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Office of the Secretary

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Address by Secretary of Commerce John T. Connor Prepared for Delivery at Commencement Exercises, St. Louis University, Kiel Auditorium, St. Louis, Missouri, 10 A.M. Saturday, June 5, 1965

I am deeply grateful for the high honor which this great university has conferred on me today. In return, I can offer only my firm resolve to fulfill, to the best of my abilities, the obligations to society which such an honor so forcefully and rightfully imposes. This, Father Marchetti, I can promise you.

Let me also say that I am proud to consider myself a member of the class of 1965.

President Lyndon Johnson has called you the "volunteer generation" because of your magnificent response to some of the most glaring needs of our times.

No less than 100,000 volunteers are waiting for their chance to take up the hard and often hazardous duties of the 10,000 young men and women now giving their all in the Peace Corps. This is an example of selflessness and personal commitment to the welfare of mankind that has won the admiration of people everywhere.

On the home front, to cite another example, VISTA--Volunteers for Service in America--has been swamped with applications from the very first day it opened its doors.

Now much has been written about the widening rift between generations. We hear about the insuperable obstacles to communication between the "complacent

guardians of the status quo" and the eager, dedicated, young disciples of enlightened change, who view the contemporary world of their inheritance with anguish and dismay.

It is true that in many cases the gap of years which separates us seems unbridgeable that communication between generations is, at times, difficult. But I think that gap can be bridged--bridged by the simple understanding that in the search for a meaningful existence many of us--more than you may realize--seek the same goals.

When this is the case, I think we have much in common, much to share, and much to offer each other.

Many of the visions of a better world that inspired my generation are now the realities of yours. And from the plateau of these realities, you can visualize and hope for a world far better than we dared dream; and you can dream of a world that was, 30 years ago, beyond the capacity even of our imaginings, as well as being well beyond human reach at that time.

We have come a long way from the Depression years of the mid-1930's. The Nation is enjoying an unprecedented prosperity, more Americans are living more comfortably and securely than ever before, and the prospect for further increasing our standard of living is excellent. All indications are that we are learning to master the economic techniques of sustaining a prolonged period of steady economic growth without the threats of "boom or bust."

I realize, however, that the restless idealism of youth is not content with the accomplishments of the past, no matter how much these accomplishments may have opened up new possibilities for the advancement of ideals.

Your concern--and I share it with you--is with the imperfections that mar the world you are now entering as activists. Your concern is with the chronic ills that your fathers and their fathers never got around to treating, never found time or the means to cure.

And, although there have been good and justifiable reasons in most cases-- such as war and a lack of sufficient technical progress-- you still, and understandably, wonder why more advances were not made.

Thirty years ago, Franklin Roosevelt spoke with compassion about "the forgotten man," the individual callously abandoned by a smugly progressive society. To my mind, President Roosevelt worked wonders in his behalf.

But what you see are the 35 million Americans who are still shut out of our increasingly affluent society--the poor of our city slums and the forgotten of our rural areas--and you want to do something about it.

What you see are the countless millions in underdeveloped countries who live, literally, on the edge of survival--and you want to do something about that.

You see the racial injustices that have robbed your fellow citizens of their rights--and you want to do something about that.

You yearn to become involved in righting all these wrongs--and others.

The question is: How do you go about it? How can you most effectively volunteer your talents and energies?

There are many ways, not all as dramatic and direct in their approach as the Peace Corps, but no less effective.

There is, for one, politics, the forum of public decision where convictions boldly spoken can influence the course of human affairs.

There is government service in a surprising variety of vital areas, from economic development to the diplomatic service.

There is medicine and education, science, engineering and the law.

The point is, no matter what your course of action, no matter what profession you choose, what is most important is the extent and the endurance of the personal commitment you are willing to make for the elimination of the ills of mankind. That, I assure you, is axiomatic.

And it is in the light of that axiom that I ask you to give serious consideration to another career of service that is not ordinarily listed among the catalogues of idealistic endeavor, especially by your generation.

I'm talking about business. From what I have read, and from what my friends in industry have told me, the graduates in 1965 have shown a great reluctance, almost a fear, of joining the work force of the business community.

For example, a recent article in the New York Times entitled "They're Not Trying to Succeed in Business,"--"they" meaning you--points out that industry would like to hire many more college graduates this year than it can get. But that many of you feel there is not enough challenge in business, that you are interested in--and I quote--"more than just material rewards."

What this indicates to me is that there must be a monumental lack of understanding about the true nature and function of business. And perhaps one reason for this is that the critics of business have spoken with a much louder, more provocative voice than the proponents of business.

Business has been accused of everything from being the drive wheel of a godless materialism to not providing enough material goods for enough of the world's people.

It has been criticized as a dehumanizing force whose impersonal operators know only one good--profit--and one evil--loss.

It has been accused of an idolatrous worship of managerial and production techniques that has led, in the words of the Catholic existentialist Gabriel Marcel, "to a general pragmatization of human beings and relations."

In some popular novels and movies, it is the dreaded "system" where phoniness is the prime virtue needed by anyone who would attempt to succeed in a meaningless competition for status.

Now I have no doubt but that such descriptions do fit the experiences of some individuals in our business environment. But these are individuals who could not lead authentic, purposeful lives in any environment.

They are people who would allow their ideals to atrophy regardless of the work they were doing, who would allow their ideals to be eroded by the irrelevant day-to-day demands that must be contended with in any walk of life.

They are the people who let themselves become addicted to false standards, who sink into the comfortable cushions of conformity, and shirk responsibility with a "let George do it" attitude, even though George is all too often the name of the next generation.

And so far as conformity is concerned, they are persons who would conform in a group of two.

Leo Rosten, the author of "Dr. Newman, M.D." and an intellectual in good standing, tells the story of the time his son's grade school teacher cautioned him, in ominous tones, that the boy was not adjusting well to the group, to the other members of his class.

Did Mr. Rosten care? Of course he did. He asked: "Well, who's in the group?" Maybe, he pointed out to the rather shocked teacher, the group's little Janes and Johnnies ought to be adjusting to his son. Why must he adjust to them?

You can be your own man or woman anywhere in this society. It doesn't matter one whit where you work or whom you work for. It's strictly up to you.

You alone are responsible for what you become, with God's help. The choice is yours.

"Involvement" is the battle cry, the credo of your generation--personal involvement in solving the vital problems of our times. I say that there is no better means of involvement, and no more potent an instrument for solving these problems, than a career in business.

That career, of course, must be pursued within the proper perspective, and it is this perspective that will add vigor to your ideals and serve as the ready source of their renewal.

For those of you who do not already have it, let me try to give you that perspective now. It will, I hope, sustain you as it has sustained me when the going gets rough, when those "irrelevant" demands I mentioned seem to be about to overwhelm you, to smother the life of your ideals,

Every civilization, every society can be defined and judged by the value it endorses and lives by..

Given a superficial examination, it would appear to some that our values are predominantly material, and that the purpose of our lives, and the limit of our aspirations, is material abundance--that and no more.

But is this material abundance the ultimate goal of our society?

Is affluence an end in itself?

No. Not here. Not in America.

The goal of our society, the goal which gives meaning and majesty to the constant efforts of business to increase our material abundance, is to free man from the shackles of poverty and all the dehumanizing, debilitating effects that go with it--disease, ignorance, misery and despair.

America was the first nation to dedicate itself consciously to the ideal that all men, and not just a few members of an elite, should be free of the degradations of poverty. It has always been a part of the American dream that material security was the key to freeing the human spirit from the physical needs that had imprisoned its potential, imprisoned it since man first began his endless struggle for survival.

Quite obviously the way to achieve this material security was, and is, work. In the early days of the Nation this meant, for the most part, physical labor, just as it does today in the less developed countries of the world.

But as the mastery of science over nature increased, as we developed the machine and mechanical power, we began to have real hope, for the first time in the history of mankind, of producing in quantity for our material needs. The benefits of industrialization could be realized, however, only if an organizing instrument welded together all the diverse elements required--machines, raw materials, the different skills of many workers, and the capital investment to build the industrial complex.

That instrument became the modern business organization--the very heart of the system that provides the goods which enable man to devote himself to higher attainments.

The business system is the essential material means to an ultimately spiritual goal.

Within this context, then, the businessman's concern with profit, which to some who do not understand economic fundamentals bears the onus of a moral stigma, is the necessary gauge for measuring the effectiveness of this means.

It is, in fact, more than a gauge. It is a discipline, and a good one, which tells a manager whether he is failing or succeeding in his and his company's contribution to society. It is a discipline neither business nor society can afford to be without.

It tells us when we have a surplus of wealth--and I use that term in its generic sense, meaning an excess of material goods over and above what is needed for sheer survival. What's more, it guides us in the best use of that surplus. St. Louis University needs at least \$35 million dollars by 1968 to complete its dynamic expansion program. The surplus of wealth generated by our business system, under the discipline of the accountant's ledger, will help meet that \$35 million dollar goal.

The University, too, must keep careful watch on its accounts, even though it is engaged in producing superior minds rather than superior products.

Just look what has happened in countries which have outlawed profit and loss and substituted state planning. The result is an industrial system that wastes both material and human resources and one that fails to provide for the people's needs.

I understand Russia is now "experimenting" with the profit system. I have news for them. The "experiment" will work, if they adopt the right formula--the free enterprise system that has brought America so many benefits--the system in which millions and millions of Americans are equity stockholders who have a stake in its successes--and failures.

Profit, in proper perspective, means an addition to the Nation's and the world's wealth. It means an increase in capital, a growth of economic resources which can be used to create more wealth for the further elimination of want.

The seemingly impersonal figures you read on the financial pages of your newspaper are a shorthand that tells the story of the highest living standard man has ever known. The next time you read what our growing Gross National Product is, think of it as the Nation's wherewithal to supply 70 million people with gainful employment, think of it in terms of what it means to an average family made that much happier by an increase in personal income of nearly \$1,000 in the past four years.

In translation, this shorthand spells out an increasing freedom from want for millions upon millions of individuals, not only in this country, but the world over.

The profits of American business, the wealth created by American enterprise, had made possible the giving of \$77 billion dollars worth of foreign aid since World War II--aid that rebuilt a devastated Europe and Japan and is now bettering

the lot, and relieving the suffering, of deprived peoples in less developed countries in Africa and Asia and Latin America.

To cite but one small example, we are supplying school lunches for 40 million children in 89 countries.

Again, the profits and wealth generated by our business society have allowed American companies to invest no less than \$66 billion in foreign nations, both developed and underdeveloped. That is \$66 billion worth of fuel for their own economic engines, so that they in turn can create more wealth and, hopefully, put a just part of it to use in the service of mankind's highest hope--that every person someday will be able to enjoy the opportunity to exercise and perfect those qualities we refer to when we talk about human dignity.

An experience I had in Brazil shows what a profound impact American business can have on the lives of people in a land where the means of production have not yet caught up with the needs of the population.

The firm I was with opened up a new plant in the tiny village of Sousas, where less than a thousand people lived. Even though the village was near Campinas, a modern industrial city and cultural center, few people had shoes, many were unemployed and few had running water or sanitary facilities.

At a gathering during my visit, the local priest stood up and, with tears streaming down his cheeks, told what our operation had meant to the villagers. Before we came, he said, Sousas was a place without hope.

Now, he said, Sousas had been transformed. Many of the towns-people were employed at the plant because our on-the-job training had succeeded in turning them from farm laborers into mechanics and technicians. Their wages, plus company-paid taxes and increased merchant activities, had injected new life into the community.

Additional electric power had been installed. Health facilities had been established. The people, the priest said, now have shoes, and good clothes and better food. And, significantly, the ten mile rough clay road that had been Sousas' only connection with Campinas, with the modern world, had been replaced with a shorter, well-paved highway.

That new road stands, I think, as a symbol of how American business can help build pathways to hope and a better life for "the forgotten man" everywhere.

Without the techniques and organization of our business system, Sousas would still be a village of forgotten people at the end of a little-traveled road.

If this is materialism, let us have more of it.

I would prefer to call it economic energy, and this energy can be--and is being--transformed into social progress at every level of society. For today, the profits of business profit society.

The taxes paid by business corporations and their employees are a major means of support for education and for the many public programs that not only benefit the poor, the elderly and the disadvantaged, but also provide for the urgent needs of a growing population.

These tax revenues are being used for vast research programs to improve the people's health.

They are being used to keep the Nation's military strong enough to discourage aggression against freedom wherever it may occur, and strong enough to dispel any notions of successfully attacking us here at home.

Business, however, is not merely a passive supplier of funds to be administered by government agencies. Today, more than ever before, public spirited businessmen are applying the organizational and leadership abilities learned

within the business system, to lead the way in solving the most difficult social and economic problems of our increasingly complex society.

Business, far more often than Government, must provide the solutions to satisfy human needs. Today's businessmen are aware that displaced workers deserve job-retraining so that they can regain the prized self-respect of a man with a job.

They are aware of the need to prevent air and water pollution, and are working on the development of equipment to control it.

They are aware that insuring equal opportunity for all Americans depends largely on their actions. And here again we see how economic reality can work to correct social injustice. It is a fact, widely known to business leaders, that the entire economy would benefit from the better education of Negro workers and an end to job discrimination. Industry would earn additional profits, and the Gross National Product would rise by an estimated \$23 billion.

This much we have learned--that a better America is a better place to do business, and that the cost of business includes the cost of a stable society, with fair and equitable wages, pension plans, decent housing, adequate health facilities, increased educational opportunities and a host of other requirements which are equally necessary for our economic and social well-being.

One tenet of the credo of St. Louis University states: "We believe that Capital has not only rights but obligations." The vast majority of modern businessmen--workers in the marketplace--would not change a word of that statement. And I believe that they are living up to their obligations.

Disciplined by the immutable standards of profit and loss, they are increasing productivity through the application of advanced technology and management techniques, thereby improving our standard of living while providing work both for the unemployed and the millions of new workers who enter the labor market every year.

Disciplined perhaps even more harshly by their own social consciences, they are constantly broadening the scope of their responsibilities in areas of public need, and they are willing here to convert the unbending yardstick of profit and loss into a more compatible slide rule, so that those needs can be more equitably met.

In this age of the narrow specialist, when an ennobling perspective on life can be so easily lost sight of, there is a great call, particularly in the business community, for men and women who have, in the words of your President Father Reinert, attained "a synthesis of complete human development."

"Three things are necessary for the salvation of man," St. Thomas Aquinas wrote: "To know what he ought to believe; to know what he ought to desire; and to know what he ought to do."

Your education in this great university has, I am sure, given you these three necessities. It has also given you, with uncommon excellence, the knowledge and skills to do what you ought to do.

It is now up to you to do it, and I hope you will not be unmindful of how purposefully your talents and knowledge can benefit both your country and your fellow man by volunteering them to the modern business community.

Thank you, and best wishes to each of you.

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UNITED STATES DEPARTMENT OF
COMMERCE

John T. Connor, Secretary

Washington, D.C.

Office of the Secretary

FOR RELEASE AT 5:15 P.M. WEDNESDAY, JUNE 9, 1965

Address by Secretary of Commerce John T. Connor, Prepared for
Delivery at Graduation Exercises of Kent Place School,
Summit, New Jersey, 5:15 P.M. Wednesday, June 9, 1965

This is one of those very special, very happy days in life that we shall all cherish for a long time to come.

I say "all." But the occasion will be a happy memory for me only if my diction today is faultless, my syntax perfect, and my message--well, "cool."

Otherwise, as you Seniors in the Kent Place School know, I shall certainly hear about it from your "little sister" Lisa.

If I do "ham it up" though, I will be consoled in knowing that I'm not the only one in the family who gets confused, occasionally. Let me explain:

One of my duties at the Commerce Department concerns the beautification of our highways. Shortly after we went to Washington, Lisa was overheard telling one of her K. P. friends on the phone: "Mother doesn't know a thing about the Commerce Department. She told one of her friends the other day that father is head of all the garden clubs in America!"

By the way, who won this year? The Green team, or the Gold?

While this is an occasion of special joy, we must remember that the happiest moments in life often contain a note of sadness.

There is sadness for this school in the farewells to Miss Wolfe and Miss Wilcox, whose love and devotion will live forever in the hearts of so many who passed this way. They both have contributed so much to the education and

development of the character of Kent Place girls. They have been an inspiration to students, teachers and parents alike.

There is sadness for you graduates in the good-byes to the dedicated teachers who have given so much of themselves in your behalf.

There is sadness in your parting from one another after these years of sharing the pleasures and trials of student life.

There is sadness, as well as joy, for your parents, relatives and friends, who have come here to honor you, but whom you, in turn, honor by being members of this graduating class of 1965.

Most of all, we parents are sobered by the thought of the imperfect world that lies ahead for you.

In our dreams, we wish it were a world in which the festivities of graduation week could go on for you always--the parties, the dances, the pretty dresses, the laughter, and the frosting on the decorated cake. We wish the stroke of midnight would never come, and the pumpkin would remain forever a golden carriage.

Such is not to be. But we take heart in the knowledge that no generation in history has faced the realities of the world with greater candor than yours.

We take heart in knowing that you too see the imperfections of this world--in even sharper focus than we--and that you are not dismayed by the task ahead.

You are members, as President Johnson has said, not of the lost generation, or the silent generation, or the indifferent generation. You are members of the concerned and committed generation.

This is what makes us so proud of you and what gives us such high hopes for the future of the world.

We are convinced that your generation will make the greatest contribution in all history to correcting the ills of mankind.

It is almost as though during all the previous centuries man has merely been fashioning the tools for your generation to use in freeing the world from the age-old prison of poverty, hunger, ignorance and disease.

Never before has any generation been handed the capacity to provide food for that half of the world that goes to bed hungry each night.

Never before has any generation had the command of scientific and technological resources capable of producing almost unlimited amounts of goods.

Never before has any generation had the power of global communication that can turn the whole earth into a single classroom--the World School to banish illiteracy forever.

Never has there been an age so full of promise--and never an age so full of danger.

For the capacity to fashion tools for the betterment of the world can also be used to build weapons for the destruction of the world.

This fact must be faced. We believe you have the courage to face it. This is why we can all share William Faulkner's faith that man will not merely endure, he will prevail.

But who has the responsibility for leadership in seeing that man prevails?

No one on earth more than educated American women such as you are becoming.

You are the heirs of privilege, and with privilege goes responsibility.

Others are the heirs of poverty, and with poverty goes the need for opportunity.

You must help provide this opportunity. You must give to society the learning, the sympathy, and the compassion that has been entrusted to your care.

This is what gives vitality and meaning to the American experience.

And you will give more than we have. We are supplying the tools. You will add to them, but more importantly you will supply the spirit and the will to use them to their fullest advantage for the benefit of everyone. You must fashion the private and public institutions that can better organize and manage the use of these tools.

Now how and where shall you serve?

You have many choices. Let me emphasize just one. President Johnson has said that "a woman's place is not only in the home, but in the House, the Senate and throughout the government service."

And at a Civil Service awards ceremony the other day, I heard him complain that the ten winners named by the selection committee were all men.

"Are there just men in the civil service, or does it include women?" he asked. "Where are the women? This is the point I want to make. I think we have a bias, and I think we have a prejudice, and I think we are inclined sometime to think because we weigh more, and because we are taller, and because our shoe size is bigger, that is representative of our intelligence, too, and our dedication, too."

So today I would like to urge you to consider serving in government at some point in your lives--yourself or your husband, for government service is even more of a team operation for married couples than private business. Government wives are called on to help in countless ways, and they are required to have a knowledge of the whole world to handle the job, for the problems of the world are focused in Washington.

Similarly, equally important problems are focused in Trenton, in Elizabeth, and in the City Hall of Summit--in fact everywhere in this great country of ours where our uniquely successful form of government is in working order.

And many wives do in fact participate actively in governmental affairs and in discussions about them. As someone remarked recently, it is no longer safe for a man in Washington to assume that his female dinner companion is interested only in chit-chat. More likely, she is a vigorous participant in the unrelenting drive to improve society--and we men are the ones who are pressed to be as knowledgeable about the problems.

It has been said that women represent the greatest untapped source of brainpower in America. But more and more women are now finding creative work outside the home, without in any way neglecting their family responsibilities. In fact, President Johnson has directed that the Federal Government lead the way in offering women opportunities along these lines.

We are carrying out this directive at the Commerce Department. We have more than 300 women there whose professional skills have put them in an income bracket of \$10,000 and more. Fourteen of them earn more than \$15,000 a year. Some are computer specialists, economists, meteorologists, statisticians. One is a world-renowned astrophysicist.

The Patent Office, which comes under the jurisdiction of the Commerce Department, was among the early Federal agencies employing women--and one of them was Clara Barton, who later founded the American Red Cross. While she was nursing at the front during the Civil War, she paid a substitute to perform her Patent Office duties, a common practice of the time.

Today we have other Clara Bartons in the Federal service, and we need more. The increasing complexity of society has made the need for better

trained, intelligent personnel more urgent than ever before. So the talent search for womanpower is in high gear in Washington.

Several factors are assisting in the hunt. Technological advances have freed women of many of the arduous chores of housekeeping. And women are marrying younger and bearing their children earlier. The last child is born to the average American women at the startlingly young age of 26. By the time women are in their mid-thirties and their children have been launched in school, they can enter the work force and serve with distinction in an active role in the world outside the home.

But now is the time to prepare for that day.

So the festivities--and commencement speeches--must come to an end.

Actually, we parents would not wish on you a meaningless, empty life of gaiety and ease any more than you would wish it.

There is too much constructive and inspiring work to be done.

There is too much suffering and despair to be conquered.

There are sons and daughters to be born and reared.

There is the job of wife and mother in bringing the conscience of the whole world within the walls of a single house--and making that conscience heard, and answered, by the family.

And there is the career of public service.

No, we leave you something that will make you feel more alive than parties. We leave you the glory of challenge and the opportunity for achievement. Only these, and not a golden carriage, can take you to the Camelot that John Fitzgerald Kennedy knew for that one brief shining moment.

He said: "I do not believe than any of us would exchange places with any other people or any other generation. The energy, the faith, the devotion which we bring to this endeavor will light our country and all who serve it-- and the glow from that fire can truly light the world."

The torch that blazed so brightly in his hand is now passing to your generation. The education and the ideals you have acquired at the Kent Place School will help you keep that torch burning. A world still half in darkness is waiting for you to help light it.

Thank you, and God bless you all.

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Office of the Secretary

For Release at 1:00 P.M., Wednesday, June 16, 1965

Address by Secretary of Commerce John T. Connor Prepared
for Delivery Before the National Press Club, Washington,
D.C., 1 P.M. Wednesday, June 16, 1965

Well, here I am. Five months in office, and twenty-one
Congressional appearances, five hundred speech declinations,
four honorary degrees later. And the bloom definitely off the rose!

I am grateful for your invitation to speak here today.

I also welcome this opportunity to thank the Washington
press corps for the excellent communications job you have done in
explaining the President's balance of payments program, particularly
our voluntary program with American industry. The subject is
complex and technical, but you have written on it with clarity and
precision. All of us connected with the program greatly appreciate
your help in making it understood.

Since this Club represents one of the most important
forums in the nation, I would like to discuss today one of the most
important questions we hear in the nation today: How's business?

The mere fact that we in this country can still ask that question is itself important, and tells a lot about us. Some countries don't even have any business that can be discussed publicly. But we are fortunate enough to have a free and balanced economy, and all of us are going to do our best to keep it that way.

The general question "How's business?" encompasses a number of others: How is the economy performing today? Are there serious imbalances? Is it expanding fast enough? Is it overheating? Do we have a solid base for further advances? How well is our domestic economy performing in the international economy?

In sum, how does the American economy measure up to its challenges?

I know I don't have to spell out for this audience the domestic and international challenges facing the United States -- most of them are focused right here in the Capital City, and you have been writing about them every day for 20 years. These challenges have come in different forms during this postwar era, but basically they have dealt with the same things: peace and freedom and human dignity.

To meet these challenges, we have had to have a strong and growing economy. Nothing else would suffice in the past and nothing else will suffice in the future. We have a long road stretching out ahead of us, and our fiscal and monetary policies must take this into account, as they have in the past.

To date, the principal feature of our current economic expansion is not that it has continued so long or achieved record proportions, but that it has been orderly, broadly-based, and without the serious imbalances that spell trouble ahead.

Perhaps the best evidence that excesses have been avoided is the remarkable stability in prices. Consumer prices have risen a moderate 1.2 per cent a year. Wholesale prices have remained practically the same as they were at the start of the expansion more than four years ago.

These wholesale prices have crept up a bit in recent months, but not at an alarming rate, and I don't expect that they will because price competition in the marketplace remains severe. We have adequate production capacity, profits are high and there is really no serious cost squeeze because of the beneficial effects of increased productivity, marketing and distributing innovations and improved new products flowing from research.

Industry has made an important contribution to orderly growth by avoiding the creation of excesses in capacity and inventories. The large 14 per cent increase in spending on plant and equipment last year, and the 12-1/2 per cent additional increase being installed this year, have been needed to meet the rising demand, and have not resulted in overcapacity. In fact, our plants are now operating at an average of about 88 per cent of capacity, still below the desired average rate of 92 per cent.

Inventories, by and large, are also well controlled. Computers have made it possible to keep a finger on the flow of materials and to schedule shipments and deliveries with precision. It is a fact, however, that stockpiles of steel have mounted in recent months because of uncertainties about a possible strike, and they will have to be worked off this year and early next year, probably resulting in lower steel production rates then.

Consumer debt is another factor to watch. But the debt created by mortgages and installment buying seems to be still within bounds. It has grown, of course, but so have earnings and assets. As a matter of fact, the ratio of liquid assets to personal debt has risen somewhat in the last few years.

Perhaps most gratifying is the progress made in reducing unemployment and in providing new job opportunities. Four years ago last month the rate of unemployment was 7.1 per cent. Now it's 4.6 per cent, the lowest point since 1957.

Two days ago we learned that the number of workers on business and industry payrolls rose to 60 million for the first time in history.

Nonfarm employment jumped almost half a million over the April level, up 150,000 more than expected at this time of the year. It is 2.1 million above May of 1964.

Moreover, the factory work week rose by half an hour to its highest May level since World War II; overtime increased to an average of 3-1/2 hours per worker -- and average factory pay reached a new high of \$107.50 a week.

Another problem has been the deficit in our balance of payments. But President Johnson's program to restrict the outflow of dollars is getting results. We at Commerce are working with some 600 major firms on improving their contribution to a solution of the problem, and we have also contacted 3,000 others whose overseas operations are on a lesser scale.

As you know, this necessarily is a temporary program, designed to last about two years, but it has been effective in proving the dollar's soundness while more permanent solutions to the deficit problem are being developed. Although we have had considerable gold outflows this year, resulting from past deficits, this is not expected to continue now that our accounts are in better order.

With regard to the President's program for reducing the deficit, I would like to emphasize that the cooperation of the participating business firms is strictly voluntary.

While we did recommend a number of guidelines for corporate executives to consider in developing their own program to increase their contributions to the balance of payments, the program is in fact a voluntary one.

As a matter of fact, we think that our balance of payments program for American industry, based on voluntary cooperation within a set of general guidelines, is an excellent example of the way in which business and government can work together to achieve common objectives in the national interest. Everything we hear indicates an overwhelming sentiment in industry to the effect that this approach is far preferable to direct controls on capital movements or the imposition of a tax on overseas investments by American firms or even more unpalatable measures. And there is solid agreement that the payments deficit problem is a serious one that must be licked.

There are other guidelines or guideposts which have been recommended by government officials in other fields to help focus public attention on national problems and achieve national objectives. The set of guideposts which has attracted the greatest amount of public attention is the set of wage-price guideposts which the President has recommended to help maintain overall price stability in the economy.

It is important that we keep uppermost in our minds the basic purpose for which the wage-price guideposts were suggested: the maintenance of price stability in general--not the control or determination by the Federal Government of wages and prices in individual industries or particular firms. That type of decision should and does remain with the individual private parties involved. Instead, the wage-price guideposts, based on the long-run trend of productivity in the economy, serve as a reference point against which both management and labor can measure the results of alternative solutions in particular bargaining situations. While there are difficulties in measuring the precise productivity rate that is applicable in a particular situation, and while it can be argued that in some cases productivity is only one of several factors that should be considered, the point is clearly made that the parties should consider the national interest in continued price stability and not agree to inflationary and unjustified wage increases.

Perhaps the newest guideline is that recommended by the President in connection with the Youth Opportunity campaign. The President asks that, insofar as possible, each employer add one summer trainee for every 100 full-time employees. To launch the campaign the President directed that the Federal Government do likewise, and some 25,000 young persons between the ages of 16 and 21 will be employed this summer by government agencies throughout the country.

The response to this request by employers has been magnificent. Between May 23, when the program got underway, and yesterday private employers have added or pledged to add 222,400 summer trainees to their payrolls. Federal agencies and the Neighborhood Youth Corps have added 75,000 for a total of 297,400 new summer jobs for young people temporarily or permanently out of high school and college. And many, many employers have added more summer trainees than the guideline of one for every 100 regular employees.

Here again, we have an excellent example of the kind of business and government cooperation on a voluntary basis which will take us a long way toward the solution of some of the vital problems facing this nation.

In conclusion, I should like to sum up by saying that the prospects for the economy are very favorable. President Johnson has taken a balanced approach to the need for economic expansion, while at the same time keeping

expansion in hand. His budget for the coming year was well ordered and in no sense inflationary. His tax policies have proved to be sound. Tax rates have gone down, but an economy moving in high gear has caused tax revenues to go up. Receipts have exceeded estimates made as late as January by some \$1.5 billion. So the anticipated fiscal deficits for the 1965 and 1966 fiscal years seem to be quite reasonable and manageable.

Business obviously is in a confident mood. The advance in corporate profits to an annual rate of \$64 billion in the first quarter of 1965 has given business greater freedom to set more ambitious goals. Increased profits, of course, enlarge cash accounts and reduce the need for borrowing to meet the costs of expansion. Our latest survey indicates that capital spending in 1965 will reach a high of at least \$50 1/2 billion, 12 1/2 per cent or more above last year's record.

Gross national product, of course, is the final reckoner in assessing the state of the economy. As you know, the total output of goods and services swelled to an annual rate of nearly \$649 billion in the first three months of the year, an increase of an astonishing \$14 1/4 billion over the preceding three months.

Although at a slower rate, present indications are for continued growth throughout the year, fulfilling the forecast in President Johnson's economic message that GNP will hit \$660 billion in 1965.

So, to the question "How's business?" my answer is: in spite of some problems, business is great, and its going to get even better.

Thank you.

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UNITED STATES DEPARTMENT OF
COMMERCE

John T. Connor, Secretary

Washington, D.C.

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Office of the Secretary

Address by Secretary of Commerce John T. Connor Prepared for
Delivery Before the 50th National Conference on Weights and
Measures at the Sheraton Park Hotel, Washington, D.C.,
Tuesday, 2 P. M., June 22, 1965

I am delighted that my first opportunity to address this
Conference coincides with its 50th anniversary. I welcome you
most cordially.

It is my privilege to bring you the following message from
the President of the United States:

"It is a great deal of satisfaction to send my congratulations
to the Golden Anniversary National Conference on Weights and
Measures.

"Weights and measures administration in the United States,
as represented by the local, State, and Federal officials gathered
here, is one of the finest examples of the creative federalism we
are trying to foster. It is an eloquent proof of the vitality and
effectiveness we can achieve in any program when we utilize the
full talents and capabilities of all levels of government.

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"Through this constructive partnership, we maintain a uniformity of weights and measures -- the language of trade and commerce -- which has been, and will continue to be, a bulwark of our country's economic growth.

"For many years, the main meeting ground for all those engaged in weights and measures administration has been this National Conference. Your energy and dedication have resulted in significant contributions to the welfare of the American public."

I would like to elaborate on the President's theme, for I consider it one of the most significant concepts of our time.

No one has expressed more forcefully than President Johnson that building a great American society depends upon the wholehearted cooperation of all its components -- the national, State and local governments, the business community, labor, the academic world, professional societies, and the other groupings of our people.

While the spirit of cooperation for mutual benefit has been a powerful force for progress since the beginning of our country, many do not realize its full significance. And too often there has been bickering among groups over who was contributing most to the advancement of our national welfare.

I think today there is a growing recognition that human society can attain true maturity and material well-being only when we all cooperate in its development, and that this cannot be achieved by any one group, in a spirit of belligerent isolation.

There is no place for segmented thinking in this day of universal problems and universal concerns.

The success of our society rests upon its pluralism -- the fact that decisions are made and policies are set as close as possible to the source and by a great many people, rather than by monolithic government from above. The system works as a coordinated whole through consensus and compromise, through checks and balances.

It derives its vitality from the encouragement of individual initiative.

Moreover, there are things that the national government can best do, and those that State and local governments can best do, those that private industry can best do, and there are things that are best done by a cooperative effort of two or more sectors.

History gives us an appreciation of the extent to which cooperation has propelled the rise of the American system.

When the United States was primarily a maritime nation, the government helped the private sector by providing navigational aids, coastal surveys, and rescue forces. Government dredged the channels, deepened ports, and developed port facilities.

When the nation spread across the continent, the government helped by supporting the development of transportation systems-- canals and pikes, railroads, shipping, highways and air transports. The more advanced and costly the systems, the larger role Government had to take. We see this now in our efforts to conquer space.

The Federal contribution to the extraordinary efficiency and productivity of our farms is well known. Less than 7 per cent of our labor force now produce at low cost and in great abundance and variety all the food and other agricultural products consumed by the rest of us.

Today we live in a complex society. Its needs are complex, and so are the patterns of interaction and cooperation among the groups making up the society. The growing interdependence of these groups upon each other is greater than many realize or more crucial to our progress than many appreciate.

Let me take some of the programs and activities of the U. S. Department of Commerce to illustrate the point.

Weights and measures are a good place to start. As the President indicated, unlike the centralized systems in most other nations, enforcement of weights and measures statutes resides in the several States, with the national government providing the necessary technical support to assure uniformity and compatibility across the nation, as well as a high degree of accuracy and dependability. This mutually beneficial cooperation--epitomized by these 50 annual conferences--has helped provide the American people with the most advanced economy in the world.

Transportation is another good example. The Department's Bureau of Public Roads works with the States in the development of a national network of roads, in highway research, and in the promotion of safety.

Significant also is the research and development work going on in the office of the Under Secretary of Commerce for Transportation. This office is the focal point for relating transportation to broad economic and social objectives. It advises me on all transportation matters, and makes recommendations to other government agencies.

This office is stepping up its investigation of ways to improve high speed rail transportation in heavily congested areas such as the Northeast Corridor, along the Atlantic Coast between Maine and Virginia. We hope to conduct demonstration projects which will test new potentialities in mass transit. Again this will involve cooperation among the Federal and State governments, private industry, and others.

Probably our best known cooperative endeavor in business matters at the local level is the work of the Department's 42 field offices -- the so-called windows on Main Street. Each is a microcosm of the Department of Commerce that actively cooperates with industry and local government in the solution of regional economic problems. More than 600 chambers of commerce, boards of trade, and similar business groups join with the field offices in servicing and providing new opportunities to businessmen.

The National Bureau of Standards, of course, has a special interest for this group. This agency is an excellent example of the advantages to be gained through cooperative efforts. You people are already familiar with the benefits in the weights and measures field.

The Bureau works closely with standards laboratories all over the United States, with industrial and other government laboratories to make certain that the National Measurement System is always adequate to the Nation's needs and that it is being used most effectively by science and industry.

There are literally tens of thousands of standards used in our vast mass production economy and in scientific laboratories in industry, universities, and in space and defense projects. All these standards owe their validity to the few dozen ultra-precise, internationally-agreed-upon standards developed and maintained by the Bureau.

In turn, our industry, our commerce, our national programs -- all of which are increasingly dependent on science and technology -- depend upon an adequate and dependable National Measurement System.

A very important cooperative program at NBS is the new Clearinghouse for Federal Scientific and Technical Information. The clearinghouse is the central source for Federally sponsored R&D reports. In cooperation with other Federal agencies, the clearinghouse in fiscal 1966 will gather, index and publicize some 70,000 technical reports.

In a special effort to ensure the most effective dissemination to industry, NBS gathers the clearinghouse material into subject-matter packages -- on metallurgy, for example--and distributes these packages through State economic development agencies in States where the particular field is of economic importance.

This program promotes full use in the private sector of technical work done with public funds. This is particularly valuable to small businesses, which are trying to make their way in an economic environment dominated more and more by increasingly complex and expensive science and technology.

There are two more programs I would like to discuss briefly.

The first is the proposed State Technical Services Act of 1965, sponsored by the Department of Commerce. The proposed legislation is being actively considered by the Congress now. We are gratified that reactions to this bill so far appear to be quite favorable.

The measure would enable the Federal Government to make grants to States in support of programs to make better commercial use of the latest findings of science and technology. These programs, planned and carried out locally, would place the findings in the hands of local business and industry.

The technical services provided would include: identifying new opportunities to apply technology to the advancement of regions and industries, preparing and disseminating scientific or engineering information, and facilitating its use.

To qualify for Federal matching funds, a State would designate an institution or agency responsible for the State's technical service programs. When two or more States join in a cooperative program, they may designate a regional institution. All qualified institutions in the State or region may participate.

Free industrial competition is our main resource.

Our effort must be to raise the level of industrial technology over all, rather than to "bring the lagging up to the level of the advanced." We especially need to locate, adapt, and use existing technology, and to facilitate increased application of technical advances.

The problem is a local one, in two senses. First, in order to make it possible for groups of companies to apply new technology, one must know the special problems and needs of that local; what makes sense in New England is not necessarily sensible for the Pacific Northwest.

Second, the best contributions will be made by those closest to the problems the program is designed to meet; the most effective transfer of technology will be made at the local level by people capable of working continually on the problem. It follows that the program should be mainly a local one, based on local institutions and local initiative.

Finally, I would like to mention my recent experience with the President's voluntary balance of payments program. This has been a most gratifying undertaking for me, because I have never seen a better example of business cooperation with government in the attainment of national objectives.

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As you know, the imbalance in our international payments has been a matter of serious concern for some years. Your government has taken several steps to reduce the deficit -- a drive to increase exports, a campaign promoting travel to the United States from abroad, rigid control of government expenditures overseas, and others.

Business, of course, makes a major contribution to a solution of the problem through its vastly increased exports and profitable overseas investments. But we needed additional help, and many firms operating in the international economy, both large and small, are cooperating in the President's voluntary program by stepping up exports and various other ways of increasing capital inflows.

With the help of the business community, we are going to win the battle of the dollar. And it will be a victory for all Americans, because continued domestic economic growth, with increased job opportunities for our growing work force, depends on the sound dollar we are determined to maintain. As an alumnus of the business community, I am mighty proud of my alma mater's performance in this vital program.

One final word--and this on the overriding issue of our time: a peaceful world in which all nations are free to develop according to their own desires, without outside interference.

Every nation, large or small, powerful or weak, has a stake in this vital principle of self-determination. Every violation of this principle is a threat to the independence of all nations. It is a threat to their security, individually and collectively—and it is a threat to world peace.

In Viet Nam and in the Dominican Republic, President Johnson seeks to preserve the principle of independence and to stay the threat of world war. Peace is our aim. A settlement of differences around the conference table is our hope.

Again and again, President Johnson has said that at any time he will go anywhere, do anything, see anybody, if this will promote the cause of peace. He has repeated many times that the United States will negotiate with any government in order to resolve the issues in Viet Nam. So far, he has met only rebuffs, but his hope has never flagged, because he is committed to peace, unconditionally and without reservation.

I hope all Americans will support our President as he bears these heavy burdens not only for our country, but for free nations and free men everywhere.

Thank you.

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