



news release

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VICE PRESIDENT HUMPHREY PROMISES PRICE STABILITY WITH PROSPERITY -- NOT THROUGH RECESSIONS

Portland, Ore., September 27 -- Vice President Hubert H. Humphrey today pledged that a Humphrey Administration would "score a breakthrough on the biggest remaining challenge to our over-all economic performance -- to couple our prosperity with reasonable price stability." The Vice President said that a "weak, Republican economy isn't the only way to hold prices in check."

Mr. Humphrey said that it is up to the government to "use fiscal and monetary policies to keep our growth steady and sustainable" including a review of government programs with price stability in mind and working with both business and labor toward greater wage-price stability. He said that the Republicans "still believe in recessions as the weapon against inflation."

The Vice President pointed out that "U. S. price performance since 1960 is better than that of any other industrial nation in the world. Contrary to Republican scare stories, there is no major difference in our price record for the past seven and a half years than in the preceding eight Republican years." He reminded his listeners that "real incomes -- correcting for price increases -- are up 32 percent in the Democratic period compared to an anemic 9 percent advance under the Republicans."

Mr. Humphrey said that if he is elected President he will continue the "brilliant economic record" of the last eight years with special emphasis on methods to insure price stability as prosperity continues. He pledged that he would work with the Congress to "achieve a sound management of fiscal policy." In addition, he promised tax reforms, flexibility in dealing with changing defense needs and less reliance on tight money to discourage excessive spending.

His text is attached.

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REMARKS BY
VICE PRESIDENT HUBERT H. HUMPHREY
PORTLAND CITY CLUB
PORTLAND, OREGON
SEPTEMBER 27, 1968

I find it interesting that Mr. Nixon has decided to make a political issue out of prosperity this year. With all the other issues on which he might speak out -- and hasn't -- I would think he might choose to tiptoe through this one.

It's time we took a hard look at our economy today.

And it's time to examine our tremendous potential for economic growth in the future --

-- If we apply wisely the economic lessons of the past eight years

-- And if we don't go back to the "let nature take its course" policies of the Republicans.

What are the stakes this year -- in economic terms ... in human terms?

By Election Day 1972, this Nation can have a gross national product that tops trillion dollars at today's prices.

Average real family income can grow another seventeen hundred dollars, and these income gains will bring greater comfort and convenience to millions of our people.

Corporate profits after taxes can rise another twenty billion dollars and approach a seventy billion dollar level.

We can build homes at a rate of much more than two million units a year.

We can create another seven million jobs. We can drive unemployment even lower -- make it a temporary and unusual occurrence. Unemployment insurance benefits can cushion the cruel blow of joblessness much more effectively.

We can provide far more adequate social security benefits for the aged -- job opportunities for all who are able to work -- and adequate cash assistance for those who are unable to work.

By 1972, the number of people in poverty can be slashed to less than half the 1967 level. We should be able to largely eliminate poverty in America by the Two Hundredth Anniversary of this Nation.

These are our potentials -- easily within our reach -- if we remember the past and compare ...

If we remember the dismal, disheartening years of Republican economic mismanagement in the 1950's:

-- Three recessions in seven years;

-- A growth rate little more than half of our long-term historical average;

-- A near tripling of unemployment;

-- A sad, soggy last for the United States...at the very bottom of the growth-rate roster among industrial countries.

Remember? The tired, sluggish American economy was the joy and the hope of Communist propaganda. In the late fifties the head of the Soviet Union could threaten to bury us' economically.

The fact is that we were burying ourselves.

Remember? People migrated in droves to any place that offered some hope for a job...and the problems of our cities burgeoned into a new national scandal--studiously ignored.

Now some say the Republicans may learn from their past mistakes. There is no shred of evidence either from the 1950's or the Republican voting record right up to date that they have learned anything.

I think they deserve a new verse in that moving and wistful melody, "When will they ever learn..."

The newly-named Nixon economic braintrust sounds like the makings of a "back to McKinley" campaign.

This year they actually boast about the state of the economy in 1961. "Prices," they happily record, "were stable, the dollar was strong, the budget was in balance, and a solid foundation for future growth had been laid. All this was the result of eight years of sound economic policy, carefully administered."

But what about the rest of the record at that time?

--4.8 million people--almost 7% of our labor force--were unemployed in the first quarter of 1961;

--Real family income was falling;

The number of Negroes in poverty was rising;

--Profit margins were severely squeezed;

--fifty billion dollars per year worth of our nation's productive capability was squandered in idle workers and idle plants;

--Our economic weakness had shaken world confidence and produced a 3.9 billion dollar balance of payments deficit in 1960.

America can do better than that--as we've proven in the last eight years. But the Republicans seem not to have gotten the message.

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Their cure for a sick economy was plenty of rest -- flat on its back.

It was easy to have an adequate one-year record of price stability in a recession, because markets were sluggish and stagnant.

Consumer prices rose one point six percent from January 1960 to January 1961. They count that an adequate performance -- although we Democrats did at least as well in four out of seven Democratic years.

Union wage negotiators "knew their place," because workers were standing in hiring lines, begging for jobs.

Fiscal management was not problem. Its drag on the economy was simply ignored. The Budget was in balance during the 1960 Fiscal Year, even though it took a heroic amount of gimmickry to produce that result after a record peacetime deficit -- thirteen billion dollars -- the year before.

Imports were down. But then remember that everything was down -- production, real incomes, jobs, profits.

The only economic figures that were pointing up were unemployment and non-white poverty.

We know that prosperity does raise some significant problems; we know it's harder to keep prices stable in a vigorous economy.

It's harder to keep interest rates down -- it's harder to maintain the fiscal discipline needed to avoid an inflationary fiscal policy -- it's harder to hold imports in line.

It is hard indeed -- grappling with complex issues.

It takes the work of men dedicated to the idea of government that does not shirk its responsibility for the economic welfare of all the people.

That is the Democratic idea of economic management ... and it's my idea, too.

* * *

We have seen the economic benefits of Democratic policies in the past seven and a half years.

Ninety-one months of sensational economic growth and uninterrupted prosperity is no accident and no coincidence.

We unleashed the vitality of free enterprise by more enlightened use of public policy. The Federal Government cannot be a referee in handcuff ... neutral and useless. It cannot be neutral on matters of the public interest.

It does exercise great influence -- influence that necessarily affects our economy -- for better or worse.

This influence has been exercised for the better in recent years, and it has been exercised in ways that expand and strengthen individual freedom.

Our workers have gained a new freedom of choice, because their incomes stretch beyond the bare essentials of life.

Our businessmen have higher profits and new freedom to plan for steady and healthy growth of their markets. These opportunities ... and this broader scope for private energies are true measures of individual freedom.

I am proud to have contributed to the brilliant economic record of the sixties, and I am confident that we can do even better in the years ahead.

We have gained valuable experience and learned important lessons, which give us an agenda for future improvements.

First, the President and the Congress must work together more closely to achieve a sound management of fiscal policy. We need careful and coordinated decisions about our national priorities in writing tax legislation and in reviewing appropriations.

Second, tax reform remains on the list of unfinished business. We can close loopholes; we can improve equity. We can insure that all Americans carry their fair share of our Nation's tax load, lifting the burdens on the low income groups.

Third, we can and should adjust our finances smoothly to changing defense needs. If defense requirements should mushroom at any time during my Presidency -- and I hope they will not -- I pledge that we will finance the additions responsibly and promptly. And, when peace comes, I will use that welcome opportunity to promote our economic health and our top social priorities...

Fourth, in heading off unsustainable business booms, we must not depend too heavily on tight money. We have seen that it can check excessive spending, but only by upsetting our financial markets and by placing an unfair burden on our important homebuilding industry. That lesson should be clear to those who know firsthand the vital lumber industry of the Northwest. Fiscal policy must carry a fuller share of the load.

Finally, we can score a breakthrough on the biggest remaining challenge to our over-all economic performance -- to couple our prosperity with reasonable price stability.

The Republicans have conjured up the inflation hobgoblin again and again. This year, as usual, it is a declaration against prosperity. They still believe in recessions as the weapon against inflation.

Richard Nixon is the same Republican candidate who said in 1960: "Unless unemployment goes over 4.5 million, it cannot become a significant issue in the minds of a great many people. There must, after all, be some unemployment."

There is just no evidence to date that this complacency -- this callousness -- has changed -- in Mr. Nixon or his party.

It is worth taking a sober look at the facts on inflation.

U. S. price performance since 1960 is better than that of any other industrial nation in the world. Contrary to Republican scare stories, there is no major difference in our price record for the past seven and a half years than in the preceding eight Republican years.

Wholesale prices rose more under the Republicans -- 9 percent ... as against only seven and a half percent in the Kennedy-Johnson-Humphrey years. Our most comprehensive price index, the "GNP deflator," rose 17 percent during the eight Republican years and only 16 percent under the Democrats.

Consumer prices have risen more during the last eight years than in the previous eight years -- sixteen percent versus twelve percent ... a four point difference.

Why? Most of that differential represents an unprecedented expansion in the service industries stimulated by rising real incomes. And it also reflects the fact that service workers -- clerks, laundry workers, hospital employees, domestic help, and others -- are finally beginning to receive a living wage.

The Republicans choose to ignore these facts -- just as they ignore the fact that incomes have far outpaced prices for nearly every single group of American citizens. Real incomes -- correcting for price increases -- are up thirty-two percent (32%) in the Democratic period compared to an anemic nine percent advance under the Republicans.

We can do better on inflation. But I know we need not throw prosperity away to reduce that four percent margin in prices.

I would not sacrifice the gains we have made in employment, production and real income. I would not squander the opportunities that prosperity gives

us to deal with the problems of our cities.

A weak, Republican economy isn't the only way to hold prices in check. There is a far better way to achieve price stability and prosperity.

Whenever I talk to business and labor leaders, I see growing recognition of the importance of these two goals. We must not accept inflation; we cannot tolerate stagnation; and we will not go down the primrose path to government direct controls on wages and prices.

Rather, we must travel a different highway.

The government must use fiscal and monetary policies to keep our growth speedy and sustainable.

It must help to break bottlenecks and strengthen free markets.

It must review all its programs with price stability in mind.

It must improve productivity and efficiency through training and mobility of workers and stimulate more investment and modernization by business.

And it must work with business and labor toward greater wage-price stability. I know I can work with both business and labor. I believe that much more can be done with active business and labor participation in voluntary and cooperative efforts to fight inflation.

Before Americans choose their economic managers for the next four years, they should review the issues carefully. In particular, they will remember the problems they don't have today, as well as those they do. The businessman will remember that profits bounced up and down during the fifties, never rising for two successive years. He will remember that profits have increased on the average each year under the Democrats by more than in the eight years of Republican administrations combined.

The American worker will remember the era when he opened each paycheck with the dread that he might find a layoff notice in his envelope.

The American consumer will recognize the income gains that have provided far greater purchasing power in recent years.

When Americans vote on prosperity, I am confident they will give us a clear call for more of it.

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PORTLAND CITY CLUB
Friday, September 27, 1968
Portland, Oregon

Vice President Humphrey. Thank you very much.

President Bledsoe, you spoke like a judge. You got right to the point. You told me you were just a lawyer. I expected a longer introduction.

Senator Morse, Mayor Schrunk, and may I also present from the audience, if he has not already been presented, another very distinguished United States Senator. Fred Harris from Oklahoma and Mrs. Harris are with me.

The members of the Portland City Club and guests, no matter how many times I am privileged to speak, and I guess you know that I have been speaking a good deal and sometimes privileged and sometimes not, I always find that when I come to a club that has such civic importance as this one and such historical significance, you sort of feel a little fear and trepidation. And anyway, I have been warned by Senator Wayne Morse that this place is packed with Democrats, so there is no need to be overly concerned. At least he said he had one table of them here.

Then I said, well, how is it, Senator, that you seem to get so many votes? He said, well, you know, I have been both a Republican and a Democrat. So he has picked the best of both worlds. And I think you have got the best of both worlds in him, too, and I want to make it very clear. I can't imagine what the United States Senate would be like without Wayne Morse. There are some days, Wayne, that I was not so sure, but I can't imagine what it would be like. He is a remarkable individual and when your president told me he was a lawyer, I said, well, be good to me, because I have my lawyer here, too -- Senator Morse -- and he is good.

I am very proud of this opportunity of coming to this beautiful city, this city of roses. I have been here many times before and it is one of the great cities in the United States, one of the beautiful cities. Your programs of urban development are, I think, inspiring to all people who are hopeful that the American city can be made a living institution. The crisis of our cities is no longer a phrase, it is a fact. And you are coming to grips with that crisis and demonstrating that through civic cooperation, through the partnership of federal, state, and local government and the private sector, with a tremendous emphasis on the part of our private business and labor and community groups, that you are able to remake the face of the city.

Not only the face of the city, but the soul and the spirit of the city, which is so vital.

But I did not come here today to talk to you about urban matters particularly, even though that has been a topic of considerable concern to me. As your Senator knows and as Congressman William Greene knows, I am privileged as Vice President to serve as the President's liaison with the cities and local governments. Last night in San Francisco, I met with all of the Mayors of the Bay area, along with Mayor Joseph Alioto of the City of San Francisco, in a very nonpartisan meeting. We talked about municipal life, municipal problems and the role of the federal government in some of their policies and programs. Today, I am going to talk a little economics and a little politics. I thought you would not mind if I just sort of touched it, because economics as such is a bit dull, and politics is a little hot. By adding that kind of pepper and salt together, you get a topic that possibly could be somewhat interesting.

Before I do it, I make note of the fact that I have been told this is Scandinavian week in Portland. Well, may I tell you, in Minnesota, it is Scandinavian week 52 weeks in the year. I want to congratulate you on recognizing the fact of the existence of we Scandinavians, my mother having been born in Norway and my father having been born in Albany, Oregon. I ought to be all right out here. But for that Irish minority that is here, we will see to it that through Mayor Terry Schruck here, you have at least a day that we will dedicate to you.

Everything that we want to do in this country, my fellow Americans, depends upon the health of our economy. Whether we seek to build a better city, whether we seek to have better schools and better living environment for our people, whether we seek to build a better world -- yesterday I addressed myself to the new strategy for peace as I called it. One of the items in that was the matter of economic development. As Pope Paul put it, development is the new word for peace. But you can't have development if you don't have resources that are useable. You cannot rebuild your cities out of recession and depression. And there is not a thing that we really need to do in this country, from communication to transportation to sanitation to education, to housing, to national economic development that can be done out of a floundering, faltering, sputtering economy. Therefore, while it may be true that man does not live by bread alone, and it is true, let me tell you, it does take some bread as well. The spirit of a nation is not to be found in its economics, but a healthy economy can add a great deal to the spirit. And I think that we can have both. And I want to talk to you, yes, as a candidate for the highest office in this land, but also as a citizen and one who has served in this government 16 years in the Senate, now almost four years in the Office of Vice President, and prior to that for two terms as the mayor of the city of Minneapolis. And I have had the same experiences that many of you had. I am a child of the depression, which left its scars, of course, upon my memory. But I am also an adult of the post-war world in which we have witnessed fantastic breakthroughs in both science and technology and the field of economic development.

I think it is time, and indeed, it may be overdue, that we take a good hard look at our economy today, and it is time to examine our tremendous potential for economic growth in the future, because all the statistics of yesterday mean very little unless we get some sense of direction and perspective for tomorrow.

Yes, economic growth is possible and continued economic growth is possible, and I think slightly mandatory. It is possible if we apply wisely the economic lessons of the past eight years, and I might say of the past 20 years, and it is possible if we don't let nature take its course, which I happen to believe in part is the policy of our Republican opposition.

Now, what are the stakes this year in economic terms and in human terms, because every national election is in a sense a referendum, not on one issue but on a number, and there are many issues that stand in the forefront of American thought today and each of them deserves its own special consideration.

Well, by the election of 1972, some four and a half years hence, this nation can have a gross national product that tops a trillion dollars at today's prices. That is no idle dream. A growth rate of between four and four and a half percent, which is a reasonable growth rate and is somewhat under what has been our most recent growth rate, will give you a trillion dollar economy. And out of that trillion dollar economy, with existing tax rates, if we never altered them at all, and even with the repeal of the surtax, we will

generate huge amounts of revenues. We will generate just by the normal growth of this economy next year between \$13 and \$15 billion of additional revenues for the things that need to be done. And we can then subsequently look forward to reductions in taxes.

Now, average real family income can grow another \$1,700 in these next four years if we just maintain the present trend, and these income gains will bring greater comfort and convenience to literally millions of our people. Millions will be lifted out of poverty by the free enterprise system itself, working in cooperation with sound fiscal and monetary policy. Corporate profits after taxes can rise another \$20 billion for purposes of investment and dividends and approach a \$70 billion level by 1972.

We can build homes, and this is something of interest to people in this part of America, at a rate of much more than two million units a year. The lumber industry ought to do all right on that schedule.

We can create another seven million jobs in the next four years. And we can drive unemployment even lower and make it a temporary and unusual occurrence. Employment insurance benefits can cushion the cruel blow of joblessness much more effectively and we can provide far more social security benefits for the aged because we are working on a bigger base. You see, the difference in concept is like a baker. It is a question of whether you are going to have the same size pie for more guests or whether you are going to bake a bigger pie for the larger number of guests at the table, the American table of its population.

And we can have job opportunities far beyond anything we ever, ever dreamed, and adequate cash assistance for those who are unable to work.

Now, where do I get these conclusions? From the most conservative people in the financial and industrial world -- out of the bank newsletters; out of such institutions as the Brookings Institution; out of the Council of Economic Advisers, the National Planning Association. Not a one of them disagrees. They say everyone, every conservative or liberal, put any tag you want on it, there is a general view, there is a consensus that these things that I have said are relatively sure and not at all radical in their impact or their meaning.

By 1972, the number of people in poverty can be slashed to less than half the level of 1967. After all, in the last five years, ten million people have been lifted out of poverty in this country through the expansion of our enterprise and our economy and by the help of some government programs. No country on the face of the earth has ever come close to doing anything like this. And it might not be a bad idea for those who are the champions of free enterprise, the men who are in it, to start to herald the achievements of this great economy -- not merely in terms of its profits and dividends, which is vital, but in terms of its social dividends which it extends in a greater generosity than any social economic system that has ever been designed.

I sometimes think the American businessman is his own worse enemy. He refuses to admit that he has a humanitarian economic system. He likes to think about it and talk about it at least in some of his interpretations as just hard cash. Now, there is nothing wrong with cash and there is nothing wrong with credit and there is not a thing wrong with profit. I am an advocate of the profit system and I am an advocate of the credit system, and I am an advocate of the cash system. I still run Humphrey's Drugstore, and it sometime is solvent, so I know a little bit about it. It is a small payroll,

but it does take care of half a dozen families as a small enterprise. I wonder why it is that we don't tell the social story side of our enterprise system as well as the double entry bookkeeping story. You can help.

These are our potentials and they are well within our reach if we remember the past and compare. And I speak to you as a candidate -- our present economy as a pseudo, at least, or part-time economy if we remember the dismal, and they were dismal, and some very disheartening years, of economic mismanagement in the 1950's, three recessions in seven years -- yes, you had a tax reduction, but it was not the kind that stimulated investment, and the war was over, but there were no peace dividends. No effort was made to come back to hard core unemployment, not one single job training program was launched; no effort was made to clean up our cities. No effort was made to get at the roots of illiteracy. We reduced the taxes without regard to what the fiscal policy mean to the economy and we had three recessions that literally drained this nation of ours of billions and billions of dollars; a growth rate of little more than half of our long term historical average; a near tripling of unemployment; and a sad, soggy last for the United States, who was at the very bottom, this nation at the very bottom of the growth rate roster of the industrial countries. This great country in the 1950's was last in all the industrial countries in terms of economic growth.

Now, these are hard facts, but they are there. I ask you to remember the tired sluggish American economy was the job and the hope for communist propagan... It was in the late 50's that Khrushchev said he was going to bury us economically. Well, thank goodness, he is out and we are out of the doldrums. The fact is that we were burying ourselves, remember?

People migrated in droves from the countryside to the cities, to any place that seemed to offer them a job, a hope of a job. Most of the problems of the cities of the in-migration took place in these years of people with no hope, jobless, moving from place to place, filling up the cities with people sometimes who had lost their skills, lost hope. Now some say that our Republican friends may have learned from their past mistakes. I don't think there is much evidence -- in fact I say no shread of evidence -- from the 1950's or the Republican voting right up to date that they have learned.

I do think, though, that they deserve a new verse in that moving and wise full melody, when will they ever learn?

Now, the newly named Nixon economic experts, braintrusts, sound like the makings of -- well, a return to something. Somebody said back to the McKinley days. I think that is a little far back. But it does indicate a lack of understanding of what has happened. This year, they actually boasted about the state of the economy in 1961. And here are the exact words -- and by the way, I have been trying to get Mr. Nixon to come on a platform like this. I think you ought to ask him. I have been asking him: why can't we have national debates along the style of the Lincoln-Douglas debates. Why should not the American people hear from Mr. Nixon, Mr. Wallace and myself at the same time? Why should not we be able to come to Portland? You have a fine auditorium here, you have television, the national networks. They would not miss it, you know, it would be just too much fun. Besides that, it would be free; it would be on them instead of on some of us having to go around and ask you to contribute to our campaign covers.

In all candor, I think the time has arrived in a country of over

200 million people, where we have the media that we are privileged to have today, for candidates to quit acting like they are running around playing games with each other, talking to partisan audiences. I think we ought to have the candidates side by side, sitting up here just as these men are here, and we take our turn on a subject like this, present our case, you ask the questions, and you go out of here like a jury and make your own decisions.

My friend Mr. Nixon branded what I have just said as kid stuff. I happen to think the American electorate is rather intelligent and they will be more informed if we keep playing circus with them. This country does not need any more parades. We maybe have had one or two too many already and I don't think that the only business that ought to benefit from the campaign is the balloon business. I think that it is much better to float some ideas before you than it is to float balloons down financial streets or down Fifth Avenue or wherever it is.

We are all guilty of it. It is not as if somebody has a monopoly on these tricks. But the fact is that at a time in our nation's history when we face war, when we face international crisis, when we have unbelievable problems in our race relations, when we have difficulty in our agricultural economy that is rapidly changing -- when we have a host of problems, a 25 to 40 second news clip is not enough to tell you what is going on. You can sell detergent and beer and soap and cosmetics that way. But that is no way to sell ideas. And that is what this country needs today. It needs discussion, dialogue, debate, dissent, and then decision. Those are the fundamentals of a democracy.

So every place I go, I am going to say the same thing until somebody stands up and says, all right, let's be gentlemen, let's show the American people that we are capable of discussing things responsibly, without passion or emotion, and talking to the people. You know, if you are unwilling to talk to your opponent in a campaign, what makes you think you can ever talk to Mr. Keysign or somebody else after the campaign is over when you get to be President. I am a lot easier than that. So is Mr. Nixon. I have talked to both.

Well, now, let me get back here to the economics. I told you you were going to get a little mixture here, you know.

Mr. Nixon has boasted through his economic brainturst as follows, and I quote: "Prices," speaking of the economy in 1961, "Prices were stable, the dollar was strong, the budget was in balance and a solid foundation for future growth had been laid. All this was the result of eight years of sound economic policy, carefully administered."

Now, we really ought to apply truth in labelling to this, or truth in packaging, but we did not get around to passing that until Wayne Morse and some of the rest of them got busy in the Senate with a Democratic President, to get it done.

But what about the rest of that record? Let's take a look at that statement and analyze it now and I ask you to analyze it in objectivity and not in partisan subjectivity. 4,800,000 people, almost seven percent of the labor force were unemployed in the first quarter of 1961. Is that the way you get a stable dollar? That means no dollars for them. Real family income was falling; the number of Negroes in poverty was rising. Profit margins were severely squeezed. Fifty million dollars per year of our nation's productive capability was squandered in idle workers and idle plants.

It is estimated that the total cost of unemployment in lost man-powers was \$175 billion. Our economic weakness had shaken world

confidence in the dollar and had produced a \$3,900,000,000 balance of payments deficit in 1960, the highest it has ever been. No other administration has ever had that high a deficit.

Now, America can do a lot better than that. Those are the facts and I stand ready to be challenged by my opponent. And we have proven that we can do better the last eight years. The cure for a sick economy, according to some of the advisers that my opponent had, was plenty of rest, flat on its back. It was easy to have an adequate one-year record of price stability in a recession. I can even get prices to come down if you just get a depression. Because markets were sluggish and they were stagnant and you know it in Portland. The lumber industry was not so hot.

Consumer prices rose 1.6 percent from January '60 to January '61. They count that an adequate performance, although we Democrats did at least as well in four of the last seven Democratic years.

Union wage negotiators knew their place, because the workers were standing in hiring lines looking for jobs. Fiscal management was no problem. Its drag on the economy was simply ignored. The budget was in balance during the 1960 fiscal year, even though it took a heroic amount of gimmickry to produce that result after a record peace time deficit of \$12 billion just the year before.

Imports were down, but then, remember, that everything else was down -- production, real incomes, jobs, and profits. The only economic figures that were pointing upward were the unemployment figures and the non-white poverty.

Now, we know that prosperity does raise some significant problems. But having suffered through a depression as a young man and having experienced some of the problems of prosperity, if you don't mind, I will settle for the latter. It is sort of like they say, you know, you can learn a lot in defeat. It builds character. I have had some of that and I will tell you, you can build every bit as much character in victory, believe me.

Now, we know that prosperity poses problems. It is harder to keep prices stable in a vigorous economy. It is harder to keep interest rates down, it is harder to maintain the fiscal discipline needed in a vigorous economy and it is harder to hold imports in line. It is hard indeed, grappling with complex issues. It takes the work of dedicated men, dedicated to the idea of government that does not shirk its responsibility for the economic welfare of all the people. And I think this is the Democratic idea of economic management and it is my idea, too.

We have seen the economic benefits of Democratic policies in the past seven and a half years -- 91 months of sensational economic growth and uninterrupted growth and prosperity is no accident and no coincidence. No other nation on the face of the earth ever experienced it. My chief counsellor in economic policy is Dr. Walter Heller, I introduced him to John Kennedy. President Kennedy made him president of the Council of Economic Advisers. He remains today as my close economic confidante. He is also an adviser to several of the largest banks in the United States that seem to be doing quite well, and he is the head of the Department of Economics of a great university, the University of Minnesota. This man gave us a new insight into economics. We unleashed the vitality of free enterprise by more enlightened use of public policy. The federal government cannot be a referee in handcuffs, neutral and useless and it cannot be neutral on matters of public interest, just as it has not been neutral recently in the price rise on automobiles.

It does exercise great influence, an influence that necessarily affects our economy for better or for worse. This influence has been exercised for the better in recent years and it has been exercised in ways that expand and strengthen individual freedom. Our workers have in fact gained a new freedom of choice and some of our investors, because they have more to invest with. Our businessmen have made higher profits under Democratic administrations than ever in their lives -- after taxes, after price adjustments. There has never been anything like it.

Now, I am going to share a little intimacy with you. I belong to a country club or so, and I have young people, a young man that is my son, that is a businessman. He goes around with young folks and most of them say they are Republicans. He said, "Dad, that bothers me. Why do they always do that? I feel like a sort of black sheep."

He said, "I go on out at night and all of our friends are young Republicans and it just bothers me."

I said, "Son, jut listen. You tell them if it makes them feel better to say they are Young Republicans, that is fine. But just tell them to take a look at their pocketbook. The only way they can really afford that is to have a Democratic Administration."

I think that is more truth than it is jest. The influence, as I say, has been exercised for greater freedom of choice. These opportunities and this broad scope for private energies are the true measures of individual freedom. I am proud of the brilliant economic record of the 1960's, and I am confident that we can do even better in the years ahead. We have gained valuable experience and learned important lessons which give us an agenda for the future. Let me cite it: First, the President and the Congress must work together more closely to achieve a sound management of fiscal policy. That is the first priority. We need careful and coordinated decisions about our national priorities in writing tax legislation and in reviewing appropriations.

Second, tax reforms and reform remains on the list of unfinished business in this country. We can close tax loopholes. We can improve equity. We can insure that all Americans carry their share of the nation's tax load and lifiting the burdens on the low income groups. And the only relief for the property taxpayer is an equitable federal income tax or an equitable state income tax. The property tax or the sales tax are the most inequitable taxes ever foisted on man, and the property tax today has become confiscatory in far too many communities because of the demands for social services. And the answer is a fiscal policy and a tax policy at federal and state level that generates income and generates investment and generates business, but primarily generates for this purpose income on an equitable basis.

I know why many people are opposed to federal aid programs because we have a progressive income tax and a progressive income tax, with all of its faults, is just. It may bear a little heavier on the rich, but that is why it is just. And no tax program that is worthy of this country can be anything else but just if it is to last.

Third, we can and should adjust our finances smoothly to changing defense needs. If defense requirements should mushroom at any time in my Presidency, and I hope and pray they will not, and we must try to make it the high order of business to cut back on the arms race -- I pledge that we will finance the additions responsibly and promptly. In other wor-s, it will take some rearrangement of

tax and fiscal policy. And when peace comes, and I hope it comes quickly, I will use that welcome opportunity of the peace dividend to promote our economic health and to achieve our top social priorities.

Further, in heading off the unsustainable business booms and busts we must not depend too heavily on tight money. We have relied almost exclusively on the federal reserve board, which is an unfair burden upon it, to control inflation. We have seen that it can check excessive spending, but only by upsetting our financial markets and by placing an unfair burden on our most important home building industry. The lesson should be clear to those who know first hand that the vital lumber industry of the northwest is deeply affected by tight money.

Fiscal policy must carry a fuller share of the load.

Finally, we can score a breakthrough on the biggest remaining challenge to our overall economy performance to couple our prosperity with reasonable price stability.

Now, the Republicans have conjured up the old hobgoblins of inflation again and again. This year, as usual, it is the declaration against prosperity, they still believe, apparently, in recessions as the weapon against inflation.

Richard Nixon is an intelligent man, an experienced man. But he said in 1960 these words: "Unless unemployment goes over 4.5 million, it cannot become a significant issue in the minds of a great many people, there must, after all, be some unemployment."

Now, I want you to put that in proper perspective. There was nothing done to train the untrained, there was not one single manpower training program in this country. We have trained over a million of the hard core unemployed in manpower training and development alone. And when you talk about four and a half million unemployed, as if somehow or other, this is a statistic, I would suggest that you consider the human beings involved. And I would suggest that if a personage of that four and a half million is in your community, you

might want to take a look at what that means to your accounts, to your businesses. We cannot afford to play with human beings as if somehow or another, they are just another digit or another statistic. And we have learned that you donot have to have a pool of unemployment of four and a half million in order to have price stability or a stable economy.

There just is no evidence to date that this complacency and I think callousness has changed in either Mr. Nixon or his advisers. It is worth taking a sober look at the facts on inflation.

United States price performance since 1960 is better than that of any other industrial nation in the world. You know, it is just like the fellow says, "How is your wife?" You say, "Compared to whom?"

United States industrial performance is better than any other -- compared to whom? Compared to all of them. We live in the same world. Other nations are capitalistic as we are. Yet our performance is superb. Contrary to Republican scare stories, there is no major difference in our price record for the past seven and a half years than in the preceding eight Republican years. Wholesale prices rose more under the Republicans by nine percent as against only 7.5 percent in the Kennedy-Johnson-Humphrey years.

Now, my friends, I owe an apology to my friends of the media. I said in a couple of other speeches that the wholesale price index had risen one-tenth of one percent more under the Democrats. Then I got hold of the report of one of our great bank newsletters out of New York and I found I was wrong, that in the wholesale price index was actually about a percent and a half lower in these past seven and a half to eight years. Our most comprehensive index which is accepted by the finance and business community, which is known by the peculiar name of the GNP Deflator, rose seven to eight percent in the Republican years and only six percent under the Democrats.

As to consumer prices, they have risen more in the last eight years than in the previous eight -- 16 percent in the '50's as

compared to 12 percent since 1961, a four point difference.

Why? Well, most of that differential represents ~~xxxx~~ unprecedented expansion in the service industries, stimulated by rising real incomes. It also reflects the fact that service workers, laundry workers, that were working at literally slave labor prices, terribly below prices -- or wages -- clerks, hospital employees, domestic help and others, are finally beginning to receive a living wage. And no economy can justify human exploitation. But even then, our opposition chose to ignore these facts, just as they ignore the fact that incomes have far outraced prices for nearly every single group of American citizens.

Real incomes are up 32 percent in the Democratic period, compared to a anemic nine percent at best under the previous Nixon-Republican years.

Who can do better on inflation? This is not to underestimate the danger of inflation; it is there.

I know we need not throw away prosperity to reduce the four percent margin in the prices. I would not sacrifice the gains- we have made in employment production and real income. I would not squander the opportunities that prosperity gives us to deal with the problems of our cities. A weak economy is not the only way to hold prices in check. There is a far better way to achieve price stability and prosperity. And whenever I talk with business leaders, and I have throughout this country, and with labor leaders, I see a growing recognition of the importance of these two goals. We must not accept inflation and we cannot tolerate economic stagnation. We will not go down the primrose path to government direct controls on wages and prices. So if you cannot abandon prosperity, and if you are unwilling to accept inflation, and you cannot afford stagnation, and you are unwilling and surely should not have direct wage and price controls by government, then we have to travel a different highway.

The government must use fiscal and monetary policy to keep our growth steady and sustainable. It must exercise prudent restraint where required. It must help to break bottlenecks and strengthen free markets. It needs to review all of its programs with price stability in mind -- sometimes to cut back, sometimes to increase. It must improve productivity and efficiency through training and mobility of workers and stimulate more investment in modernization by business. And there has been more investment in business in the last eight years than in the preceding 20.

And it has been investment, much of it, out of profit. And government must work with business and labor toward greater price-wage stability. I might mention in passing, quickly, that the National Alliance of Businessmen, headed by Mr. Rord, that has this great job program and job placement program in cooperation with the Department of Labor in its training program, is producing hundreds of thousands of new workers that were never considered in the workforce, and thereby easing the pressures on employment, but at the same time, providing new income and new opportunity.

Now, I know that I can work with both business and labor, and I believe that much more can be done with active business and labor participation in voluntary and cooperative efforts to fight inflation. I think the economic advisory boards of this government must have a greater input of men that are from the practical labor and business and finance worlds, men who not only understand the theory of economics but understand the realistic impact of government economic policy. One of the things that I have in mind if I am permitted to serve in this high and great office is to examine every single advisory board of this government that dealt with any form of economic policy and to see not that we denude it of the academics, but rather that we make a reasonable balance between those who are the competent and thorough scholars of economics and those who are the practitioners of labor and management and finance and business in the real world of our economy.

Before Americans choose, therefore, their economic ~~MANAGERS~~ managers for the next four years, I would hope they would review the issues carefully and I would hope that we could do it together, in particular, they should remember the problems they don't have today as well as the problems they do. The businessman should and I think will remember that profits bounced up and down during the 50's, never once rising two successive years. He never knew what was going to happen. He will remember that profits have increased on the average each year under the Democrats more than the eight years combined on Republican administrations.

Now, Mr. Businessman, you tell me you are a hard headed fellow, and I submit that you owe it to your stockholders if you are a corporate enterprise to give that serious thought. Any one year of the last seven and a half years has produced more net profit in real income, adjusted after taxes and prices, than the total % combined eight years of the Republican Administration.

And if I tell all your stockholders that and you don't take cognizance of it, they are going to get mad. Because you owe it to them.

Now, the American worker should also remember the era when he opened each paycheck with the dread that he might find a lay-off notice in his envelope. I can remember it in Minnesota. The American consumer will recognize the income gains that have provided far greater purchasing power in recent years.

Americans are going to vote for many reasons this year, but I think most Americans that have mortgages and children, most Americans that have hopes and problems are going to want to at least have some degree of assurance that they are going to have a job, that they are going to have income, and if they are a businessman, that they are going to have some freedom of choice with their investment capital if they are going to have a chance to grow and to develop. We offer you today a chance to vote on prosperity, a chance to vote for economic growth, and I am confident that when that vote is taken, if it is

They asked me about that arrow. They said you have only got one, what are you going to do with it? I said I saw a sign the other day, I found out. It said, "Nixon's the one."

There is a great deal of truth in the symbolism here at least as to the olive branch. The next President of the United States would hope and pray that by the time he takes that oath of office, this war will be over or at least that negotiations will have proceeded to a point where there is the possibility of a political settlement, which is our objective. I want to make it clear, we have never had the objective, I never have and neither has the President, of a military solution to this war. Some people are unhappy about that and I see by this morning's paper that some think we ought to have a military solution. I don't agree with that. I think we ought to escalate this struggle.

If that conference in Paris is unproductive, the first thing I would want to do is to continue it. I would say we must persevere and we must not permit ourselves to be provoked into any withdrawal from that conference. We have been on a battlefield now for almost four years, a little over three years, with a substantial number of American forces. We cannot afford to have less patience in the pursuit of peace.

You asked me what I would do. The very first thing I would do would be to find out what's the situation in Viet Nam on January 20, that afternoon -- re-assess. Take inventory. I said to another audience yesterday that any manager that takes over a company, even if it is from his best friend, and does not take inventory, he is a very poor manager. He isn't really worthy of very much respect. I am going to take complete inventory of all our commitments, not because I think somebody else may have mismanaged them, but because I want to know what is there. I want to know whether I have been given a lot of old stock that is unsellable. I have taken enough inventory in my lifetime to know there is a little finagling occasionally on inventory. I want to know whether or not the merchandise is up to date, whether or not the policies are up to date. I want to have a look at the establishment I have to work with, both at home and abroad. I want to take a total reassessment of our situation in Viet Nam.

The platform in my party says we should be willing to take risks, calculated risks, in the search for peace. I think you have to be willing to take it. There has never been any argument in my mind as to whether or not we ought to cease the bombing or not cease it. The only question is will that lend itself to peace? Will such an act precipitate substantive discussions that will lead to a political settlement. That is a judgment a President has to make from his role as Commander in Chief from his advisers. I will have new advisers. Some of the old advisers, I suppose, are built into the system, but my advisers will be new people, who will take a brand new, fresh look. And I will try to abide by what I believe is the mandate of that platform, which says that there should be cessation of the bombing if it does not impair the safety of our troops -- and no President is going to permit his troops to be massacred by some tactical act on his part -- and if there is any indication of response from Hanoi.

Now, how does one determine that? That again is a subjective judgment. That can either be direct or indirect. What I am saying to you is we must be willing to take calculated risks for peace. It may very well be that a cessation of the bombing is the best way to protect your troops. You may have less casualties if there is any indication that that will lend itself, that that act of cessation will lend itself toward a prompt or at least toward an orderly

procedure that will bring about a cease fire, and then the talks can continue.

Other things that I have said, and I want to repeat it here to this audience, when I become your President, I will immediately assess the commitment of American armed forces in Viet Nam on the basis that the ARVN, the Army of South Viet Nam, is and has made some progress in terms of its combat effectiveness. Some of its units are substantially better than they were a year ago. They are better armed now. We are giving them for the first time modern equipment. It is my judgment that that army ought to provide as much as humanly possible for the defense of its own country.

Then I would sit down with the leaders in Saigon and I would use my good offices and the authority of the Office of the President as Commander in Chief to try to arrive at a systematic reduction of American forces as long as that reduction did not impair the safety of what troops we had left or the security of South Viet Nam.

Do I think we can do it? The answer is yes. The other day, somebody said there were no such plans. Well, that is true. There may not be any such plans. But there is going to be a new President on January 20 and we may have some other plans, and whoever is in charge then is going to make those plans.

I can only give you this commitment and I want to summarize it, that my first priority, regardless of differences that may have been going over the years with any Senator, and my friend, Senator Morse, and I have had many a debate on these things, we do not disagree at all on the matter of first priority. The first priority is to find a way, through both military tactics, through political maneuver, through diplomatic maneuver, to find a way to honorably bring this war to an end so that we can start doing some of the things back home that we need to do here.

I am going to also suggest that if we can accomplish that, I know the next right will be to get some people to support us to do some of the things we want to do back here, because after Korea, we did not get it done at all. Because we stopped a war and we stopped social progress.

But if you are going to stop this war with me as President, you can be sure you are going to be asked to do something about the cities, the slums, something about the illiterate and the sick, something about children and the black electorate and poor white. We are going to have some dividends, not just an armistice or a cease fire. We are going to have something more.

Mr. Bledsoe. I faithfully promised the staff of the Vice President that I would rescue him at 1:45.

Vice President Humphrey. Don't pay any attention to them at all. I am in charge.

I want to tell you, that is the difference between my candidacy and the other one. I heard this morning that Mr. Nixon's managers had said that he should not do this and should not do that. I don't think you ought to have a President that is managed.

Question. Mr. Vice President, I want to say I enjoyed your remarks with respect to the economic matters. I have a question in an area which I don't think you touched upon.

For more than 20 years the federal government administered agricultural programs which have tampered with the laws of supply and demand for farm products, which have implemented beef import programs and which have subsidized the large corporate farmer, these programs have cost this nation millions and millions of dollars. From the farmer's point of view these programs have been unsuccessful and the continuation of these programs I believe is totally unacceptable.

This year, grain farmers here in Oregon will receive the smallest prices --

Vice President Humphrey. This is a senatorial question. You go ahead.

Question. The smallest price for their grain since World War II. The beef farmer, the cattle man, is receiving approximately 62 percent of the prices he received in 1951. My question, Vice President Humphrey, is what is your farm program, the highlights of it. How does it differ from the present administration program?

Vice President Humphrey. Yes, sir. Just to get a few things in statistical information. Net farm income dropped \$3 billion in 1953 to 1961. Dropped. Net farm income has gone up three and a half billion dollars in the seven years since then. We recovered all that was lost since, from '53 to '61. It has gone up three and a half billion dollars, net, after taxes, after price adjustments in the cost of living since 1961. Total income is still too low, no doubt about it at all. The cost of operation is very, very high. The cost of machinery is high, no doubt about that.

Cattle prices today are not bad. They are relatively good. When you used the figure 1951, it was a year of shortage, beef shortage, and a year of high war in which beef was being shipped in rather large amounts. So I am a little familiar with hog and beef prices. I come from that part of America.

Now, wheat prices, if you are under the certificate plan, you are getting a good price. That is what we fought for out here in Oregon, the Grange. I think it is a sensible system. It is a two-price program. The world price is down. That world price is down because you have had two bumper crops worldwide of cereals, unprecedented in dimension. Unprecedented. Now, the world price is a world pool.

My own feeling about this is that maybe we ought to have some kind of export subsidy that would be helpful to our wheat farmers. But more importantly, I think it is important to continue the basic programs that we have, which are not floors, not minimums. If you took off the feed grain prices that we have today, you would have bankruptcy.

Mr. Nixon went down to Des Moines not long ago and he ended up a speech that he wants to see the farmers have a President that can plow a straight furrow with a corn picker. By God, I want to see one, too. That is a bit symbolic. When a fellow does not know anything more about agriculture than plowing a straight furrow with a corn picker, you are in trouble.

Now, our farm programs today provide direct payments for certain crops. They have acreage controls if you participate in the program. We have some land retirement systems for purposes of management and supply as well as for conservation. I also believe that the new endeavor must be in bargaining itself, where farmers are permitted to go into the market place like labor and capital or anything else and start to bargain through their cooperatives, through a system that gives them legal protection in their marketing, to be able to bargain for a better

price for their commodities. Sometimes that can be done in marketing orders, as it is, for example, under fruits and vegetables in many parts of the nation; as it is in some places on dairy programs. Milk prices are pretty good. I am kind of hot on this one, I have lived with the farmers. Milk prices are pretty good in Minnesota and I bet they are in Oregon. Beef prices are somewhat down, hog prices -- I have forgotten what they are -- are still pretty good. Wheat prices, miserable, no doubt about it. Low prices for that part of wheat production that is outside the certificate plan.

But my Republican friends don't even want the Certificate Plan. When Mr. Nixon was in Des Moines, he did not say one word about the feed grain program. You take away the Certificate and you will have the entire wheat supply of this country under world market prices and you will really have trouble. And you take away the feed grain payment and you will have corn selling at 70 cents a bushel and 75 cents a bushel in this kind of high price economy.

I submit to you that what we need to do, and I will send you a copy of our message, is improve the Farmers Home Administration price structure, permit young farmers to get loans much longer in duration. He must have. The cost of a new farm is substantial. Give a farmer the right of some bargaining. That is the free market; no doubt about that when you are talking about marketing. Maintain the existing programs that you have. They were extended for a year by the Congress. And try to build on them. And step up your exports as best you can. Try to go into a large export program with government support on that export program. That is about the best I can tell you in an economy that is rapidly changing.

Now, you said corporate farmers,, well, one of the things we can do is change the tax laws so that those who have made a lot of money who are not farmers, they can just find a way that they can go off and farm and have a deduct because they want their wife to be able to say he has a ranch out there or something, that we can see that the family farmer is not put under that kind of unfair competition and I will see that that is done in my tax reform program, because I believe that we need this family farmer.

And I think you can limit the payments on corporate agriculture and I voted for it many times with the Senator from Oregon. But we just did not have enough votes in Congress. And you want to take a look sometime to see who voted those big payments for agriculture in. It is true, Mr. Williams of Delaware did not. The largest farm in Delaware is about 10 acres -- three acres with 10,000 chickens but I can guarantee you he takes care of those chickens. He is one of the best.

Question. Mr. Vice President, several organizations of peace demonstrators, and that is fast becoming a misnomer, say they are going to do everything in their power to disrupt your campaign and Mr. Nixon's. Why do you believe they are not concentrating at all on Mr. Wallace?

Vice President Humphrey. Well, they have been overly concentrating on me. I would like to see, if they are going to be in it, everybody getting equal time.

This is a very serious matter. These are not peace demonstrators. These are not young people that are, by conscience, deeply concerned. There may be a few. I have noticed lately that the large numbers that we once had here a few months back, that many of them are no longer out on that peace line or that demonstration line. If they

are, they are very well mannered.

Who cares if they carry signs? That is their right. That is their right to dissent, peaceful dissent. Non-violent dissent is a right in this country, whether you like it or whether you don't. But when people try to break up your meetings, when they deny you the chance to speak, and then when they say they are going to lie down in the voting booth to provoke the police and make them drag them out, you are not talking to Democrats with a small D, you are talking to storm troopers. You are talking to American-style Hitler youth, and let's face it.

I might give you a suggestion. I go to many meetings like this, and it is very disturbing. I know they want me to quit talking. I know they would like to drive us off the platform. They tried to do it to Senator Muskie here. In the last two days, he has had three meetings like that, in which it has been almost impossible to speak.

Some of these young people come from universities and colleges. I want to say a word to them. I am privileged to be a graduate of a university. I thought I paid my own way through school. My father was not a rich man and I got one quarter of my university education. There were three months in which dad sent my check. After that, I had to earn every living dollar of it. I did not even have money for books. I used to go to the library and check out the books so I could get them free. I think if a man is a university student or university-educated, the first qualification, the first criterion of the university-educated person is good manners; the second is tolerance and forbearance. The third is that he is willing to sit down and discuss and debate, carry on a rational conversation; otherwise, the university has failed miserably and may I say that those who have attended it that act to the contrary have failed miserably.

We have seen a number of young people today who have decided they are going to destroy this society. They think first of all they will intimidate a candidate. Well, they don't know me. My mother was born in Norway and we are rather stubborn people. I have no intention of being intimidated, driven off any platform any place at any time by anybody.

Now, second, I think they are out to destroy my party.

Thirdly, I think more importantly, they are out to destroy this country. They are not Democrats, they do not deserve a pat on the back. And when people are out in these audiences and these demonstrators continue to harass the speakers, the least you can do is show your disapproval by your applause of any speaker that is trying to speak. I don't care if it is George Wallace or Richard Nixon or John Doe or Hubert Humphrey. Whoever is seeking high office or any office in this land is entitled to speak. And if the demonstrators want to speak, as I have told them, come on up, I will give you some time. There is lots of time. We are going to be around for a little while. But they don't want to speak.

So I ask for your help, not for me, but for the country. Because I am going to survive this, but I am not sure America is going to survive it. If we are going to have determined provocation, and anarchy, trained, disciplined provocateurs and agitators set the pattern in this country and frighten people away from meetings and away from public platforms -- if we are going to have that and permit it, this Democratic society that we have today is in serious danger and I call upon the vast majority of Americans, Republican, Democrat, Liberal, Conservative, black or white -- to repudiate and not only to repudiate but to express your utter disgust with them in every peaceful manner that you can do it. Because they need to know they are

not going to run this country. Believe me, they are not going to run me and I don't think they are going to run any other candidate.

Thank you.

Question. Mr. Vice President, would you give your views on lowering the vote to age 18?

Vice President Humphrey. I am for it and I have been since 1950. I think it is a desirable development. Two or three states have it. It seems to work well.

Question. Mr. Vice President, would you give some of your views and plans for the expansion of vocational education after you take office?

Vice President Humphrey. Yes, sir. I hope that you are a vocational teacher or involved in it. I was once in charge of a good deal of vocational education in my home State of Minnesota and I am very interested in it. I think much of the present education is not very relevant to the needs of the young man or the woman that gets it. I don't want to be misunderstood. We need a liberal amount of humanities and social sciences. But we need to train people to live and train people to work. Once vocational education was looked upon as the inferior education. Today, technical and vocational education ought to be looked upon as the living education, as a part of relevant education, education relevant to our society. It needs to be expanded and improved and it needs to have a much greater tie-in with industry. You should not be having vocational education just for Voc Ed. The program should be tied right on in with your local and industrial groups so that there is a kind of advisory board or some sort of mechanism that designs that Voc Ed relevant to the industrial needs of this day and age and the time to come. It is beginning to be that way now in some places. This also includes manpower training and development that goes beyond the high school age. We must remember that everybody is not going to go to college, even though 54 percent of the families today do have a son or daughter in college. We must remember that it is not always necessary for a person to go to college and get a professional education. He can go to an institute, a technical institute, to come from high school into a kind of community college experience that has a great deal of vocational type of educational experience. That educational experience should be in the classroom and on the job. It must be a mixture of it and they ought to get as much credit for the kind of experience that they have on the job as they get in the classroom and they should be graded on both. That is my view of it.

One more and we will quit.

Question. Mr. Vice President, I am very much interested in the release of the Pueblo and I am wondering what steps you might take or do you propose to take if you are elected President in having the Pueblo and its crew released and how soon you might think that will be possible.

Vice President Humphrey. I don't know. I don't know how soon it is possible. I want to say first of all that I realize that North Korea has demanded that we apologize. It is my understanding from what I have read and what the government has provided me in information that we did not violate the territorial waters of North Korea; in other words, that we were within our international rights. You might say, well, what business did we have spying anyway? Well, right now, off this Pacific Coast are Soviet trawlers spying on you and some of them get mighty close in. This is a part of the

espionage system, a part of the information system, the intelligence system, that great powers have had as long as they have been great powers. Some small countries have it. You can say it ought not to be, but this is one of the ways in which we get some degree of information particularly as it relates to a peace state where you have little or no way of getting any information unless you are able to use the kind of devices which, and electronic equipment which was aboard the Pueblo.

I do not think we ought to be subject to blackmail. That is where I start. If we were not guilty, then we should not apologize, because the minute you start to apologize, you will have a plethora of this. You will open up Pandora's box. Anybody that wants to do anything to you at any time will feel perfectly free to do it and know that you are not going to take any reprisal attitude.

The second thing is I don't think we ought to declare war and go in and try to get it, like some are talking about, because you won't get the Pueblo or the crew. Anybody can do it. What we don't need is to start a war. What we need is to find somebody who can stop one, not somebody who can start one.

Finally, if we have information, if we have any information from ourselves or otherwise, from some neutral source, that we somewhere along the line did violate territorial waters and we are guilty of an infraction of international law, then we ought to admit it. We are a great power. We ought to be able to stand one way or another. If we did not violate it, we ought not to say we did. If we did violate, we ought to say we did.

I have a feeling, though, that the quiet careful diplomacy that we are conducting now through a dozen and one channels may very well be the best way of seeking the release of the crew of the Pueblo and indeed, the Pueblo itself. I hope so.

I recall in 1959 or '60, the Soviet Union intercepted an RB-47. It was a reconnaissance plane with its crew, one or more. I have forgotten now. But let's say one just to be on the safe side. That crew was taken into captivity in the Soviet Union, ~~ex~~ kept there for several months. When John Kennedy became President of the United States, that crew was released by the Soviet Union. We did not go to war with the Soviet Union and the crew had not violated national aerospace. But it was released.

I am hopeful, I repeat only hopeful, I pray for it and hope for it that we will have as good fortune in the instance of the Pueblo.

I think you understand now my position -- no blackmail. If in error, apologize. Continue the quiet diplomacy, but for goodness sakes, let's not start up hostilities in order to hopefully rescue men and the ship, both of which, may I say -- the men I am sure would be immediately --something drastic and terrible would happen to them and undoubtedly, the ship itself would be destroyed.

Thank you.

Pres Bledsoe

Sen Harris

Senator Morse

Mayor Terry Shrum

Edith Green

REMARKS

VICE PRESIDENT HUBERT H. HUMPHREY

PORTLAND CITY CLUB—

PORTLAND, OREGON

September 27, 1968

Scandinavian week

Albany Oregon!

Economics
Positives!

It's time we took a hard look at our economy today.

And it's time to examine our tremendous potential

for economic growth in the future -- Yes. Econ. Growth —

-- If we apply wisely the economic lessons of the past eight years,

-- And if we don't go back to the "Let nature take its course" policies of the Republicans.

What are the stakes this year -- in economic terms ... in human terms?

By election day 1972, this nation can have a Gross National Product that tops a trillion dollars at today's prices.

Income

∟ Average real family income can grow another seventeen
hundred dollars, and these income gains will bring greater
comfort and convenience to millions of our people.

∟ Corporate profits after taxes can rise another twenty billion dollars and approach a seventy billion dollar level. Profits

∟ We can build homes at a rate of much more than two million units a year. Homes Homes

∟ We can create another seven million jobs. We can Jobs
drive unemployment even lower -- make it a temporary
and unusual occurrence. ∟ Employment insurance benefits
can cushion the cruel blow of joblessness much more
effectively.

∟ We can provide far more adequate Social Security
benefits for the aged -- job opportunities for all who are
able to work -- and adequate cash assistance for those who
are unable to work.

By 1972, the number of people in poverty can be slashed to less than half the 1967 level. We should be able to largely eliminate poverty in America by the 200th Anniversary of this nation.

Number in Poverty

These are our potentials -- ^{well} ~~easy~~ within our reach -- if we remember the past and compare ...

If we remember the dismal, disheartening years of Republican economic mismanagement in the 1950's:

GOP mismanagement

- three recessions in seven years;
- a growth rate little more than half of our long-term historical average;
- a near tripling of unemployment;
- a sad soggy last for the United States ... at the very bottom of the growth-rate roster among industrial countries.

Remember? The tired, sluggish American economy
was the job and the hope of Communist propaganda. In the
late fifties the head of the Soviet Union could threaten to
bury us economically.

~~But~~ The fact is that we were burying ourselves.

Remember? People migrated in droves to any place
that offered some hope for a job ... and the problems of our
cities burgeoned into a new national scandal -- studiously
ignored.

Now some say the Republicans may learn from their
past mistakes. There is no shred of evidence either from the
1950's or the Republican voting record right up to date that
they have learned anything.

I think they deserve a new verse in that moving and
wistful melody, "When Will They Ever Learn ..."

↳ The newly-named Nixon economic braintrust sounds like the makings of a "Back to McKinley" campaign.

↳ This year they actually boast about the state of the economy in 1961. ↳ "Prices," they happily record, "were stable, the dollar was strong, the budget was in balance, and a solid foundation for future growth had been laid. All this was the result of eight years of sound economic policy, carefully administered."

Lies!

But what about the rest of the record at that time?

-- 4.8 million people, almost 7 per cent of our labor force, were unemployed in the first quarter of 1961;

-- Real family income was falling;

-- The number of Negroes in poverty was rising;

-- Profit margins were severely squeezed;

-- Fifty billion dollars per year worth of our nation's

productive capability was squandered in idle workers and idle plants;

-- Our economic weakness had shaken world confidence and produced a 3.9 billion dollar balance of payments deficit in 1960.

America can do better than that -- as we've proven in the last eight years. But the Republicans seem not to have gotten the message.

↳ Their cure for a sick economy was plenty of rest -- flat on its back.

↳ It was easy to have an adequate one-year record of price stability in a recession, because markets were sluggish and stagnant.

↳ Consumer prices rose 1.6 per cent from January 1960 to January 1961. They count that an adequate performance -- although we Democrats did at least as well in four out of seven Democratic years.

↳ Union wage negotiators "knew their place," because workers were standing in hiring lines, begging for jobs.

↳ Fiscal management was no problem. Its drag on the economy was simply ignored. The budget was in balance during the 1960 Fiscal Year, even though it took a heroic amount of gimmickery to produce that result after a record peacetime deficit -- thirteen billion dollars -- the year before.

↳ Imports were down. But then remember that everything was down -- production, real incomes, jobs, profits.

↳ The only economic figures that were pointing up were unemployment and non-white poverty. ~~It~~

We know that prosperity does raise some significant problems. We know it's harder to keep prices stable in a vigorous economy.

↳ It's harder to keep interest rates down -- it's harder to maintain the fiscal discipline needed to avoid an inflationary fiscal policy -- it's harder to hold imports in line.

It is hard, indeed -- grappling with complex issues.

↳ It takes the work of men dedicated to the idea of government that does not shirk its responsibility for the economic welfare of all the people.

↳ That is the Democratic idea of economic management... and it's my idea, too. #

↳ We have seen the economic benefits of Democratic policies in the past seven and a half years.

↳ Ninety-one months of sensational economic growth and uninterrupted prosperity is no accident and no coincidence.

*Democr
Policies*

↳ We unleashed the vitality of free enterprise by more enlightened use of public policy. ↳ The Federal Government cannot be a referee in handcuffs ... neutral and useless. *and*

↳ It cannot be neutral on matters of the public interest.

↳ It does exercise great influence -- influence that necessarily affects our economy -- for better or for worse.

↳ This influence has been exercised for the better in recent years, and it has been exercised in ways that expand and strengthen individual freedom.

↳ Our workers have gained a new freedom of choice, because their incomes stretch beyond the bare essentials of life.

↳ Our businessmen have higher profits and a new freedom to plan for steady and healthy growth of their markets. ↳ These opportunities ... and this broader scope for private energies are true measures of individual freedom.

I am proud to ~~have contributed to~~ the brilliant economic record of the Sixties, and I am confident that we can do even better in the years ahead.

We have gained valuable experience and learned important lessons, which give us an agenda for future improvements.

① First, the President and the Congress must work together more closely to achieve a sound management of fiscal policy. We need careful and coordinated decisions about our national priorities in writing tax legislation and in reviewing appropriations.

② Second, tax reform remains on the list of unfinished business. We can close loopholes; we can improve equity. We can insure that all Americans carry their share of our nation's tax load, lifting the burdens on the low income groups.

#3 Third, we can and should adjust our finances smoothly to changing defense needs. If defense requirements should mushroom at any time during my Presidency -- and I hope they will not -- I pledge that we will finance the additions responsibly and promptly.

↳ And, when peace comes, I will use that welcome opportunity to promote our economic health and our top social priorities.

#4 Fourth, in heading off unsustainable business booms, we must not depend too heavily on tight money. We have seen that it can check excessive spending, but only by upsetting our financial markets and by placing an unfair burden on our important homebuilding industry. That lesson should be clear to those who know first-hand the vital lumber industry of the Northwest.

↳ Fiscal policy must carry a fuller share of the load.

⑤ ↳ Finally, we can score a breakthrough on the biggest remaining challenge to our overall economic performance -- to couple our prosperity with reasonable price stability.

↳ The Republicans have conjured up the inflation hobgoblin again and again. ↳ This year, as usual, it is a declaration against prosperity. They still believe in recessions as the weapon against inflation.

↳ Richard Nixon is the same Republican candidate who said in 1960: "Unless unemployment goes over 4.5 million, it cannot become a significant issue in the minds of a great many people. There must, after all, be some unemployment."

↳ There is just no evidence to date that this complacency -- this callousness -- has changed ... in Mr. Nixon or his party.

↳ It is worth taking a sober look at the facts on inflation.

↳ U. S. price performance since 1960 is better than that of any other industrial nation in the world.↳ Contrary to Republican scare stories, there is no major difference in our price record for the past seven and a half years than in the preceding eight Republican years.

↳ Wholesale prices rose more under the Republicans -- nine per cent -- as against only seven and a half per cent in the Kennedy-Johnson-Humphrey years.↳ Our most comprehensive price index, the "GNP Deflator," rose 17 per cent during the eight Republican years and only 16 per cent under the Democrats.

But, Consumer prices have risen more during the last eight years than in the previous eight years -- 16 per cent versus 12 per cent ... a four point difference.

Why? Most of that differential represents an unprecedented expansion in the service industries stimulated by rising real incomes. And it also reflects the fact that service workers -- clerks, laundry workers, hospital employees, domestic help, and others -- are finally beginning to receive a living wage.

The Republicans choose to ignore these facts -- just as they ignore the fact that incomes have far outpaced prices for nearly every single group of American citizens. Real incomes are up 32 per cent in the Democratic period, compared to an anemic nine per cent advance under the Republicans.

We can do better on inflation! But I know we need not throw prosperity away to reduce the four per cent margin in prices.

↳ I would not sacrifice the gains we have made in employment production and real income. ↳ I would not squander the opportunities that prosperity gives us to deal with the problems of our cities.

↳ A weak Republican economy isn't the only way to hold prices in check. There is a far better way to achieve price stability and prosperity.

↳ Whenever I talk to business and labor leaders, I see growing recognition of the importance of these two goals.

↳ We must not accept inflation ^{and} we cannot tolerate stagnation; and we will not go down the primrose path to government direct controls on wages and prices.

↳ Rather, we must travel a different highway.

The Government must use fiscal and monetary policies to keep our growth steady and sustainable.

↳ It must help to break bottlenecks and strengthen free markets.

↳ It must review all its programs with price stability in mind.

↳ It must improve productivity and efficiency through training and mobility of workers and stimulate more investment and modernization by business.

NAB
+
Tax Policy

↳ And, it must work with business and labor toward greater wage-price stability. I know I can work with both business and labor. ^{and} I believe that much more can be done with active business and labor participation in voluntary and cooperative efforts to fight inflation.

automobiles

↳ Before Americans choose their economic managers for the next four years, they should review the issues carefully.

↳ In particular, they ^{should} ~~will~~ remember the problems they don't have today, as well as those they do.

should
The businessman will remember that profits bounced up and down during the fifties, never rising for two successive years. He will remember that profits have increased on the average each year under the Democrats by more than in eight years combined of Republican Administrations.

should and
The American worker will remember the era when he opened each paycheck with the dread that he might find a layoff notice in his envelope.

The American consumer will recognize the income gains that have provided far greater purchasing power in recent years.

When Americans vote on prosperity, I am confident they will give us a clear call for more of it.

#

Yours

This has
been sent to

Patthi

H.

PORTLAND CITY CLUB
9-27 Fri

*Pat's call me
if you're ?'s
Helen*

LUAMINGTON MPL
ATTENTION: TED VAN DYK

FOLLOWING IS THE TEXT OF THE PORTLAND CITY CLUB SPEECH (ECONOMICS)

WOULD SOMEONE PLEASE SEE THAT MR. WALTER HELLER RECEIVES A COPY OF THE TEXT? PLEASE AND THANK YOU.

ARE YOU READY TO RECEIVE?
YES PLEASE GA
PPP@ 1111
DEM FOR HHH DC
ATTENTION: TED VAN DYK
CC: WALTER HELLER

*[Insert last page
in page 5]*

REMARKS

VICE PRESIDENT HUMPHREY
PORTLAND CITY CLUB I FIND IT INTERESTING THAT MR. NIXON HAS DECIDED TO
POLITICAL ISSUE OUT OF PROSPERITY THIS YEAR. WITH ALL THE OTHER
ISSUES ON WHICH HE MIGHT SPEAK OUT -- AND HASN'T -- I WOULD THINK
HE MIGHT CHOOSE TO TIPTOE THROUGH THIS ONE.

Make A

IT'S TIME WE TOOK A HARD LOOK AT OUR ECONOMY TODAY.

AND IT'S TIME TO EXAMINE OUR TREMENDOUS POTENTIAL FOR ECONOMIC
GROWTH IN THE FUTURE --

-- IF WE APPLY WISELY THE ECONOMIC LESSONS OF THE PAST EIGHT
YEARS

-- AND IF WE DON'T GO BACK TO THE "LET NATURE TAKE ITS COURSE"
POLICIES OF THE REPUBLICANS.

WHAT ARE THE STAKES THIS YEAR -- IN ECONOMIC TERMS ... IN HUMAN
TERMS?

BY ELECTION DAY 1972, THIS NATION CAN HAVE A GROSS NATIONAL
PRODUCT ~~2~~ TRILLION DOLLARS AT TODAY'S PRICES.

*That
top's*

AVERAGE REAL FAMILY INCOME CAN GROW ANOTHER SEVENTEEN HUNDRED
DOLLARS, AND THESE INCOME GAINS WILL BRING GREATER COMFORT AND
CONVENIENCE TO MILLIONS OF OUR PEOPLE.

CORPORATE PROFITS AFTER TAXES CAN RISE ANOTHER TWENTY BILLION
DOLLARS AND APPROACH A SEVENTY BILLION DOLLAR LEVEL.

WE CAN BUILD HOMES AT A RATE OF MUCH MORE THAN TWO MILLION UNITS
A YEAR.

WE CAN CREATE ANOTHER SEVEN MILLION JOBS. WE CAN DRIVE UNEM-
PLOYMENT EVEN LOWER -- MAKE IT A TEMPORARY AND UNUSUAL OCCURENCE.
UNEMPLOYMENT INSURANCE BENEFITS CAN CUSHION THE CRUEL BLOW OF JOBLESS-
NESS MUCH MORE EFFECTIVELY.

WE CAN PROVIDE FAR MORE ADEQUATE SOCIAL SECURITY BENEFITS FOR
THE AGED -- JOB OPPORTUNITIES FOR ALL WHO ARE ABLE TO WORK -- AND
ADEQUATE CASH ASSISTANCE FOR THOSE WHO ARE UNABLE TO WORK.

2
BY 1972, THE NUMBER OF PEOPLE IN POVERTY CAN BE SLASHED TO LESS THAN HALF THE 1967 LEVEL. WE SHOULD BE ABLE TO LARGELY ELIMINATE POVERTY IN AMERICA BY THE TWO HUNDREDTH ANNIVERSARY OF THIS NATION.

THESE ARE OUR POTENTIALS -- EASILY WITHIN OUR REACH -- IF WE REMEMBER THE PAST AND COMPARE ...

IF WE REMEMBER THE DISMAL, DISHEARTENING YEARS OF REPUBLICAN ECONOMIC MISMANAGEMENT IN THE 1950'S:

--THREE RECESSIONS IN SEVEN YEARS;

--A GROWTH RATE LITTLE MORE THAN HALF OF OUR LONG-TERM HISTORICAL AVERAGE;

--A NEAR TRIPLING OF UNEMPLOYMENT;

--A SAD, SOGGY LAST FOR THE UNITED STATES ... AT THE VERY BOTTOM OF THE GROWTH-RATE ROSTER AMONG INDUSTRIAL COUNTRIES.

REMEMBER? THE TIRED, SLUGGISH AMERICAN ECONOMY WAS THE JOY AND THE HOPE OF COMMUNIST PROPAGANDA. IN THE LATE FIFTIES THE HEAD OF THE SOVIET UNION COULD THREATEN TO BURY US ECONOMICALLY.

THE FACT IS THAT WE WERE BURYING OURSELVES.

REMEMBER? PEOPLE MIGRATED IN DROVES TO ANY PLACE THAT OFFERED SOME HOPE FOR A JOB ... AND THE PROBLEMS OF OUR CITIES BURGEONED INTO A NEW NATIONAL SCANDAL -- STUDIOUSLY IGNORED.

NOW SOME SAY THE REPUBLICANS MAY LEARN FROM THEIR PAST MISTAKES. THERE IS NO SHRED OF EVIDENCE EITHER FROM THE 1950'S OR THE REPUBLICAN VOTING RECORD RIGHT UP TO DATE THAT THEY HAVE LEARNED ANYTHING.

I THINK THEY DESERVE A NEW VERSE IN THAT MOVING AND WISTFUL MELODY, "WHEN WILL THEY EVER LEARN ..."

THE NEWLY-NAMED NIXON ECONOMIC BRAINTRUST SOUNDS LIKE THE MAKINGS OF A "BACK TO MCKINLEY" CAMPAIGN.

THIS YEAR THEY ACTUALLY BOAST ABOUT THE STATE OF THE ECONOMY IN 1961. "PRICES," THEY HAPPILY RECORD, "WERE STABLE, THE DOLLAR WAS STRONG, THE BUDGET WAS IN BALANCE, AND A SOLID FOUNDATION FOR FUTURE GROWTH HAD BEEN LAID. ALL THIS WAS THE RESULT OF EIGHT YEARS OF SOUND ECONOMIC POLICY, CAREFULLY ADMINISTERED."

BUT WHAT ABOUT THE REST OF THE RECORD ~~AT THAT TIME~~?

Almost 7

--4.8 MILLION PEOPLE -- ~~PERCENT~~ PERCENT OF OUR LABOR FORCE -- WERE UNEMPLOYED IN THE FIRST QUARTER OF 1961;

-- REAL FAMILY INCOME WAS FALLING;

-- THE NUMBER OF NEGROES IN POVERTY WAS RISING;

-- PROFIT MARGINS WERE SEVERELY SQUEEZED;

per year

-- FIFTY BILLION DOLLARS^{per year} WORTH OF OUR NATION'S ~~PRODUCTIVE~~ PRODUCTIVE CAPABILITY WAS SQUANDERED IN IDLE WORKERS AND IDLE PLANTS;

3
-- OUR ECONOMIC WEAKNESS HAD SHAKEN WORLD CONFIDENCE AND PRODUCED A 3.9 BILLION DOLLAR BALANCE OF PAYMENTS DEFICIT IN 1960.

AMERICA CAN DO BETTER THAN THAT -- AS WE'VE PROVEN IN THE LAST EIGHT YEARS. BUT THE REPUBLICANS SEEM NOT TO HAVE OTTEN THE MESSAGE.

THEIR CURE FOR A SICK ECONOMY WAS PLENTY OF REST -- FLAT ON ITS BACK.

IT WAS EASY TO HAVE AN ADEQUATE ONE-YEAR RECORD OF PRICE STABILITY IN A RECESSION, BECAUSE MARKETS WERE SLUGGISH AND STAGNANT.

CONSUMER PRICES ROSE ONE POINT SIX PERCENT FROM JANUARY 1960 TO JANUARY 1961. THEY COUNT THAT AN ADEQUATE PERFORMANCE -- ALTHOUGH WE DEMOCRATS DID ~~IT~~ IN FOUR OUT OF SEVEN DEMOCRATIC YEARS.
AT LEAST AS WELL

UNION WAGE NEGOTIATORS "'KNEW THEIR PLACE," BECAUSE WORKDRS WERE STANDING IN HIRING LINES, BEGGING FOR JOBS.

FISCAL MANAGEMENT WAS NO PROBLEM. ITS DRAG ON THE ECONOMY WAS SIMPLY IGNORED. THE BUDGET WAS IN BALANCE DURING THE 1960 FISCAL YEAR, EVEN THOUGH IT TOOK A HEROIC AMOUNT OF GIMMICKRY TO PRODUCE THAT RESULT AFTER A RECORD PEACETIME DEFICIT -- THIRTEEN BILLION DOLLARS -- THE YEAR BEFORE.

IMPORTS WERE DOWN. BUT THEN REMEMBER THAT EVERYTHING WAS DOWN -- PRODUCTION, REAL INCOMES, JOBS, PROFITS.

THE ONLY ECONOMIC FIGURES THAT WERE POINTING UP WERE UNEMPLOYMENT AND NON-WHITE POVERTY.

WE KNOW THAT PROSPERITY DOES RAISE SOME SIGNIFICANT PROBLEMS, WE KNOW IT'S HARDER TO KDDP PICES STABLE IN A VIGOROUS ECONOMY.

IT'S HARDER TO KEEP INTEREST RATES DOWN -- IT'S HARDER TO MAINTAIN THE FISCAL DISCIPLINE NEEDED TO AVOID AN INFLATIONARY FISCAL POLICY -- IT'S HARDER TO HOLD IMPORTS IN LINE.

IT IS HARD INDEED -- GRAPPLING WITH COMPLEX ISSUES.

IT TAKES THE WORK OF MEN DEDICATED TO THE IDEA OF GOVERNMENT THAT DOES NOT SHIRK ITS RESPONSIBILITY FOR THE ECONOMIC WELFARE OF ALL ~~THE~~ THE PEOPLE.

THAT IS THE DEMOCRATIC IDEA OF ECONOMIC MANAGEMENT ... AND IT'S MY IDEA, TOO.

WE HAVE SEEN THE ECONOMIC BENEFITS OF DEMOCRATIC POLICIES IN THE PAST SEVEN AND A HALF EYARS.

NINETY-ONE MONTHS OF SENSATIONAL ECONOMIC GROWTH AND UNINTERRUPTED PROSPERITY IS NO ACCIDENT AND NO COINCIDENCE.

WE UNLEASHED THE VITALITY OF FREE ENTERPRISE BY MORE ENLIGHTENED USE OF PUBLIC POLICY. THE FEDERAL GOVERNMENT CANNOT BE A REFEREE IN HANDCUFFS ... NEUTRAL AND USELESS. IT CANNOT BE NEUTRAL ON MATTERS ~~OF~~ OF THE PUBLIC INTEREST.

IT DOES EXERCISE GREAT INFLUENCE -- INFLUENCE THAT NECESSARILY AFFECTS OUR ECONOMY -- FOR BETTER OR FOR WORSE.

4
THIS INFLUENCE HAS BEEN EXERCISED FOR THE BETTER IN RECENT YEARS, AND IT HAS BEEN EXERCISED IN WAYS THAT EXPAND AND STRENGTHEN INDIVIDUAL FREEDOM.

OUR WORKERS HAVE GAINED A NEW FREEDOM OF CHOICE, BECAUSE THEIR INCOMES STRETCH BEYOND THE BARE ESSENTIALS OF LIFE.

OUR BUSINESSMEN HAVE HIGHER PROFITS AND NEW FREEDOM TO PLAN FOR STEADY AND HEALTHY GROWTH OF THEIR MARKETS. THESE OPPORTUNITIES ... AND THIS BROADER SCOPE FOR PRIVATE ENERGIES ARE TRUE MEASURES OF INDIVIDUAL FREEDOM.

I AM PROUD TO HAVE CONTRIBUTED TO THE BRILLIANT ECONOMIC RECORD OF THE SIXTIES, AND I AM CONFIDENT THAT WE CAN DO EVEN BETTER IN THE YEARS AHEAD.

WE HAVE GAINED VALUABLE EXPERIENCE AND LEARNED IMPORTANT LESSONS, WHICH GIVE US AN AGENDA FOR FUTURE IMPROVEMENTS.

FIRST, THE PRESIDENT AND THE CONGRESS MUST WORK TOGETHER MORE CLOSELY TO ACHIEVE A SOUND MANAGEMENT OF FISCAL POLICY. WE NEED CAREFUL AND COORDINATED DECISIONS ABOUT OUR NATIONAL PRIORITIES IN WRITING TAX LEGISLATION AND IN REVIEWING APPROPRIATIONS

SECOND, TAX REFORM REMAINS ON THE LIST OF UNFINISHED BUSINESS. WE CAN CLOSE LOOPHOLES; WE CAN IMPROVE EQUITY. WE CAN INSURE THAT ALL AMERICANS CARRY THEIR FAIR SHARE OF OUR NATION'S TAX LOAD, LIFTING THE BURDENS ON THE LOW INCOME GROUPS.

THIRD, WE CAN AND SHOULD ADJUST OUR FINANCES SMOOTHLY TO CHANGING DEFENSE NEEDS. IF DEFENSE REQUIREMENTS SHOULD MUSHROOM AT ANY TIME DURING MY PRESIDENCY -- AND I HOPE THEY WILL NOT -- I PLEDGE THAT WE WILL FINANCE THE ADDITIONS RESPONSIBLY AND PROMPTLY. AND, WHEN PEACE COMES, I WILL USE THAT WELCOME OPPORTUNITY TO PROMOTE OUR ECONOMIC HEALTH AND OUR TOP SOCIAL PRIORITIES.. (UNDERLINE ENTIRE SENTENSE)

FOURTH, IN HEADING OFF UNSUSTAINABLE BUSINESS BOOMS, WE MUST NOT DEPEND TOO HEAVILY ON TIGHT MONEY. WE HAVE SEEN THAT IT CAN CHECK EXCESSIVE SPENDING, BUT ONLY BY UPSETTING OUR FINANCIAL MARKETS AND BY PLACING AN UNFAIR BURDEN ON OUR IMPORTANT HOMEBUILDING INDUSTRY. THAT LESSON SHOULD BE CLEAR TO THOSE WHO KNOW FIRSTHAND THE VITAL LUMBER INDUSTRY OF THE NORTHWEST. FISCAL POLICY MUST CARRY A FULLER SHARE OF THE LOAD.

FINALLY, WE CAN (ULINE) SCORE A BREAKTHROUGH ON THE BIGGEST REMAINING CHALLENGE TO OUR OVER-ALL ECONOMIC PERFORMANCE -- TO COUPLE OUR PROSPERITY WITH REASONABLE PRICE STABILITY.

THE REPUBLICANS HAVE CONJURED UP THE INFLATION HOBGOBLIN AGAIN AND AGAIN. THIS YEAR, AS USUAL, IT IS A DECLARATION AGAINST PROSPERITY. THEY STILL BELIEVE IN RECESSIONS AS THE WEAPON AGAINST INFLATION.

RICHARD NIXON IS THE SAME REPUBLICAN CANDIDATE WHO SAID IN 1960: "UNLESS UNEMPLOYMENT GOES OVER 4.5 MILLION, IT CANNOT BECOME A SIGNIFICANT ISSUE IN THE MINDS OF A GREAT MANY PEOPLE. THERE MUST, AFTER ALL, BE SOME UNEMPLOYMENT."

THERE IS JUST NO EVIDENCE TO DATE THAT THIS COMPLACENCY -- THIS CALLOUSNESS -- HAS CHANGED .. IN MR. NIXON OR HIS PARTY.

IT IS WORTH TAKING A SOBER LOOK AT THE FACTS ON INFLATION.

U.S. PRICE PERFORMANCE SINCE 1960 IS BETTER THAN THAT OF ANY OTHER INDUSTRIAL NATION IN THE WORLD. CONTRARY TO REPUBLICAN SCARE STORIES, THERE IS NO MAJOR DIFFERENCE IN OUR PRICE RECORD FOR THE PAST SEVEN AND A HALF YEARS THAN IN THE PRECEDING EIGHT REPUBLICAN YEARS.

Path
Insert "A"
New

~~THE LINE OF THESE PRICE MEASURES FAVORING THE REPUBLICANS IS IN CONSUMER PRICES WHICH ROSE FIFTEEN PERCENT IN THEIR PERIOD AND SEVEN PERCENT IN THE DEMOCRATIC PERIOD.~~

~~THEY IGNORE THE FACT THAT INCOMES HAVE RISE COSTLY PRICES FOR MANY EVERY SINGLE HOUR OF AMERICAN CITIZENS. REAL INCOMES -- CORRECTING FOR PRICE INCREASES -- ARE UP THRITY TWO PERCENT (32%) IN THE DEMOCRATIC PERIOD COMPARED TO AN ANEMIC NINE PERCENT ADVANCE UNDER THE REPUBLICANS. (UNDERLINE ENTIRE SENTENCE)~~

WE CAN DO BETTER ON INFLATION. BUT I KNOW WE NEED NOT THROW PROSPERITY AWAY TO REDUCE THAT FOUR PERCENT MARGIN IN PRICES.

I WOULD NOT SACRIFICE THE GAINS WE HAVE MADE IN EMPLOYMENT PRODUCTION AND REAL INBOME. I WOULD NOT SQUANDER THE OPPORTUNHTIES THOT PROSPERITY GIVES US TO DEAL WITH THE PROBLEMS OF OUR CITIES.

A WEAK, REPUBLICAN ECONOMY ISN'T THE ONLY WAY TO HOLD PRICES IN CHECK. THERE IS A FAR BETTER WAY TO ACHIEVE PRICE STABILITY AND PROSPERITY.

WHENEVER I TALK TO BUSINESS AND LABOR LEADERS, I SEE GROWING RECOGNITION OF THE IMPORTANCE OF THESE TWO GOALS. WE MUST NOT ACCEPT INFLATION; WE CANNOT TOLERATE STAGNATION; AND WE WILL NOT GO DOWN THE PRIMROPE PATH TO GOVERNMENT DIRECT CONTROLS ON WAGES AND PRICES.

RATHER, WE MUST TRAVEL A DIFFERENT HIGHWAY.

THE GOVERNMENT MUST USE FISCAL AND MONETARY POLICIS TO KEEP OUR GROWTH SPEADY AND SUSTAINABLE.

IT MUST HELP TO BREAK BOTTLENECKS AND STRENGTHEN FREE MARKETS.

IT MUST REVIEW ALL ITS PROGRA- WITH PRICE STABILITY IN MIND.

IT MUST IMPROVE PRODUCTIVITY AND EFFICIENCY THROUGH TRAINING AND MOBILITY OF WORKERS AND STIMULATE MORE INVERTMENT AND MODERNIZATION BY BUSINESS.

AND IT MUST WORK WITH BUSINESS AND LABOR TOWARD GREATER WAGE-PRICE STABILITY. I KNOW I CAN WORK WITH BOTH BUSINESS AND LABOR. I BELIEVE THAT MUCH MORE CAN BE DONE WITH ACTIVE BUSINESS AND LA OR PARTICIPATION IN VOLUNTARY AND COOPERATIVE EFFORTS TO FIGHT INFLATION.

BEFORE AMERICANS CHOOSE THEIR ECONOMIC MANAGERS FOR THE NEXT FOUR YEARS, THEY SHOULD REVIEW THE ISSUES CAREFULLY. IN PARTICULAR THEY WILL REMEMBER THE PROBLEMS THEY DON'T HAVE TODAY, AS WELL AS THOSE THEY DO. THE BUSINESSMAN WILL REMEMBER THAT PROFITS BOUNCED UP AND DOWN DURING THE FIFTIES, NEVER RISHNG FOR TWO SUCCESSIVE YEARS. HE WILL REMEMBER THAT PROFITS HAVE INCREASED ON THE AVERAGE EACH (EACH, UNDERLINED) YEAR UNDER THE DEMOCRATS BY MORE THAN IN EIGHT YEARS COMBINED OF REPUBLICAN ADMINISTRATIONS.

6 THE AMERICAN WORKER WILL REMEMBER THE ERA WHEN HE OPENED EACH PAYCHECK WITH THE DREAD THAT HE MIGHT FIND A LAYOFF NOTICE IN HIS ENVELOPE.

THE AMERICAN CONSUMER WILL RECOGNIZE THE INCOME GAINS THAT HAVE PROVIDED FAR GREATER PURCHASING POWER IN RECENT YEARS.

WHEN AMERICANS VOTE ON PROSPERITY, I AM CONFIDENT THEY WILL GIVE US A

~~_____~~ MORE OF IT.
CLAR CALL FOR →

~~END OF TEXT OF PORTLAND CITY CLUB SPEECH (ECONOMIC MESSAGE)~~

~~PLEASE GIVE COPY TO TED VAG BYR AND PLEASE SEE THAT WALTER WELLS RECEIVES A COPY OF THE TEXT. THANK YOU.~~

~~_____~~
~~THIS LAST LINE IS: I AM CONFIDENT THEY WILL GIVE US A CLEAR CALL FOR MORE OF IT.~~

~~OK WILL DELIVER MESSAGE END HERE OR GA
THANK YOU. IF YOU HAVE QUESTIONS, PLEASE GIVE US A CALL, EITHER ON TTY AT 710 822-9211, OR BY CODE 208 659-4810. OR?
OK FINE END OR GA~~

INSERT A

Wholesale prices rose more under the Republicans -- 9 percent ... as against only seven and a half percent in the Kennedy-Johnson-Humphrey years. Our most comprehensive price index, the "GNP deflator," ~~years~~ rose 17 percent during the eight Republican years and only 16 percent under the Democrats.

Consumer prices have risen more during the last eight years than the in/previous eight years -- sixteen percent versus twelve percent ... a four point difference.

Why? Most of that differential represents an unprecedented expansion in the service industries stimulated by rising real incomes. And it also reflects the fact that service workers -- clerks, laundry workers, hospital employees, domestic help, and others -- are finally beginning to receive a living wage.

The Republicans choose to ignore these facts -- just as they ignore the fact that incomes have far outpaced prices for nearly every single group of American citizens. [Patti - no new para - pick up with Real incomes --, etc.]

Portland City Club speech

copy to Walter Heller

T & M

out number

Friday speech on economy.

I find it interesting

~~was intended to see~~ that Mr. Nixon seems to have

has

decided to make a political issue out of prosperity this year.

With all the other issues on which he might speak out--and hasn't--

would I ~~should~~ think he ~~would make every effort to tiptoe through~~ *he might choose to tiptoe through this one.*

~~his one.~~

(It's time we took a hard

~~I want to take a dispassionate look at our economy~~
today. ~~And I want to examine our potential for economic growth~~
call your attention to

in the future--if we apply wisely the economic lessons of the past

eight years...and if we don't go back to the

"let nature take its course" policies of the Republicans.

What are the stakes this year--in economic terms...in human terms?

By Election Day 1972, this nation can have a gross national product of one trillion dollars at today's prices.

(And it's time to examine our tremendous

Spell out all numbers. pls. 0
Economic

For Friday

Okun / Meyers / Bennett

And I want to

I want to look at our economy today. ~~Most of all I want to look at its future.~~ *examine our potential for incredible economic growth in the future*

if we apply wisely the economic lessons of the past eight years
If we are wise and continue the sound economic policies of the last ~~eight years~~ *eight years*, this nation

can have a gross national product of one trillion dollars *today's prices* by ~~Election Day 1972~~ *Election Day 1972*

~~Our~~ Average real family income can grow another 17 hundred dollars, and these income gains will bring ~~the comforts and~~ *growth* comforts and conveniences of civilization and modern technology

to millions ~~more~~ *rise another 20 billion dollars a* of our people. Corporate profits after taxes can approach *70 billion dollars* level. We can build homes at a rate of *much* more than 2 million units a year.

We can create another 7 million jobs. We can drive unemployment even lower--~~make~~ it a temporary and unusual occurrence. Unemployment insurance benefits can cushion the cruel blow of joblessness much more effectively.

We can provide far more adequate social security benefits for the aged, job opportunities for all who are able to work, and adequate ~~cash~~ *CASH* assistance for those who are unable to work.

By 1972 the number of people in poverty can be ~~slash~~ *be able to* slashed to less than half the 1967 level. We should be well on ~~the way to eliminating~~ *largely* poverty in America by the 200th anniversary of this nation.

What are the stakes -- in economic terms -- in this election?

1972 is only a step towards what we can do by 1976 and by the turn of the century. We can double our total production by the early 1980s and reduce it by the year 2000 by following the same economic policies.

To the "National Labor Relations Board" policies of the Republicans

24718

^{are} These ~~are~~ our potentials - easily within our ~~reach~~ reach.

~~"We should...."~~
~~"We can...."~~

~~If~~...we remember the past and compare...

If we remember the dismal, ^{dis}heartening years of Republican ^{economic} ~~mismanagement~~ ^{in the 1950's:} ~~mismanagement:~~

- three recessions ⁱⁿ ~~is~~ seven years;
- a growth rate little more than half of our long-term historical average;
- a near tripling of unemployment;

-- a sad, soggy last ~~for~~ ^{for} the United States ^{at the very} ~~at the~~ very bottom of the growth-rate ^{roster} ~~list~~ among industrial countries,

Remember? ~~The~~ ^{The} tired, sluggish American economy was the joy and ~~the~~ ^{the} hope of ~~Communism~~ ^{Communist} ~~Mr. Khrushchev's~~ propaganda. In the late ~~the~~ ^{the} fifties the head of the Soviet Union could threaten to bury us economically.

The fact is that we were burying ourselves. ^{in stagnation} ~~And~~ ^{And} ~~developing~~ ^{developing} countries turned to controlled totalitarian models for guidance.

Remember? ~~People~~ ^{People} migrated in droves to any ~~place~~ ^{place} that offered some hope for a job...and the problems of our cities burgeoned into a new national scandal--studiously ignored.

Now some say the Republicans ~~may~~ ^{may} learn from their past mistakes. ^{I think they deserve a new verse in that wistful melody,} ~~I say~~ "when will they ever learn...."

The newly-named Nixon economic braintrust ^{the makings of a} ~~sounds like~~ ^{sounds like} a campaign crying "Back to McKinley" ^{in Congress.}

The Republican inflation scare is a declaration against prosperity. ~~Richard~~ ^{Richard} Nixon is that same Republican candidate who said in 1960, "unless unemployment ~~goes~~ ^{goes} over ^{4.5 million} ~~4.5 million~~ it cannot become a significant

There is no shred of evidence either from the 1950's or the Republican voting record right up to date that they have learned anything.

cut out
lets?

cut out
A

3

significant issue in the minds of a great many people. There must, after all, be some unemployment."

My fellow Americans, there is just no evidence to date that this complacency--this callousness--has changed.

del

It's not new

~~It's as old as the Rover Boys at General Motors.~~

Indeed I am astounded that the Republicans have raised any economic issues in this campaign. They should be hoping the American public will forget that their jobs, their profits, their incomes are at stake.

del

They ought to tip-toe through the economic issues.

This year they actually boast about the state of the economy in 1961! "Prices," they happily record, "were stable, the dollar was strong, the Budget was in balance, and a solid foundation for the future growth had been laid. All this was the result of 8 years of sound economic policy, carefully administered."

~~But there is still that record~~

But what about the rest of the record of those 8 years?

(4)

~~the message. A message that
never was a hit in the first
place.~~

I have ~~been~~ ^{am} astounded that the Republicans have raised any economic issues in this campaign. They should be hoping that the American public would forget that their jobs, their profits, their incomes are at stake.

~~I am particularly astounded at the opening lines of several Republican campaign documents on economic issues. They actually boast about~~

~~the state of the economy as of January 1961. The Republicans tell us that when they left office "Prices were relatively stable, the dollar was strong, the Budget was in balance, and a solid foundation for the future of growth had been laid. All this was the result of 8 years of sound economic policy, carefully administered."~~

~~But you just ignore their
yet look at what they kept quiet about.~~

- 4.8 million people -- 6.8 percent of our labor force -- were unemployed in the first quarter of 1961;
- real family income was falling;
- the number of Negroes in poverty was rising;
- profit margins were severely squeezed;
- \$50 billion worth of our Nation's annual productive capability was being squandered in idleness; *idle workers and idle plants;*
- our economic weakness had shaken world confidence and produced a \$3.9 billion balance of payments deficit in 1960.

~~just a year before there had been a 13 billion dollar deficit~~

8 years. But the Republicans seem not to be getting the message.

in a recession,

Their

The Republicans cure for a sick economy was ~~lots and lots of rest-~~ ^{plenty} ~~on its back.~~ ^{it - flat} ~~Behind a good-looking record of price stability,~~ ^{It was easy to have an adequate one-year} ~~because markets~~ were sluggish and stagnatnt, ~~markets.~~

although we Democrats did

Consumer prices rose 1.6 percent from January 1960 to January 1961, ~~that was quite an adequate performance--~~ ^{They count that} ~~that was counted an adequate performance--~~ better than in three out of seven Democratic years. ~~And Union wage munginnhampainmmmm~~ ^{Union negotiators "knew"} ~~bargainers were forced to "know their place",~~ because workers were standing in hiring lines, begging for jobs.

Fiscal management was no problem. Its drag on the economy was simply ignored. The Budget was in balance during the 1960 fiscal year, ~~mmmm~~ even though it took a heroic amount of gimmickry to produce ~~that result.~~ ^{that after a recent peace time deficit - 13 billion dollars - the year before,} Imports were down, ~~and that was good.~~ But ten ~~remember that everything was down--~~ ^{production,} real incomes, jobs, profits, ~~unemployment and non-white poverty.~~ ^{we know that} The only economic figures that were pointing up were ~~unemployment and non-white poverty.~~ ^{we know} Prosperity does raise some significant problems, ~~doesn't it?~~ It's harder to keep prices stable in a vigorous economy.

deficit

It's harder to keep interest rates down, ^{mention} it's harder to provide the fiscal discipline needed to avoid an inflationary fiscal policy, it's harder to hold imports in line.

24721

5a

It is hard ~~hard~~, indeed--grappling with complex issues.

It ^{takes} the work of men dedicated to the id^a of govern^{ment} government that ^{does} ~~can~~ not shirk its responsibilities for the economic welfare of all the people.

That is the ^{Democratic} ~~economic~~ idea of economic management...and it's my idea, too.

* * *

~~economic~~ We ha^e seen the economic benefits of ^{Democratic} these policies in the past 7 and a half years.

Ninety-one months of sensational economic growth and uninterrupted prosperity ^{is} no accident and no coincidence. ^{has unleashed the} The vitality of free enterprise was ~~unleashed~~ by a ~~wiser~~ and more enlightened use of public policy. The federal government ~~minimum~~ can not be a referee in handcuffs..neutral and useless. It can not be neutral on matters of public

247122

~~prosperity. We can enjoy the sunshine, and avoid the sunburn.~~

these policies

We have seen the economic benefits of ~~sunshine~~ in the past 7-1/2 years. The ~~Nation's record~~ of sensational economic growth and uninterrupted prosperity ^H (91 months) [↑] is no accident and no coincidence.

The vitality of free enterprise was unleashed by a wiser and more enlightened use of Government policy. Inevitably, ~~The~~ Federal Government

cannot be same ~~hand~~ referee in hand cuffs...
neutral and useless.

~~has an important influence on our economic performance. The Government~~

~~cannot be merely a spectator; it cannot be neutral on matters of the public~~

It does great influence that necessarily affects our economy --
~~interest. It must exercise its influence -- for better or for worse.~~

This influence has been exercised for the better in recent years, and it has been exercised in ways that expand and strengthen individual freedoms.

Our workers have gained a new freedom to choose among job opportunities.

Our consumers have a new freedom of choice, because their incomes stretch beyond the bare essentials of life. Our businessmen have a new ^{higher profits and} freedom to plan for steady and healthy growth of their markets. These

opportunities and this broader scope for private energies are true measures of individual freedom.

I am proud to have contributed to the brilliant economic record of the sixties, and I am confident that we can do even better in the years ahead.

We have gained valuable experience and learned important lessons, which give us an agenda for future improvement. First, the President and the Congress must work together more closely to achieve a sound management

of fiscal policy; ^W We need careful and coordinated decisions about our national priorities in writing tax legislation and in reviewing appropriations.

Second, tax reform remains on the list of unfinished business. We can close loopholes; we can improve equity. We can insure that all Americans carry their fair share of our Nation's tax load, *lifting the burdens on the low income groups.*

Third, we can and should adjust our finances smoothly to changing defense needs. If defense requirements should mushroom at any time during my presidency -- and I ^{hope} ~~cannot promise~~ that they will not -- I pledge that we will finance the additions responsibly and promptly. ~~If I approve any significant increase in defense spending, I would be sure, at the same time, to ask the American public to pay the taxes needed to provide responsibly for our national security.~~ And, when peace comes, I will use that welcome opportunity to promote our economic health and our top social priorities.

Fourth, in heading off unsustainable business booms, we must not depend ^{too heavily} on tight money. We have seen that it can check excessive spending, but only by upsetting our financial markets and by placing an unfair burden on our important homebuilding industry. That lesson should be clear to those who know firsthand the vital lumber industry of the Northwest. *Fiscal policy must carry a fuller share of the load.*

7a

Finally, we ~~can~~ ^{flation} ~~can~~ score a breakthrough
on the biggest remaining challenge to our over-all economic
performance--to couple our prosperity with reasonable price
stability.

The Republicans have ~~thrown the~~ ^{conjured up the} inflation ~~scare~~ ^{hobgoblin}
~~at the American people~~ again and again. This year, as usual,
it is a declaration against prosperity. ^{They still believe in}
~~recessions as the~~ ^{recessions as the} ~~weapon against inflation~~ ^{weapon against inflation}

Richard Nixon is ~~the same~~ ^{still} same Republican
candidate who ~~did~~ ^{did} in 1960, "Unless unemployment goes over
4.5 million it can not become a significant issue in the
minds of a great many people. There ~~must~~, after all,
be some unemployment."

There is ~~now~~ just no evidence to date that this
complacency--this callousness--~~has~~ ^{has} changed...in Mr. Nixon or
his Party.

~~The Republicans conjure up the inflation hobgoblin,~~
~~even though~~

*It is worth taking a not's look
at the facts on inflation.*

Finally, we Democrats can score a breakthrough on the biggest remaining challenge to our over-all economic performance -- to couple our prosperity with reasonable price stability.

Handwritten initials/signature

~~The Republicans have thrown the inflation scare at the American people again and again. They conjure up this nightmare, even though~~

~~the U.S. price performance since 1960 is better than that of any other industrial nation in the world. They distort the fact that there is no~~

major difference in our price record for the past 7-1/2 years than in the preceding 8 Republican years. ^{only one of three price measures} The ~~widest~~ margin favoring the

Republicans is in consumer prices, which rose 12% in their period and 16% in the Democratic period. They ignore the fact that incomes have far outpaced prices for nearly every single group of American citizens.

Real incomes -- correcting for price increases -- are up 32% in the

Democratic period compared to an anemic 9% advance under the Republicans.

^{we can do little on inflation. But} Even if we could thereby ^{save} that 4% margin in prices, I would know we need not throw prosperity away. ^{to} I would not sacrifice the gains we have made in employment, production and real income. I would not squander the opportunities that prosperity gives us to deal with the problems of our cities.

~~But don't believe the tired Republican line --~~ ^{Republican} ~~A~~ weak economy isn't the only way to hold prices in check. There is a far better way to achieve

price stability and prosperity.
Prosperity.

It must improve productivity and efficiency through training and mobility of workers and stimulate more investment and modernization by business

9

~~I believe the goals of price stability and full employment are equally important.~~

price stability and full employment. Whenever I talk to business and labor leaders, I see growing recognition of the importance of ~~coupling~~ these two goals. I see a general awareness that we must not accept inflation; we ~~must not~~ ^{cannot} tolerate stagnation; and we ~~must~~ ^{will} not go down the primrose path to Government direct controls on wages and prices. (Rather, we must travel a different highway. (The Government must use fiscal and monetary policies to keep our growth steady and sustainable. (It must help to break bottlenecks and strengthen free markets. (It must review all its programs with price stability in mind. (And it must work with business and labor, ^{toward greater wage-price stability.} I know I can work with both business and labor. I believe that much more can be done with active business and labor participation in voluntary and cooperative efforts to fight inflation.

Before Americans choose their managers of economic policy they ^{should} will review the issues carefully. In particular they will remember the problems they don't have today, as well as those they do. The businessman ^{should} will remember that profits bounced up and down during the fifties, never rising for two successive years. He ^{will} remember that profits have increased on the average each year under the Democrats by more than in 8 years combined of Republican administrations. (The American worker will remember the era when he opened each paycheck with the dread that he might find a layoff notice in his envelope. (The American consumer will recognize the income gains that have provided far greater purchasing

Handwritten scribbles and signatures on the left margin.

Handwritten notes on the right margin: "more to come"

power in recent years. When Americans vote on prosperity, I am confident they will give us a clear ~~clarion~~ call for more ~~prosperity~~ *fit.*

4-2-3
AO

DRAFT FOR THE VICE PRESIDENT

The Nation's productive economy is the solid foundation on which we build our most lofty philosophical aspirations and our fondest social dreams. I want to look at our economy today. Most of all I want to look at its future.

I won't tell the American people that they have never had it so good. We Americans don't just rest on our laurels. Rather the American way is to look ahead, raise our aspirations to remain in advance of our achievements and always to strive for maximum progress. Our dynamic and free economy generates progress as one of its most important products.

If we are wise and continue the progress of the last eight years, we can make gigantic gains over the next four years. By election day in 1972, this Nation -- with sound economic policies -- can cross the \$1 trillion mark of gross national product (measured in constant prices of today). Average real family income can grow another \$1700, and these income gains will bring the comforts and conveniences of civilization and modern technology to millions more of our people. Corporate profits after taxes can approach a \$70 billion level. We can build homes at a rate of more than 2 million units a year.

We can create another 7 million jobs. We can bring unemployment even lower, making it increasingly a temporary and unusual occurrence. And unemployment insurance benefits can cushion the cruel blow of

joblessness much more effectively. Meanwhile, we can provide far more adequate social security benefits for the aged, job opportunities for all who are able to work, and adequate cash assistance for those who are unable to work.

By 1972 the number of people in poverty should be reduced by more than half from the 26 million level of 1967; and we should be well on the way to eliminating poverty by 1976, our 200th anniversary as a Nation.

This is our potential. This is what we can afford as a nation; indeed, we cannot afford to lose these opportunities. But whether we do realize our potential will depend on the choice the Nation makes at the polls in November -- which team of policy managers ~~will~~ they pick.

In picking managers, we must consider past performance. The facts testify loud and clear to the Republican mismanagement of our economy in the 1950's: three recessions in seven years, a growth rate little more than half of our long-term historical average, a near tripling of unemployment during their period, a sad place for the United States growth performance at the very bottom of the list among industrial countries. Reports on the tired and sluggish state of American capitalism were shouted around the world. Only in the late fifties could the head of the Soviet Union threaten to bury us economically -- because it then appeared that we were burying ourselves. That was the time when developing countries turned to controlled totalitarian systems as their model for

successful growth. That was the time that the problems of our cities burgeoned as people moved in droves to any place that offered some hope for a job opportunity.

The scarcity of jobs for all prevented improvements in the job situation of Negroes. Although I doubt strongly that many Americans think that way, I am told that some of our white workers today are worried about whether, with Hubert Humphrey as President, they might be working next to Negroes. I know that a decade ago most Americans had to worry about whether they would be working at all.

But some say the Republicans may learn from their past mistakes. But everything they say shows the elephant not only never forgets -- he never learns.

The names of the Nixon economic braintrust reported in the press surely point in the direction of McKinley. The Republican inflation scare is a declaration against prosperity. The Republican presidential candidate today is the same Republican presidential candidate who said during the 1960 campaign that "Unless unemployment goes over 4.5 million, it cannot become a significant issue in the minds of a great many people. There must, after all, be some unemployment." I know of no evidence that this complacency -- indeed, callousness -- has changed in recent years.

I have been astounded that the Republicans have raised any economic issues in this campaign; they should be hoping that the American public would forget that their jobs, their profits, their incomes are at stake. I am particularly astounded at the opening lines of several Republican campaign documents on economic issues. They actually boast about the state of the economy as of January 1961. The Republicans tell us that when they left office "Prices were relatively stable, the dollar was strong, the Budget was in balance, and a solid foundation for the future of growth had been laid. All this was the result of 8 years of sound economic policy, carefully administered."

Yet look at what they kept quiet about:

- 4.8 million people -- 6.8 percent of our labor force -- were unemployed in the first quarter of 1961;
- real family income was falling;
- the number of Negroes in poverty was rising;
- profit margins were severely squeezed;
- \$50 billion worth of our Nation's annual productive capability was being squandered in idleness;
- our economic weakness had shaken world confidence and produced a \$3.9 billion balance of payments deficit in 1960.

To be sure, they avoided some problems by keeping the economy flat on its back. It was easy to have a good record of price stability because markets were sluggish and stagnant. Consumer prices rose 1.6% from January 1960 to January 1961; that was quite an adequate performance, better than in 3 of the 7 Democratic years. Union wage demands were no problem because workers were standing in hiring lines begging for jobs. Fiscal management was no problem because they ignored its drag on the economy. The Budget was in balance during the 1960 fiscal year; even though it took a heroic amount of gimmickry to produce that result. Imports were down and that was good. But then remember that everything was down -- real incomes, jobs, profits. The only economic figures that were pointing up were unemployment and nonwhite poverty.

Prosperity raises some significant problems. It is harder to keep prices stable in a vigorous economy; it is harder to keep interest rates down; it is harder to provide the fiscal discipline needed to avoid an inflationary fiscal policy; it is harder to hold imports in line. The sunny skies of prosperity always carry the threat of a sunburn. The Republican would cower indoors, pull down the blinds, and lock out the sunshine of prosperity. I reject that solution. The Employment Act of 1946 rejects that solution, calling for "maximum employment, production and purchasing power." I believe the American people emphatically reject that solution as unworthy of our brave tradition. We can welcome and face the challenges of

prosperity. We can enjoy the sunshine, and avoid the sunburn.

We have seen the economic benefits of sunshine in the past 7-1/2 years. The Nation's record of sensational economic growth and uninterrupted prosperity for 91 months is no accident and no coincidence.

The vitality of free enterprise was unleashed by a wiser and more enlightened use of Government policy. Inevitably, the Federal Government has an important influence on our economic performance. The Government cannot be merely a spectator; it cannot be neutral on matters of the public interest. It must exercise its influence -- for better or for worse.

This influence has been exercised for the better in recent years, and it has been exercised in ways that expand and strengthen individual freedoms.

Our workers have gained a new freedom to choose among job opportunities.

Our consumers have a new freedom of choice, because their incomes

stretch beyond the bare essentials of life. Our businessmen have a new

freedom to plan for steady and healthy growth of their markets. These

opportunities and this broader scope for private energies are true measures of individual freedom.

I am proud to have contributed to the brilliant economic record of the sixties, and I am confident that we can do even better in the years ahead.

We have gained valuable experience and learned important lessons, which

give us an agenda for future improvement. First, the President and the

Congress must work together more closely to achieve a sound management

of fiscal policy; we need careful and coordinated decisions about our national priorities in writing tax legislation and in reviewing appropriations.

Second, tax reform remains on the list of unfinished business. We can close loopholes; we can improve equity. We can insure that all Americans carry their fair share of our Nation's tax load.

Third, we can and should adjust our finances smoothly to changing defense needs. If defense requirements should mushroom at any time during my presidency -- and I cannot promise that they will not -- I pledge that we will finance the additions responsibly and promptly. If I approve any significant increase in defense spending, I would be sure, at the same time, to ask the American public to pay the taxes needed to provide responsibly for our national security. And, when peace comes, I will use that welcome opportunity to promote our economic health and our top social priorities.

Fourth, in heading off unsustainable business booms, we must not depend on tight money. We have seen that it can check excessive spending, but only by upsetting our financial markets and by placing an unfair burden on our important homebuilding industry. That lesson should be clear to those who know firsthand the vital lumber industry of the Northwest.

Finally, we Democrats can score a breakthrough on the biggest remaining challenge to our over-all economic performance -- to couple our prosperity with reasonable price stability.

The Republicans have thrown the inflation scare at the American people again and again. They conjure up this nightmare, even though the U.S. price performance since 1960 is better than that of any other industrial nation in the world. They distort the fact that there is no major difference in our price record for the past 7-1/2 years than in the preceding 8 Republican years. The widest margin favoring the Republicans is in consumer prices, which rose 12% in their period and 16% in the Democratic period. They ignore the fact that incomes have far outpaced prices for nearly every single group of American citizens; real incomes -- correcting for price increases -- are up 32% in the Democratic period compared to an anemic 9% advance under the Republicans.

Even if we could thereby save that 4% margin in prices, I would not throw prosperity away, I would not sacrifice the gains we have made in employment, production and real income. I would not squander the opportunities that prosperity gives us to deal with the problems of our cities.

But don't believe the tired Republican line -- a weak economy isn't the only way to hold prices in check. There is a far better way to achieve

price stability along with prosperity. Whenever I talk to business and labor leaders, I see growing recognition of the importance of coupling these two goals. I see a general awareness that we must not accept inflation; we must not tolerate stagnation; and we must not go down the primrose path to Government direct controls on wages and prices. Rather, we must travel a different highway. The Government must use fiscal and monetary policies to keep our growth steady and sustainable. It must help to break bottlenecks and strengthen free markets. It must review all its programs with price stability in mind. And it must work with business and labor. I know I can work with both business and labor. I believe that much more can be done with active business and labor participation in voluntary and cooperative efforts to fight inflation.

Before Americans choose their managers of economic policy they will review the issues carefully. In particular they will remember the problems they don't have today, as well as those they do. The businessman will remember that profits bounced up and down during the fifties, never rising for two successive years. He will remember that profits have increased on the average each year under the Democrats by more than in 8 years combined of Republican administrations. The American worker will remember the era when he opened each paycheck with the dread that he might find a layoff notice in his envelope. The American consumer will recognize the income gains that have provided far greater purchasing

power in recent years. When Americans vote on prosperity, I am confident they will give us a clear clarion call for more prosperity.

PORTLAND CITY CLUB

OPR

DEM FOR HHH DC

I WANT PLACE CONFERENCE CALL

WILL YOU SET UP

OK

I AM 710-822-9211 SENDING TO 710-822-9256 AND 910-367-2099
THAT'S IT

OK HOLD LINE PLS

@

RDY WITH CONF U STAS

710-822-9256 DEMO-NATL-COMM

910-367-2099 KXTV- SAC-CAL

GA PLS

CAN YOU ADD ONE MORE

YES WHAT NO PLS

HOLD ONE SEC

ALL STAS PLS STAND BY

OPER WILL TAKE ABOUT 2 MINS CAN YOU HOLD

ITS UP TO U I DO HAVE THE OTHER STAS STANDING BY

OK HOLD PLSP R U RDY PLS JUST ONE MORE MIN

CAN'T GET OTHER # MAY WE PROCEED

OMINN PLS @

OK GA PLS

CC: WALTER HELLER

REMARKS

VICE PRESIDENT HUMPHREY

PORTLAND CITYON-B I FIND IT INTERESTING THAT MR. NIXON HAR DECIDED TO
POLITICAL ISSUE OUT OF PROSPERITY THIS YEAR. WITH ALL THE OTHER
ISSUES ON WHICH HE MIGHT @PEAK OUT -- AND HASN'T -- I WOULD THINK
HE MIGHT CHOOPE TO TIPTOE THROUGH THIS ONE.

IT'S TIME WE TOOK A HARD LOOK AT OUR ECONOMY TODAY.

AND IT'S TIME TO EXAMINE OUR TREMENDOUS POTENTIAL FOR ECONOMIC
GROWTH IN THE FUTURE --

--IF WE APPLY WISE@ THE ECONOMIC LESSONS OF THE PAST EIGHT
YEARS

-- AND IF WE DON'T GO BACK TO THE "LET NATURE TAKE ITS COURSE"
POLICIES OF THE REPUBLICANS.

WHAT ARE THE STAKES THIS YEAR -- IN ECONOMIC TERMS ... IN HUMAN
TERMS?

BY ELECTION DAY 1972, THIS NATION CAN HAVE A GROSS NATIONAL
PRODUCT OF ONE XXX THAT TOPS TRILLION DOLLARS AT TODAY'S PRICES.

AVERAGE REAL-FAMILY INCOME CAN GROW ANOTHER SEVENTEEN HUNDRED DOLLARS, AND THESE INCOME GAINS WILL BRING GREATER COMFORT AND CONVENIENCE TO MILLIONS OF OUR PEOPLE.

CORPORATE PROFITS AFTER TAXES CAN RISE ANOTHER TWENTY BILLION DOLLARS AND APPROACH A SEVENTY BILLION DOLLAR LEVEL.

WE CAN BUILD HOMES AT A RATE OF MUCH MORE THAN TWO MILLION UNITS A YEAR.

WE CAN CREATE ANOTHER SEVEN MILLION JOBS. WE CAN DRIVE UNEMPLOYMENT EVEN LOWER -- MAKE IT A TEMPORARY AND UNUSUAL OCCURRENCE. UNEMPLOYMENT INSURANCE BENEFITS CAN CUSHION THE CRUEL BLOW OF JOBLESSNESS MUCH MORE EFFECTIVELY.

WE CAN PROVIDE FAR MORE ADEQUATE SOCIAL SECURITY BENEFITS FOR THE AGED -- JOB OPPORTUNITIES FOR ALL WHO ARE ABLE TO WORK -- AND ADEQUATE CASH ASSISTANCE FOR THOSE WHO ARE UNABLE TO WORK.

BY 1972, THE NUMBER OF PEOPLE IN POVERTY CAN BE SLASHED TO LESS THAN HALF THE 1967 LEVEL. WE SHOULD BE ABLE TO LARGELY ELIMINATE POVERTY IN AMERICA BY THE TWO HUNDREDTH ANNIVERSARY OF THIS NATION.

THESE ARE OUR POTENTIALS -- EASILY WITHIN OUR REACH -- IF WE REMEMBER THE PAST AND COMPARE ...

IF WE REMEMBER THE DISMAL, DISHEARTENING YEARS OF REPUBLICAN ECONOMIC MISMANAGEMENT IN THE 1950'S:

--THREE RECESSIONS IN SEVEN YEARS;

--A GROWTH RATE LITTLE MORE THAN HALF OF OUR LONG-TERM HISTORICAL AVERAGE;

--A NEAR TRIPLING OF UNEMPLOYMENT;

--A SAD, SOGGY LAST F-R THE UNITED STATES ... AT THE VERY BOTTOM OF THE GROWTH-RATE ROSTER AMONG INDUSTRIAL COUNTRIES.

REMEMBER? THE TIRED, SLUGGISH AMERICAN ECONOMY WAS THE JOY AND THE HOPE OF COMMUNIST PROPAGANDA. IN THE LATE FIFTIES THE HEAD OF THE SOVIET UNION COULD THREATEN TO BURY US ECONOMICALLY.

THE FACT IS THAT WE WERE BURYING OURSELVES.

REMEMBER? PEOPLE MIGRATED IN DROVES TO ANY PLACE THAT OFFERED SOME HOPE FOR A JOB ... AND THE PROBLEMS OF OUR CITIES BURGEONED INTO A NEW NATIONAL SCANDAL -- STUDIOUSLY IGNORED.

NOW SOME SAY THE REPUBLICANS MAY LEARN FROM THEIR PAST MISTAKES. THERE IS NO SHRED OF EVIDENCE EITHER FROM THE 1950'S OR THE REPUBLICAN VOTING RECORD RIGHT UP TO DATE THAT THEY HAVE LEARNED ANYTHING.

I THINK THEY DESERVE A NEW VERSE IN THAT MOVING AND WISTFUL MELODY, "WHEN WILL THEY EVER LEARN ..."

THE NEWLY-NAMED NIXON ECONOMIC BRAINTRUST SOUNDS LIKE THE MAKINGS OF A "BACK TO MCKINLEY" CAMPAIGN.

THIS YEAR THEY ACTUALLY BOAST ABOUT THE STATE OF THE ECONOMY IN 1961. "PRICES," THEY HAPPILY RECORD, "WERE STABLE, THE DOLLAR WAS STRONG, THE BUDGET WAS IN BALANCE, AND A SOLID FOUNDATION FOR FUTURE GROWTH HAD BEEN LAID. ALL THIS WAS THE RESULT OF EIGHT YEARS OF SOUND ECONOMIC POLICY, CAREFULLY ADMINISTERED."

BUT WHAT ABOUT THE REST OF THE RECORD OF THOSE EIGHT YEARS?

THAT SENTENCE SHOULD READ: BUT WHAT ABOUT THE REST OF THE RECORD AT THAT TIME?

-- 4.8 MILLION PEOPLE -- 6.8 PER XXX ALMOST 7.0 PERCENT OF OUR LABOR UNEMPLOYED IN THE FIRST QUARTER OF 1961;

-- REAL FAMILY INCOME WAS FALLING;

-- THE NUMBER OF NEGROES IN POVERTY WAS RISING;

-- PROFIT MARGINS WERE SEVERELY SQUEEZED;

-- FIFTY BILLION DOLLARS WXXX PER YEAR WORTH OF OUR NATION'S ANNUAL PRODUCTIVE CAPABILITY WAS SQUANDERED IN IDLE WORKERS AND IDLE PLANTS;

-- OUR ECONOMIC WEAKNESS HAD SHAKEN WORLD CONFIDENCE AND PRODUCED A 3.9 BILLION DOLLAR BALANCE OF PAYMENTS DEFICIT IN 1960.

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USE @PULIPOLJR:=HPPE@ERA GOVER@WHY DID YU BRKE
DEM FOR HHH DC

IS ANY ONE THERE WHO CAN DELIVR A MSGE.
HUMPHREY S F

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DEM FOR HHH DC

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PORTLAND CITY CLUB

1.00 pm Friday

Sept. 27, 1968

@PPP@

DEM FOR HHH DC

ATTENTION: TED VAN DYK

CC: WALTER HELLER

REMARKS

VICE PRESIDENT HUMPHREY
PORTLAND CITY CLUB

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BOTTOM OF THE GROWTH-RATE ROSTER AMONG INDUSTRIAL COUNTRIES.

REMEMBER? THE TIRED, SLUGGISH AMERICAN ECONOMY WAS THE JOY
AND THE HOPE OF COMMUNIST PROPAGANDA. IN THE LATE FIFTIES THE HEAD
OF THE SOVIET UNION COULD THREATEN TO BURY US ECONOMICALLY.

THE FACT IS THAT WE WERE BURYING OURSELVES.

REMEMBER? PEOPLE MIGRATED IN DROVES TO ANY PLACE THAT
OFFERED SOME HOPE FOR A JOB ... AND THE PROBLEMS OF OUR CITIES
BURGEONED INTO A NEW NATIONAL SCANDAL -- STUDIOUSLY IGNORED.

NOW SOME SAY THE REPUBLICANS MAY LEARN FROM THEIR PAST MISTAKES.
THERE IS NO SHRED OF EVIDENCE EITHER FROM THE 1950'S OR THE REPUBLICAN
VOTING RECORD RIGHT UP TO DATE THAT THEY HAVE LEARNED ANYTHING.
I THINK THEY DESERVE A NEW VERSE IN THAT MOVING AND WISTFUL MELODY,
"WHEN WILL THEY EVER LEARN"

THE NEWLY-NAMED NIXON ECONOMIC BRAINTRUST SOUNDS LIKE THE
MAKINGS OF A "BACK TO MCKINLEY" CAMPAIGN.

THIS YEAR THEY ACTUALLY BOAST ABOUT THE STATE OF THE ECONOMY
IN 1961. "PRICES," THEY HAPPILY RECORD, "WERE STABLE, THE DOLLAR
WAS STRONG, THE BUDGET WAS IN BALANCE, AND A SOLID FOUNDATION FOR
FUTURE GROWTH HAD BEEN LAID. ALL THIS WAS THE RESULT OF EIGHT YEARS OF
SOUND ECONOMIC POLICY, CAREFULLY ADMINISTERED."

BUT WHAT ABOUT THE REST OF THE RECORD OF THOSE EIGHT YEARS?

--4.8 MILLION PEOPLE -- 6.8 PERCENT OF OUR LABOR FORCE -- WERE
UNEMPLOYED IN THE FIRST QUARTER OF 1961;

-- REAL FAMILY INCOME WAS FALLING;

-- THE NUMBER OF NEGROES IN POVERTY WAS RISING;

-- PROFIT MARGINS WERE SEVERELY SQUEEZED;

-- FIFTY BILLION DOLLARS WORTH OF OUR NATION'S ANNUAL PRODUCTIVE
CAPABILITY WAS SQUANDERED IN IDLE WORKERS AND IDLE PLANTS;

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WE HAVE SEEN THE ECONOMIC BENEFITS OF DEMOCRATIC POLICIES IN THE PAST SEVEN AND A HALF YEARS.

NINETY-ONE MONTHS OF SENSATIONAL ECONOMIC GROWTH AND UNINTERRUPTED PROSPERITY IS NO ACCIDENT AND NO COINCIDENCE.

WE UNLEASHED THE VITALITY OF FREE ENTERPRISE BY MORE ENLIGHTENED USE OF PUBLIC POLICY. THE FEDERAL GOVERNMENT CANNOT BE A REFEREE IN HANDCUFFS ... NEUTRAL AND USELESS. IT CANNOT BE NEUTRAL ON MATTERS OF THE PUBLIC INTEREST.

IT DOES EXERCISE GREAT INFLUENCE -- INFLUENCE THAT NECESSARILY AFFECTS OUR ECONOMY -- FOR BETTER OR FOR WORSE.

THIS INFLUENCE HAS BEEN EXERCISED FOR THE BETTER IN RECENT YEARS, AND IT HAS BEEN EXERCISED IN WAYS THAT EXPAND AND STRENGTHEN INDIVIDUAL FREEDOM.

4. OUR WORKERS HAVE GAINED A NEW FREEDOM OF CHOICE, BECAUSE THEIR INCOMES STRETCH BEYOND THE BARE ESSENTIALS OF LIFE.

OUR BUSINESSMEN HAVE HIGHER PROFITS AND A NEW FREEDOM TO PLAN FOR STEADY AND HEALTHY GROWTH OF THEIR MARKETS. THESE OPPORTUNITIES ... AND THIS BROADER SCOPE FOR PRIVATE ENERGIES ARE TRUE MEASURES OF INDIVIDUAL FREEDOM.

I AM PROUD TO HAVE CONTRIBUTED TO THE BRILLIANT ECONOMIC RECORD OF THE SIXTIES, AND I AM CONFIDENT THAT WE CAN DO EVEN BETTER IN THE YEARS AHEAD.

WE HAVE GAINED VALUABLE EXPERIENCE AND LEARNED IMPORTANT LESSONS, WHICH GIVE US AN AGENDA FOR FUTURE IMPROVEMENTS.

FIRST, THE PRESIDENT AND THE CONGRESS MUST WORK TOGETHER MORE CLOSELY TO ACHIEVE A SOUND MANAGEMENT OF FISCAL POLICY. WE NEED CAREFUL AND COORDINATED DECISIONS ABOUT OUR NATIONAL PRIORITIES IN WRITING TAX LEGISLATION AND IN REVIEWING APPROPRIATIONS

SECOND, TAX REFORM REMAINS ON THE LIST OF UNFINISHED BUSINESS. WE CAN CLOSE LOOPHOLES; WE CAN IMPROVE EQUITY. WE CAN INSURE THAT ALL AMERICANS CARRY THEIR FAIR SHARE OF OUR NATION'S TAX LOAD, LIFTING THE BURDENS ON THE LOW INCOME GROUPS.

THIRD, WE CAN AND SHOULD ADJUST OUR FINANCES SMOOTHLY TO CHANGING DEFENSE NEEDS. IF DEFENSE REQUIREMENTS SHOULD MUSHROOM AT ANY TIME DURING MY PRESIDENCY -- AND I HOPE THEY WILL NOT -- I PLEDGE THAT WE WILL FINANCE THE ADDITIONS RESPONSIBLY AND PROMPTLY. AND, WHEN PEACE COMES, I WILL USE THAT WELCOME OPPORTUNITY TO PROMOTE OUR ECONOMIC HEALTH AND OUR TOP SOCIAL PRIORITIES.. (UNDERLINE ENTIRE SENTENCE)

FOURTH, IN HEADING OFF UNSUSTAINABLE BUSINESS BOOMS, WE MUST NOT DEPEND TOO HEAVILY ON TIGHT MONEY. WE HAVE SEEN THAT IT CAN CHECK EXCESSIVE SPENDING, BUT ONLY BY UPSETTING OUR FINANCIAL MARKETS AND BY PLACING AN UNFAIR BURDEN ON OUR IMPORTANT HOMEBUILDING INDUSTRY. THAT LESSON SHOULD BE CLEAR TO THOSE WHO KNOW FIRSTHAND THE VITAL LUMBER INDUSTRY OF THE NORTHWEST. FISCAL POLICY MUST CARRY A FULLER SHARE OF THE LOAD.

FINALLY, WE CAN (ULINE) SCORE A BREAKTHROUGH ON THE BIGGEST REMAINING CHALLENGE TO OUR OVER-ALL ECONOMIC PERFORMANCE -- TO COUPLE OUR PROSPERITY WITH REASONABLE PRICE STABILITY.

THE REPUBLICANS HAVE CONJURED UP THE INFLATION HOBGOBLIN AGAIN AND AGAIN. THIS YEAR, AS USUAL, IT IS A DECLARATION AGAINST PROSPERITY. THEY STILL BELIEVE IN RECESSIONS AS THE WEAPON AGAINST INFLATION.

RICHARD NIXON IS THE SAME REPUBLICAN CO-CANDIDATE WHO SAID IN 1960: "UNLESS UNEMPLOYMENT GOES OVER 4.5 MILLION, IT CANNOT BECOME A SIGNIFICANT ISSUE IN THE MINDS OF A GREAT MANY PEOPLE. THERE MUST, AFTER ALL, BE SOME UNEMPLOYMENT."

THERE IS JUST NO EVIDENCE TO DATE THAT THIS COMPLACENCY -- THIS CALLOUSNESS -- HAS CHANGED .. IN JR. MR. NIXON OR HIS PARTY.

IT IS WORTH TAKING A SOBER LOOK AT THE FACTS ON INFLATION.

U.S. PRICE PERFORMANCE SINCE 1960 IS BETTER THAN THAT OF ANY OTHER INDUSTRIAL NATION IN THE WORLD. CONTRARY TO REPUBLICAN SCARE STORIES, THERE IS NO MAJOR DIFFERENCE IN OUR PRICE RECORD FOR THE PAST SEVEN AND A HALF YEARS THAN IN THE PRECEDING EIGHT REPUBLICAN YEARS.

THE ONLY ONE OF THREE PRICE MEASURES FAVORING THE REPUBLICANS IS IN CONSUMER PRICES, WHICH ROSE TWELVE PERCENT IN THEIR PERIOD AND SIXTEEN PERCENT IN THE DEMOCRATIC PERIOD.

THEY IGNORE THE FACT THAT INCOMES HAVE FAR OUTPACED PRICES FOR NEARLY EVERY SINGLE GROUP OF AMERICAN CITIZENS. REAL INCOMES -- CORRECTING FOR PRICE INCREASES -- ARE UP THIRTY TWO PERCENT (32%) IN THE DEMOCRATIC PERIOD COMPARED TO AN ANEMIC NINE PERCENT ADVANCE UNDER THE REPUBLICANS. (UNDERLINE ENTIRE SENTENCE)

: WE CAN DO BETTER IN ON INFLATION. BUT I KNOW WE NEED NOT THROW PROSPERITY AWAY TO REDUCE THAT FOUR PERCENT MARGIN IN PRICES.

I WOULD NOT ASACRIFICE THE GAINS WE HAVE MADE IN EMPLOYMENT PRODUCTION AND REAL INBOME. I WOULD NOT SQUANDER THE OPPORTUNHTIES THOT PROSPERITY GIVES US TO DEAL WITH THE PROBLEMS OF OUR CITIES.

A WEAK, REPUBLICAN ECONOMY ISN'T THE ONLY WAY TO HOLD PRICES IN CHECK. THERE IS A FAR BETTER WAY TO ACHIEVE PRICE STABILITY AND PROSPERITY.

WHENEVER I TALK TO BUSINESS AND LABOR LEADERS, I SED GROWING RECORGNITION OF THE IMPORTANCE OF THESE TWO GOALS. WE MUST NOT ACCEPT INFLATION; WE CANNOT TOLERATE STAGNATION; AND WE WILL NOT GO DOWN THE PRIMROPE PATH TO GOVERNMEET DIRECT CONTROLS ON WAGES AND PRICES.

RATHER, WE MUST TRAVEL A DIFFERENT HIGHWAY.

THE GOVERNMENT MUST USE FISCAL AND MONETARY POLICIEP S TO KEEP OUR GROWTH SPEADY AND SUSTAINABLE.

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AND IT MUST WORK WITH BUSINESS AND LABOR TOWARD GREATER WAGE-PRICE STABILITE. I KNOW I CAN WORK WITH BOTH BUSINESS AND BLABOR. I BELIEVE THAT MUCH MORE CAN BE DONE WITH ACTIVE BUSINESS AND LA OR PARITICIPATION IN VOLUNTARY AND COOPERATIVE EFFORTS TO FIGHT INFLATION.

BEFORE AMERICANS CHOOSE THEIR ECONOMIC MANAGERS FOR THE NEXT
FOUR YEARS, THEY SHOULD REVIEW THE @SSUES CAREFULLY. IN PARTICULAR
THEY WILL REMEM BER THE PROBLEMS THEY DON'T HAVE TODAY, AS WELL AS
THOSE THEY DO. THE BUSINESSMAN WILL REMEMBER THAT PROFITS BOUNCED UP
AND DOWN DURING THE FITFT@ES, NEVER RISHNG FOR TWO SUCCESSIVE YEARS.
HE WILL REMEMBER THAT PROJFITS HAVE INCREASED ON THE AVERAGE E@CH
(EACH, UNDERLINED) YEAR UNDER THE DEMOCRATS BY MORE THAN IN EIGHT YEARS
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THE AMERICAN CONSUMER WILL RECOGNIZE THE INCOME GAINS THAT HAVE
PROVIDED FAR GREATER PURCHASING POWER IN RECENT YEAR.S.

WHEN AMERICANS VOTE ON PROSPERITY, I AM CONFIDENT THEY WICL L
GIVE US A CLEAR CALL FOR MORE OF IT.

END OF TEXT OF PORTLAND CITY CLUB SPEECH (ECONOMIC MESSAGE)

PLEASE GIVE COPY TO TED VAG DAYK AND PLEASE SEE THAT WALTER HELLER
RECEIVES A COPY OF THE TEXT. THANK YOU.

#

REMARKS
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UNION WAGE NEGOTIATORS "KNEW THEIR PLACE," BECAUSE WORKERS WERE
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WHOLESALE PRICES ROSE MORE UNDER THE REPUBLICANS--NINE PERCENT... AS AGAINST ONLY SEVEN AND A HALF PERCENT IN THE KENNEDY-JOHNSON-HUMPHREY YEARS. OUR MOST COMPREHENSIVE PRICE INDEX, THE "GDP (CAPS) DELXXXXDEFLATOR," ROSE 17 PERCENT (SEVENTEEN PERCENT) DURING THE EIGHT REPUBLICAN YEARS AND ONLY SIXTEEN PERCENT UNDER THE DEMOCRATS.

CONSUMER PRICES HAVE RISEN MORE DURING THE LAST EIGHT YEARS THAN IN THE PREVIOUS EIGHT YEARS--SIXTEEN PERCENT VERSUS TWELVE PERCENT... A FOUR POINT DIFFERENCE.

IN THE?SEMO?SCOFNEHATADESP?EEMULAL?EBEKERENINGANEANPENCOBVENTEDANEXPANSION ONCE AGAIN, EVERYBODY.

WHY? MOST OF THAT DIFFERENTIAL REPRESENTS AN UNPRECEDENTED EXPANSION IN THE SERVICE INDUSTRIES STIMULATED BY RISING REAL INCOMES. AND IT ALSO REFLECTS THE FACT THAT SERVICE WORKERS--CLERKS, LAUNDRY WORKERS, HOSPITAL EMPLOYEES, DOMESTIC HELP, AND OTHERS-- ARE FINALLY BEGINNING TO RECEIVE A LIVING WAGE.

THE REPUBLICANS CHOOSE TO IGNORE THESE FACTS--JUST AS WHY IGNORE THE FACT THAT INCOMES HAVE FAR OVERTAKEN THE

PRICES FOR NEARLY EVERY SINGLE GROUP OF AMERICAN CITIZENS.

MORE COMING. PAUPE TO REFRESH.

* REAL INCOMES -- CORRECTING FOR PRICE INCREASES -- ARE UP THIRTY SINGLE END OF CUT NOW WILL TRY TO PICK UP TAPE .

GROUP OF AMERICAN CITIZENS. REAL INCOMES -- CORRECTING FOR PRICE INCREASES -- ARE UP THIRTY TWO PERCENT (32%) IN THE DEMOCRATIC PERIOD COMPARED TO AN ANEMIC NINE PERCENT ADVANCE UNDER THE REPUBLICANS. (UNDERLINE ENTIRE SENTENCE)

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IT MUST IMPROVE PRODUCTIVITY AND EFFICIENCY THROUGH TRAINING AND MOBILITY OF WORKERS AND STIMULATE MORE INVESTMENT AND MODERNIZATION BY BUSINESS.

AND IT MUST WORK WITH BUSINESS AND LABOR TOWARD GREATER WAGE-PRICE STABILITY. I KNOW I CAN WORK WITH BOTH BUSINESS AND LABOR. I BELIEVE THAT MUCH MORE CAN BE DONE WITH ACTIVE BUSINESS AND LABOR PARTICIPATION IN VOLUNTARY AND COOPERATIVE EFFORTS TO FIGHT INFLATION.

BEFORE AMERICANS CHOOSE THEIR ECONOMIC MANAGERS FOR THE NEXT FOUR YEARS, THEY SHOULD REVIEW THE ISSUES CAREFULLY. IN PARTICULAR THEY WILL REMEMBER THE PROBLEMS THEY DON'T HAVE TODAY, AS WELL AS THOSE THEY DO. THE BUSINESSMAN WILL REMEMBER THAT PROFITS BOUNCED UP AND DOWN DURING THE FIFTIES, NEVER RISING FOR TWO SUCCESSIVE YEARS. HE WILL REMEMBER THAT PROFITS HAVE INCREASED ON THE AVERAGE EACH (EACH, UNDERLINED) YEAR UNDER THE DEMOCRATS BY MORE THAN IN EIGHT YEARS COMBINED OF REPUBLICAN ADMINISTRATIONS.

THE AMERICAN WORKER WILL REMEMBER THE ERA WHEN HE OPENED EACH PAYCHECK WITH THE DREAD THAT HE MIGHT FIND A LAYOFF NOTICE IN HIS ENVELOPE.

THE AMERICAN CONSUMER WILL RECOGNIZE THE INCOME GAINS THAT HAVE PROVIDED FAR GREATER PURCHASING POWER IN RECENT YEARS.

WHEN AMERICANS VOTE ON PROSPERITY, I AM CONFIDENT THEY WILL GIVE US A CLEAR CALL FOR MORE OF IT.

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THIS ENDS THE FINAL OF THE PORTLAND CITY CLUB SPEECH. WE WILL ALSO SEND TO PORTLAND. YOU NEED ONLY MAKE READING COPIES AND COPIES FOR YOUR PRESS FOLKS.

GLOOGORIA, ARE YOU THERE? HAVE YOU RECEIVED?

OVER AND OUT.



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