly cut off aid to both countries, Pakistan and India, and told them they had better start to settle their disputes, that we weren't about ready to finance their wars.

I explained to Mr. Kosygin that the President of the United States had indicated to me that if perchance I should have the good fortune of meeting him, that he wanted me to convey our congratulations and appreciation.

On that occasion there was very little chance to talk and to really get to size up the person.

Leter on--the next day--I was walking in the garden of the Presidential Palace, and I happened to come across Mr. Kosygin and his daughter. His daughter is a very charming lady, a woman in her thirties, who speaks English well, and she was the interpreter.

We had about a forty-five minute visit that ranged from politics to weather. There was an affinity there with the weather in Northern Minnesota and Moscow. [Laughter]

We were able to discuss that, and also the ceremonies of the Nuclear Test Ban Treaty in 1963, when I had first met Mr. Kosygin, and a few other matters of lighter vein.

I found Mr. Kosygin on that occasion to be a much more relaxed man than the day before. I think he was very tired, and I am sure somewhat shocked over the tragic death and untimely death of Prime Minister Shastri.

I want to say that all the reports that we had in India led us to believe that Mr. Kosygin had performed very well at Tashkent. I believe in giving people credit where credit is due.

Mr. Kosygin worked tirelessly and

apparently very objectively, and in an impartial manner, and made a real contribution to the agreement that was arrived at in Tashkent.

The afternoon meeting was a much more formal one, when Dean Rusk, Secretary of State, and Ambassador Bowles and myself met with Mr. Kosygin and the Soviet Ambassador to India, and the Under Secretary of State, or the Minister, Deputy Minister of Foreign Affairs, of the Soviet Union.

But I found Mr. Kosygin to be a methodical man, a sort of managerial type, just as you have had explained--unemotional.

He was not like Mr. Khrushchev, who you never knew just what was going to happen. Mr. Khrushchev was more outgoing, much more dramatic, much more with many gyrations of emotions and personality.

Mr. Kosygin was frank, candid, respectful. By and large, I thought he was a person who knew what he was doing and was prepared to defend his own case with a considerable amount of ability and firmness, so you may know there was no expression of emotional bitterness or emotional antagonism.

MR. BENJAMIN: Considering what we have

learned about face, and about the significance of world opinion, why not use simple words to express simple ideas, namely directly invite VietCong to the negotiating table instead of saying that it is "no insurmountable problem."

AMBASSADOR GOLDBERG: This relates to, I think, a more profound question, and that is how you engage in negotiations. When you engage in negotiations you use the simplest words possible. That was that we are prepared to negotiate unconditionally. You can't be more simple than that, which means that any matter that is on the agenda, and any matter, can be discussed, and any matter can be disposed of.

What is implied in this question is that we ought to publicly go through the whole items of negotiations. The place to do that is to negotiate at the negotiating table.

I venture a very simple prediction, and I am quite confident from what we know about it, that if we did say this then there would be a new point raised. We would be negotiating publicly and in a forum which is an appropriate forum.

I think, in fact, the President went pretty far in this direction when he made that statement. All that is required, it seems to me, if anything, is to

say you want to negotiate. Now let me illustrate this.

Other people have said, "Why don't we make it clear that we are ready to go back to Geneva?" The President said that we are ready to go back to Geneva. In Geneva the VietCong was not a party. The ones who were parties at the Geneva Conference were the several governments--Chinese, ourselves, the United Kingdom, France and the Governments of North and South Vietnam.

And so you run into a lot of inconsistencies. They were ready to go back to Geneva which people would then say you ought to do, and then other people would say, "You're ready to go back to Geneva, but what about the VietCong? You say the VietCong were not parties at Geneva."

We tried, in fact, to meet that. I wrote a letter to the Security Council and I posed it in two ways. I said, "We are ready to negotiate unconditionally or on the basis of the Geneva Conference."

The reason for that was very plain. If we had merely said the Geneva Conference, that in itself imposes conditions because there were registered parties.

The answer to that is, you don't negotiate

that way. You just don't negotiate that way. You say in negotiations, "We are ready to negotiate unconditionally," and then all matters are at the conference table because you have to get into other problems. If you say, "We are ready to have the VietCong at the conference table," what about other groups in South Vietnam who want to be heard? What about the Buddhists? What about the Montagnards? What about other groups?

Then, if you get into that, you see, which would have to be considered when you start to negotiate, then people will say, "Wait a moment. You are so diluting your answer on the VietCong that you are not sincere."

So, really, the very best thing is to say that you are ready to negotiate unconditionally. And by the way, the President said something in the State of the Union Message that apparently nobody paid any attention to, because it is very significant. He said, "We are ready to negotiate with the Government and groups concerned." That is a pretty forthcoming statement. That would be my answer.

VICE PRESIDENT HUMPHREY: May I add this has been spelled out a half dozen times. I heard the Ambassador, when he came back from his overseas visitations

saying that not only were we prepared to negotiate with North Vietnam and groups concerned, and that North Vietnam could have with it whom it pleased to represent that side of the question, but also that we were prepared to put on the table--I believe these are your words--the fourteen points that we have, the four points that North Vietnam has and the fourteen points that South Vietnam has, that every single item was negotiable.

What disturbs me is why our fellow-Americans don't seem to give us credit for the fact that we are willing to negotiate on these items. If anybody can find out what Hanoi is willing to negotiate on, it would be a very interesting assignment. [Applause]

There is no problem with us negotiating.

You get kind of weary explaining about your negotiating position. Sometimes I would like to find someone who came back that would indicate that Hanoi was willing to negotiate. We haven't said we weren't willing to negotiate the four points.

In fact, the Ambassador said that it is negotiable. We haven't said that we were unwilling, that we were going to dictate who would be on the opposite list of negotiators. We have not said, "You can't have

Ho Chi Minh, or you can't have So-and-So."

#4 We have said, "You bring whomever you wish any place, anywhere."

I heard the Secretary of State say on two occasions that I recall, recently, and under very important circumstances and with very important personages, "I am ready this afternoon to go to Geneva to sit there and wait if you can assure me that anybody will come and see me." That is a pretty direct statement.

What do we get--the chill of silence or the rash of arrogant, belligerent rebuke. I think we have a lot of patience.

MR. LEVIEN: A question has been asked on a little different level, which I am sure will be of great interest to the people here, and which I'm sure received serious consideration and thought. That is: What is the effect of the bombing pause and the truce, and the things that have happened on the morale of the men in the field and the commanders in Vietnam?

VICE PRESIDENT HUMPHREY: I believe it is fair to say that our commanders have acted with wonderful spirit and excellent discipline. I wonder

how many of you know that during the so-called pauses and truces that our forces have had to take casualties and attacks, ours and the South Koreans?

I might add the South Koreans give a mighty good account of themselves, and so do the Australians; but we were not excluded. We were not included in some of this so-called truce.

But our commanders have exercised almost perfect discipline upon our own forces, and our men have shown great spirit and high morale, even during the pause.

There have been honest expressions from our commanders in the field that the pause may very well be causing some buildup in South Vietnam.

In fact, it is no secret that we have been watching this very carefully, and you can rest assured that your President and and this country are not going to jeopardize unduly the safety of our forces, but we think--and I believe that I speak for all of us--that we are as willing to make sacrifices for peace as we are willing to make sacrifices on the battlefield to obtain that peace.

We are making some sacrifices, make no mistake about it. I want to tell you, if you were

President of the United States, and a week from now or two weeks from now a massive VietCong attack takes place, and hundreds of our boys are slaughtered, and then somebody says, "Well, if you had only kept up the bombing this would never have happened," you just think about the happy position that your President has, particularly when we know that the possibilities of infiltration are always there. They were there when the bombing was under way.

I think you should make that quite clear. But we are taking calculated risks for peace. I happen to be one that believes that this pause in the bombing has not only strengthened the understanding of American policy internationally, but I believe that it has answered the argument of even members of the Communist Bloc who said, "If you would only stop the bombing, maybe then we could get negotiations under way."

I think it has had a very creditable effect upon all participants in the struggle. Hanoi has been mighty busy, these last few days, in their foreign office. I happen to believe that you have to have infinite patience in seeking the answer to peace, and we have exercised that patience, and we continue to exercise that patience.

What the ultimate decision will be;

what the Government will do; what the President will do I am not at liberty to say, even if I knew, nor should I say.

I want to give one other word, though. I met over 250 boys in the hospital at Clark Air Force Base in Manila. I want to tell you if you want to go through an experience, you want to see that. These are boys that are four to five hours off the battlefield. These are fellows that have been blown to bits, many of them, and they are there, really, to determine whether any of them can be moved to another hospital. Some will be maintained for a while.

I never heard one single word of complaint out of any man that could talk to me. Every single boy that I talked to spoke up and knew why he was in South Vietnam, understood the purpose that was ours, and every one of them had high spirit and high morale. Every one of them had faith in the undertaking that we were presently engaged in.

I want to tell you it was a credit to that generation, and I couldn't help but add that it is quite a tribute to the society from whence they came, because young men who act the way these fellows act did so because they

were conditioned by an environment in which they live.

These are top-grade soldiers, and besides that, they are good citizens, and the most uncomplaining individuals that anybody ever met in their lives.

I was mighty proud of them. I just couldn't resist being overwhelmed, and yet I saw them with their legs off, their heads cut open, and their guts spilled out. It wasn't an easy thing to see.

Every one of them I talked to was brave and confident and optimistic and said, "All we ask is that you stand back of us." That is a pretty good record.

[Applause]

MR. BENJAMIN: Ambassador Goldberg, what do you think of the enclave theory of Vietnam as announced by Senator McGovern and General Gavin and others?

AMBASSADOR GOLDBERG: First, these are very serious proposals that are made. Actually, they relate to something much more fundamental, and that is this. These proposals have a posture in which there is general agreement, and that is that there can be no "withdrawal."

General Gavin's statement was that. Senator Mansfield said the same thing. There can be no withdrawal.

Now there is a second postulant on which

everybody is agreed, so that the areas of disagreement are not that great. It really reduces itself to this question: What is the most effective way to maintain your presence so that your presence can be the force that will make for a settlement based upon honorable terms? That is really the argument.

Here, the policy of the United States has been consistent. It is consistent throughout. It includes President Kennedy's policy, as well as President Johnson's policy. That is that you maintain a sufficient force so that you cannot be forced out, and so that you can bring the conflict to an end by political means.

The Government has never subscribed to the view, as I tried to say earlier, that our object is to upset the Government of Hanoi, even though it is a Communist Government.

The object is to maintain sufficient American forces so that terror cannot be the determining factor, but that self-determination can prevail.

That is the commitment which has been made, and that reduces itself to a military-civilian decision as to what is the best way to do that.

There I think we have to rely upon the

judgment of the President after he gets all of his counsel and advice from military commanders.

What is significant about his judgment is that it has always been a very restrained judgment. We have only deployed limited means throughout, in South Vietnam. Nobody doubts this. General De Gaulle made a statement to me I don't want to repeat, but it was a very simple statement. He said that there can be no doubt of the power of the United States to do anything that would have to be done in the South. He does not subscribe to the view, despite the French experience, that America is lacking in the power to make its will manifest. There are dangers in exercising that power, over-involvement in the war; extension into a general war.

There are also dangers in not using enough power to make your presence felt. That is really what is involved in that question.

CHAIRMAN WEISL: The hour is getting late and we are compelled to confine a question to each of the gentlemen.

MR. LEVIEN: I guess it is my turn. Mr. Vice President, what is your feeling and the feeling of the Administration with respect to the failure of those

nations who feel that what we are doing in Vietnam is proper and right to send additional help in the form of more military aid and troops and aid, and do you think there is anything that can be done by our administration to further that?

VICE PRESIDENT HUMPHREY: This question was posed yesterday on the "Meet the Press" program that many of you may have witnessed, where there were reporters or commentators from Germany, England and Italy as well as the United States, to Secretary Rusk.

We do have, of course, the presence of better than thirty--I forget, Arthur, the exact number--thirty nations in South Vietnam.

Many of these--almost all of these--are with noncombattant or nonmilitary units.

I might add that the presence of medical teams in work with the refugees and with the orphans is very important. It is as much a part of the general effort in South Vietnam today as the military effort itself.

Those nations that aid in technical assistance, that are trying to help us in the program of pacification to rebuild the villages, as these villages are torn apart, to rebuild the schools, to rebuild the outpatient clinics, the public health facilities--all of these

matters are of vital importance. When nations help us with these things, and help the South Vietnamese, they are helping us.

Of course, we have the troops of New Zealand and Australia, of Korea and ourselves, as allies in South Vietnam. Each government has to make its own decision on these matters. We have appealed quite frankly to a number of governments to now offer whatever assistance they could offer. Some of them have some constitutional limitations, such as I believe both Germany and Japan.

Others are making some commitments that are rather important in their present circumstances. For instance, the British have thousands of troops in Southeast Asia in Malaysia, which is very important, and their troops are a general part of the overall defense.

Thailand is making a very singular contribution to the security of the area. And so it isn't as if we are there all alone.

I want to say that we welcome what assistance we can get, but we are not in a position to demand. We are only in a position to request.

I wouldn't be a bit surprised if other nations are doing some rethinking, and what their decisions

will be is not for me to prognosticate. These are rather sensitive matters.

MR. BENJAMIN: Ambassador Goldberg, in view of the reported requests by other heads of state to continue our peace offensive by not bombing North Vietnam, how long can we honor these requests and yet not permit a buildup of forces and materiel by North Vietnam, which eventually will cause additional loss of life to the United States' forces?

AMBASSADOR GOLDBERG: I think the Vice President answered that question very directly. This is, of course, a decision, ultimately, that the President has to make. There are risks involved. There are risks that have been taken in having a bombing pause as prolonged as the one we have had.

Thirty-one days is a good deal more, by the way; I discovered in my going around the world, than was anticipated or even requested. Request was frequently made for a bombing pause of two or three weeks.

The President, in the letter sent to members of the Congress who wrote to him this weekend, I thought stated it pretty well, that of course we have to be mindful that our troops are there in South Vietnam and our allies

are there, and we cannot continue in a military manner which would jeopardize their ultimate security. I suppose that is the only answer I can give.

CHAIRMAN WEISL: May I take this occasion, again, to thank on behalf of all of us the Vice President and the Ambassador for coming here and giving us this opportunity to learn so much in so short a time of our problems. [Applause]

May I also call your attention to the fact that I omitted, during the mention of distinguished visitors, the name of Arthur Leavitt, the Comptroller of the State of New York. [Applause]

[The meeting adjourned at three p.m.]



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