



Office of the Secretary

FOR RELEASE 1 P.M., FRIDAY, APRIL 1, 1966

ADDRESS BY SECRETARY OF COMMERCE JOHN T. CONNOR
PREPARED FOR DELIVERY AT DEDICATION CEREMONIES
OF THE HOME OFFICE BUILDING OF THE NORTH CAROLINA
MUTUAL LIFE INSURANCE COMPANY, JACK TAR DURHAM
HOTEL, DURHAM, NORTH CAROLINA, 1:00 P.M., FRIDAY
APRIL 1, 1966

This is a proud moment.

It is a proud moment for the citizens of Durham, for
North Carolinians, for Southerners, and for all Americans.

It is an especially proud moment for our Negro citizens.
For we dedicate here today a house that they built.

And from the very beginning, the founders of this Company
and those who have followed, like the wise man in the Scriptures,
they built their house upon a rock.

The North Carolina Mutual Life Insurance Company
was built on the rock of faith in the free enterprise system.

The wise man's house, you will remember, was tested --
"the rain descended, and the floods came, and the winds blew,
and beat upon that house; and it fell not; for it was founded upon
a rock."

USCOMM-DC-33635

This great Company has been tested. It has weathered two world wars, a major depression, numerous recessions, and worst of all, prejudice and discrimination as ancient as civilization itself. It not only has weathered every storm and overcome every handicap, but each time it has emerged stronger than ever -- until today it is the largest Negro owned and operated business in the United States.

Let me note too, as the Government official charged specifically with encouraging private initiative, that this outstanding organization was built privately.

It was not built with government money. It was not built on government advice. It was built by private citizens through hard work, intelligence, honesty, patience, endurance, and perseverance against overwhelming odds.

It was built through the faith of the policyholders no less than through the faith of the active workers in this organization.

And we must remember that these policyholders, especially in the beginning, were the so-called "little" people -- they had little in the way of material goods, but they were long on faith in a system that encouraged them to join together for mutual protection and security.

They came, these "little" people, first in a trickle and then by the thousands, to accumulate their hard-earned savings in a safe place in order to help provide for their loved ones after they were gone.

So we honor them today, as well as the founders and officers and employees of this great company: we honor the sharecroppers and the janitors and the domestics; we honor the increasing number of lawyers, doctors, teachers, engineers, businessmen, economists, writers, and entertainers; we honor all those who labor with mind and body to earn the money which they place in trust with this individual segment of the free enterprise system.

As the distinguished president of this company, Asa T. Spaulding, has said of their new headquarters: "This building stands here today as an eloquent witness to the indomitable determination of the American Negro to take full advantage of his opportunities, in our democracy and under the free enterprise system, to win his way in American life with dignity and honor."

This, then, is a moment for pride in our system and for special pride in those who have advanced it through this great insurance company.

But for me, as a representative of the government of the greatest democracy in the world, it is also a moment for regret.

My regret is that I am late. I am about 50 years late. The Secretary of Commerce who should have been here was William C. Redfield. He was Secretary back in 1913, the first one.

We are all late. This dedication of a big, fine new building should have been held half a century ago, or more. And if the Negro had been given the equal opportunity he was entitled to as a full-fledged citizen of this land, it would have been. He would have had the education and the earning power to build this mutual company of his at a far more rapid rate.

He could have contributed far more to America too -- and this would have been a better, happier and healthier nation than it is today.

The staggering costs of discrimination have been piling up year by year for a hundred years.

It is estimated that if Negroes enjoyed equality in education and employment, our Gross National Product would rise by an estimated \$23 billion.

That's just for one year. Think of the wealth that would have accumulated over the past century, pyramiding on itself and spreading throughout the entire economy.

We would have had more schools, better health facilities, more parks and recreation areas, a more beautiful country everywhere -- and a better life for all our citizens.

Watts would never have occurred, nor Harlem, Rochester, Selma nor Birmingham.

The unemployment rate for Negroes today would not be twice that of whites.

The median income of Negro families would not be 42 percent lower than that of whites.

The life expectancy for Negroes at birth would not be 64 years compared with 71 for whites.

Nor would we have anything like the astronomical costs to the nation today in crime, poor health, urban decay, mounting welfare payments, and countless other problems that grow out of discrimination.

So we have a lot of catching up to do -- and although we are late, we have begun.

We have begun in earnest under the magnificent leadership of Lyndon Baines Johnson -- a Texan, a Southerner, and the President of the United States.

The government of this Republic, he has pledged, shall not rest until the last vestiges of discrimination are cleared from the path of progress for all our citizens.

And the barriers to freedom, as he has noted, are tumbling down everywhere.

They are coming down before the sledgehammers of law and moral indignation.

We want to see built a lot more symbols of progress and achievement like this one we dedicate today -- and built faster.

We want them built in every city and town of this Nation.

I will say this: the wrecking crews are out clearing the sites of the debris of neglect: the ministers, teachers, lawyers, businessmen, labor leaders, government workers, and people

in every walk of life -- all are out swinging the demolition balls and driving in with the bulldozers -- clearing the sites of the rotting timbers of prejudice, the crumbling foundations of bigotry, and the warped and rusting girders of intolerance.

The ghettos of the left-behind are going to be replaced with the shining towers of the caught-up.

And I predict that these towers are going to shoot skyward with a speed that will amaze the whole world. We've got a century of catching up to do in a single decade -- and we're going to do it.

We're going to do it because it is right and because we are determined to fulfill the promise of this Republic that every person can become whatever his qualities of mind and spirit will permit.

We're going to do it because America must have the moral and spiritual strength that such ennobling work imparts to the heart and soul of man.

And we're going to do it because America must have the material and economic strength that such progress provides.

Now, there will be those who say we are moving too slowly. There will be detractors who will say that this great Company we honor today is just a showcase item, the only one we have. How many more, they will ask, do you have back in the stockroom?

The honest answer is none as grand as this, but there are some others. And we can point to substantial gains on many fronts and in countless homes of the poor and those without advantages.

The unprecedented economic expansion of the past five years has meant solid advances for the Negro.

For instance, per capita income for nonwhites since 1962 has showed a greater percentage gain than for whites -- 18.5 percent compared with 11.3 percent.

In 1964, the median family income of Negroes grew faster than the income of white families -- in both percentage and dollar figures. Of course, a large gap remained, with the Negro family's income just over half that of whites, but the gap is beginning to close.

Another indication of progress is contained in the percentage of families who have managed to escape from the poverty bracket. In 1964, the number of white families living on the fringes of the economy was reduced by 3.2 percent. But there was a 7.5 percent decline in the number of Negro families in the poverty ranks. We do not have the score for 1965, but a continued reduction in poverty's ranks is anticipated.

I am particularly proud of the progress that both Government and private groups are making through programs that aid Negro businessmen. Our Department of Commerce has been working with the Small Business Administration in developing the Small Business Opportunity Corporations, which provide guidance and training for those wishing to start or expand small business enterprises. More than thirty development centers have been established in every section of the nation.

Our Department also is actively engaged in encouraging industry to include more Negro businessmen in their franchise operations. When this project was initiated two years ago, 18 companies agreed to have their franchising program listed in the Department's publication on franchising. Today that number has grown to 170.

Private groups are no less active in this whole field of assisting Negro businessmen. One outstanding example is the Interracial Council for Business Opportunity, which provides volunteer management consultants for Negro small businessmen. They aid Negroes both to start new enterprises and to make existing ones more profitable.

With regard to the general economic advancement of the Negro, nowhere is this better reflected than in the record growth of banking institutions owned and operated by Negroes. In 1964, for example, the combined assets of the 13 Negro-owned banks amounted to more than \$84 million, an increase of almost 10 percent over the previous year's assets.

All these activities, both private and public, not only spell progress for the Negro, but add to the strength of the economy as a whole.

Certainly the North Carolina Mutual Life Insurance Company has been adding economic muscle to the Nation for nearly seven decades. In 1918 Secretary of the Treasury William Gibbs McAddo praised the Company for subscribing \$100,000 to the Liberty Loan Bond program to help finance the American effort in World

War I. Today, North Carolina Mutual has more than \$87 million invested in Government bonds, mortgage loans and business projects.

So we meet here today to honor those who are serving their fellow man and the nation through this great business organization.

We meet to celebrate the triumph of their enterprise and determination.

When there was little opportunity, they made opportunity.

When there was little hope in the world, they found abundant hope in their hearts.

When there was little faith in their ability, they developed faith in themselves.

When there was little material progress, they generated spiritual progress.

And when there was little sympathy and understanding, they responded with patience and fortitude.

These people and this Company are a symbol before all the world of what free men and free institutions can do in a free, democratic society. They have added not only to the stature of America in the world community of nations, they have added to the stature of the human race. Man can stand taller for their actions.

For us who join in this ceremony, it is a time for renewed inspiration and resolve. Once again, the historic purpose for which this nation was founded is illuminated for us all. Today we dedicate a house; tomorrow we must help build a whole new world -- and dedicate it to the noble cause of freedom, justice and equality for men everywhere.

That is the task for which America was created and it is the mission Americans must fulfill.

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UNITED STATES DEPARTMENT OF
COMMERCE

John T. Connor, Secretary

Washington, D.C.

Office of the Secretary

FOR RELEASE AT 11 A.M., WEDNESDAY APRIL 13, 1966

REMARKS BY SECRETARY OF COMMERCE JOHN T. CONNOR
PREPARED FOR DELIVERY BEFORE THE HIGHWAY
TRANSPORTATION CONGRESS, WASHINGTON HILTON HOTEL,
WASHINGTON, D. C., 11:00 A. M., APRIL 13, 1966

I am grateful for this opportunity to appear before the bi-annual Highway Transportation Congress and to discuss, from a national standpoint, the question of where we stand and where we are going in highway transportation.

Such a report by a Federal official is especially appropriate at this time, I think, because of the important anniversary we celebrate this year. It was exactly 50 years ago this coming July 11 that President Woodrow Wilson signed into law the first Federal-aid Highway Act.

He said on that occasion: "I take a great deal of pleasure in signing this bill and having a part in the good work that has been done, particularly because it tends to thread the various parts of the country together...."

That Act of 1916 laid the foundation for one of the most successful ventures in the history of American government -- the cooperative Federal-State roadbuilding program, a program that has indeed drawn the country closer together and brought every corner of the nation into the mainstream of American life.

Through this program, the American people have made an enormous capital investment in highways, particularly since passage of the Federal-Aid Highway Act of 1956, which greatly accelerated the Federal contribution to highway construction. In the 50 years since 1916, the Federal Government alone has appropriated \$45.7 billion for highway improvements, with \$35.6 billion coming in the last 10 years.

Against this record of investment, we can look at the growth in vehicles and highways. Motor vehicle registration has grown from 3.6 million in 1916 to 64 million in 1956, to an expected 93 million in 1966 -- an increase of 45 percent in the past decade.

In 1916, total road and street mileage was 2.5 million, with about 10 percent surfaced, and that mostly with gravel. In 1956, we had 3.4 million miles of roads and streets, with two-thirds surfaced. Today, we have 3.7 million miles, with nearly three-fourths surfaced.

Today, the quantity of highway mileage is increasing at a slow rate. The emphasis is on improving the quality -- the capacity and safety of our roads. And the investment we are making is paying for itself many times. Studies indicate

that the Interstate Highway System, for example, will pay for itself in less than five years in benefits to users in the form of reduced operating time and accident costs, and in comfort and convenience.

But over and above these user benefits is the contribution that highway transportation is making to the total economic health and vitality of the country. Highway transportation accounts for four of every five dollars we spend on all transportation, which in turn accounts for about one-sixth of the entire Gross National Product.

Highway transportation, of course, performs an obviously indispensable function in the American economy. It is an inseparable part of the mightiest economic machine in the history of mankind, a machine which enables the United States to exert world leadership in the pursuit of peace and freedom and a better life for all humanity.

But just as highway transportation is an integral part of our economy, it also is an integral part of our daily lives. By its very ubiquity -- by the countless ways it interacts with our economic and social existence -- it becomes a focal point of problems, challenges, and decisions of national significance.

I would view these challenges in two broad categories. One has to do with the basic objectives of transportation; that is, safety, efficiency, and economy. And the other has to do with our evolving concept of the kind of world we want to live in; that is, our growing concern over human values and the quality of life in the United States.

The future of highway transportation will be determined largely by how we as a nation respond to these challenges.

The two categories I spoke of are, of course, not mutually exclusive. But they do tend to separate the challenges into the more familiar problems of providing improved transportation services on the one hand, and on the other, the more external problems involved with the impact of these services on society.

In the first category are the problems of highway construction and maintenance costs and financing, of urban congestion, of traffic safety, and of producing efficient and effective transport services.

In the second are the problems of land use, of dislocation of people and businesses, of beautification, of the pollution of our environment, and of our cultural and recreational aspirations.

This increasing recognition of the social role of highways is still evolving, and it is safe to say that not all the challenges it poses have been clearly defined. It reflects, I think, the growing maturity and complexity of our civilization, plus an awareness

that we have more resources than ever before to shape the world we live in. It is part of our search for what President Johnson has called the Great Society.

Overlying all these challenges is the phenomenon of national growth. It adds a dynamic input -- a multiplying factor -- to all of our problem-solving equations.

It is quite natural, then, in view of the changing world around us, that the national highway program also is in a process of evolution. It is a dynamic program, adapting to changing needs and conditions.

Thus, the highway activities of the Federal Government are directed toward meeting the array of challenges I have outlined.

One basic concern of the Federal Government is to assure adequate financing and a timely completion of the present Interstate program. The problem arises primarily from the increased costs as disclosed by the 1965 Cost Estimate. A number of factors combined to drive the estimate up to \$46.8 billion: design changes and improvements, increased safety features, added capacity required by population growth, higher land costs, and a rise in unit costs of construction.

The Administration's plans to carry forward the present program are embodied in two bills which Secretary of the Treasury Fowler and I recently submitted to Congress. One, the Federal-aid Highway Act of 1966, would authorize an increase of \$4.9

billion in appropriations to meet increased costs of the Interstate Highway System. The other, the Highway, Airway, and Waterway User Act of 1966, would provide the needed additional revenues for the Highway Trust Fund.

In devising ways to meet these financial requirements, the Administration strove for an optimum balance of the alternatives:

- It would extend the Interstate program by five months to February 28, 1973. This would yield an additional \$2 billion.

- It would equalize excise taxes to require a fair share from heavy vehicles, creating an additional \$1.6 billion in revenues.

- It would assign the equivalent of a one percent automobile excise tax to the Trust Fund, which would provide an additional \$1.6 billion.

A projected increase in the estimated yield from presently dedicated taxes, combined with the proposed new sources of funds, would suffice to keep the Trust Fund on a sound footing.

In addition, the Act provides for financing the forest highway and public lands highway programs through the Trust Fund, thus recognizing the primary user service function of these roads. Expenditures, which would total about \$270 million for the remaining life of the Trust Fund, would be limited to forest and public lands highways on the Federal-aid systems.

Further, the Administration also proposes to finance expenditures under the Highway Beautification Act of 1965 and the Administration's proposed Traffic Safety Act of 1966 through the Trust Fund.

I want to emphasize, in this regard, the Administration's position that expenditures for the new safety and beautification programs should in no way encroach on the currently dedicated highway user revenues devoted to the Federal-aid highway program. Rather, financing of these two new programs would be provided by application of the one percent automobile excise tax to the Trust Fund. As required, additional funds would be transferred from the general fund of the Treasury to the Highway Trust Fund to meet any expenses in excess of the one percent auto excise.

The proposal to finance beauty and safety out of the Trust Fund provides an appropriate mechanism for fitting these programs to the broader highway transport development program of the Federal Government already in existence. It recognizes that safety and beauty are built-in parts of the highway program, and that these related programs should be carried forward in a balanced and integrated manner.

The Highway Beautification Act illustrates our broadening concept of the role of highways. It is an indication of the concern, which I noted earlier, over the total impact of highway transportation on the community and on our daily lives. By focusing attention on an often neglected aspect of highways, this legislation can make a meaningful contribution toward improving the quality of life for every American.

In the area of safety, we are concerned with life itself. Here again, the objectives of a safety program are closely related to the broader objectives of the Federal-aid highway development program, since accident and injury trends closely parallel growth in highway usage.

In recent years these trends have produced an alarming list of casualties. The prediction for this year is that more than 50,000 people will be killed on our roads and streets. As President Johnson said in his Transportation Message, "No other necessity of modern life has brought more convenience to the American people -- or more tragedy -- than the automobile."

Highway safety, of course, is not a recent discovery. It has long been a subject of sincere and continuous concern to highway people. Vehicles are safer today than in years past. And highway administrators, for their part, can point to solid accomplishments in engineering safety into our roads.

The Interstate System is a dramatic example. Thanks to the Interstate Highways now open, 3,800 people are alive today who would have been killed last year alone if they had had to travel on conventional roads. The completed system is expected to save 8,000 lives a year.

Two years ago, at President Johnson's direction, a new urgency and priority was given to eliminating the danger traps on existing Federal-aid highways, through the regular Federal-aid program. More than 800 spot improvement projects have been scheduled by the States under this program to date, and the States now are inventorying all high-hazard locations on the Federal-aid systems for correction by 1969.

Nevertheless, in spite of such efforts, there has been a growing realization that our piecemeal approach to traffic safety is simply not adequate to cope with a problem of such dimensions. Approaches of potential benefit are not being vigorously pursued. Energies are dissipated in haphazard efforts.

Out of this has come a recognition of the Federal responsibility to lead and coordinate a broad national program. This has been the thrust of numerous bills proposed by members of Congress.

The President's proposed Traffic Safety Act represents a distillation of these proposals, as well as the results of a careful analysis of the traffic accident problem, of our existing traffic safety knowledge, of the resources of the State and local governments and industry, and of what should be the role of the Federal Government in leading and assisting the States.

The major elements of the President's six-year, \$700 million program are:

- Federal grants to assist the States in developing their own comprehensive highway safety programs under standards approved by the Secretary of Commerce;

- Authorization for the Secretary of Commerce to prescribe nationwide mandatory safety performance standards for all vehicles and their components if he finds that voluntary standards are not satisfactory at the end of a two year period of research and study;

- The establishment of a national highway safety research and test center, and research in all aspects of highway safety at the Federal level, including support for training grants and scholarships to institutions throughout the country.

Since this legislation is being discussed elsewhere on your program, I will not go into further details. I believe, however, that it can serve as the keystone in an urgently needed program to reduce highway accidents and will be of benefit to all Americans.

An equally perplexing and urgent problem, and one that will continue into the future, is the matter of urban transportation. In urban areas all the challenges to highway transportation tend to converge. Efficiency, economy, and safety, by themselves, are difficult enough to achieve in a congested city. But these objectives must be pursued within a complexity of interests, which require attention to cultural values, to aesthetics, to neighborhood integrity and the dislocation of people and businesses, to taxable property, to land use planning. And all this must be carried on in a dynamic situation, with shifting patterns of urban and suburban development, with the rebuilding of older urban areas and the growth of new ones, with the anticipated doubling of the urban population by the year 2000.

To ensure that future urban highway improvements would be compatible with overall transportation service and with community plans and objectives, the Federal Government established in 1962 the requirement for a comprehensive, continuing transportation planning process in every urban area of more than 50,000 population. Through this process, now underway in 227 urban areas, communities have the means to determine their own destinies, to make choices concerning the optimum balance of highways and other forms of transit, and to see that highways serve to shape the community to its plans.

If this planning is to be effective, it must be realistic about the potentials and limitations of all forms of transport. It must not lose sight of the objective, which is to provide adequate transportation to serve the community, and not to serve the interests of any particular form of transportation.

Above all, in view of the growth facing our urban areas, it is most important that decisions be made. A decision postponed is still a decision, and it can have far-reaching consequences to the future viability of a community.

Meanwhile, it is imperative that we step up our efforts to get more service out of our existing urban street systems. President Johnson directed attention to this need for increased capacity and safety in his Transportation Message. He called for studies of vehicle guidance and control mechanisms and of the potential of separate roadways to improve mass transportation service, and for research into the means of improving traffic flow.

More attention also needs to be given urban parking, since better solutions to this problem would help ease the street capacity and efficiency problem.

The final and perhaps the most important problem that I will discuss today is the need to develop a program to meet the the highway transportation needs of the future -- those that will

exist and continue to increase after the end of the present Federal-aid program.

There is little question but that there will be future highway needs and that there will be a need for Federal aid to the States to meet these needs in the years ahead. By 1975 our motor vehicle population will grow from the 93 million it is today to about 120 million, and highway usage will grow from 380 billion vehicle miles to 1.2 trillion vehicle miles.

The highway needs of the future are illustrated and underscored by an analysis of the impact of the Interstate System. When completed, the Interstate will handle over 20 percent of all traffic. Nevertheless, in 1973, when the Interstate is completed, other roads and streets will be handling 153 percent of the traffic they handled before the Interstate Highway System was begun.

The President has indicated that substantial Federal aid to the States for highway construction after 1972 seems probable and that it is desirable that reasonable continuity and stability in the Federal-aid program be assured. The Department of Commerce and its Bureau of Public Roads are even now in the midst of a top-priority study which will serve as the basis for the Administration's proposals for a future highway program.

The President also desires that future highway programs be carefully evaluated in the light of overall national transportation needs and objectives which balance national benefits against costs.

In this study of future Federal-aid highway requirements, we will not be looking at highway transportation alone, but at the total transportation needs of our country.

In responding to this directive from the President as well as our mandate from Congress to report on future highway needs, we are undertaking the most comprehensive study of transportation and public policy on transportation in our Nation's history. As great as is this task and as formidable as it might appear, it must be done -- and done in good time. Ours is a growing Nation. Its transportation needs are growing at an even greater rate. We cannot defer the future and we cannot defer the problems of the future. We must be prepared to meet them.

In conclusion, I would note that I am appearing before you today as somewhat of a lame duck. As you know, President Johnson has proposed to the Congress the creation of a Department of Transportation. Among other things, the legislation provides that those responsibilities for the Federal-aid highway program and other transportation programs that are now in the Department of Commerce would be transferred to the new Department. The importance of transportation to the defense, the economy, and social progress of our Nation requires that this receive the undivided attention of a Cabinet-level official, and that an increased effort be made to bring greater coherence and common management to the Federal Government's responsibilities in the field of transportation.

The Transportation Department proposal of the President is, in my opinion, good for our Country, it is good for the transportation industry, and it is good for highway transportation. I anticipate early and favorable Congressional action.

While a new Department of Transportation will make great strides in meeting the growing needs for mobility in a growing America, you and I know that we cannot expect the Federal and State governments to come up with all the solutions of all the problems all the time.

We know that highway transportation has brought enormous benefits to every citizen, every town, every city, and every section of the country -- and this is a time for every beneficiary to act vigorously to solve problems arising in his own area of responsibility.

It is time, for instance, for city planners to place growing emphasis on the whole problem of where to park cars and how to improve the flow of traffic.

It is a time for cities to place in their building codes requirements for off-street loading and to require accommodations for vehicles that new structures attract. And this is being done in some parts of the country.

There is so much to do at every level to solve the problems of highway transportation that I would like to hope that all of us in positions of community and business leadership would not only

give more thought to the matter, but roll up our sleeves and go to work. Only by a united effort on the part of both the public and private sectors of the economy can we continue to build the kind of transportation system that meets the needs of this great nation.

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UNITED STATES DEPARTMENT OF
COMMERCE

John T. Connor, Secretary

Washington, D.C.

Office of the Secretary

For Release Thursday A.M.s
April 14, 1966

ADDRESS BY SECRETARY OF COMMERCE JOHN T. CONNOR
PREPARED FOR DELIVERY AT THE ANNUAL MEETING, BRAND
NAMES FOUNDATION, INC., THE NEW YORK HILTON, NEW
YORK, N. Y., 9:00 P. M., WEDNESDAY, APRIL 13, 1966

It is a pleasure to join in this annual tribute to American
retailers.

Of all those who contribute to what President Johnson has
called the "miracle" of the American economy, no one has a greater
responsibility than the retailer for its actual day-to-day functioning.

He is, as you advertising people say, out there where the
rubber meets the road. How well the retailer has succeeded in helping
to move this great economic engine forward is reflected in a five-year
expansion without parallel in American history. We are all indebted
to him for both its sustained and balanced character.

For his part, I am sure that the retailer is more than willing
to share the honors with our manufacturers, especially the ones
like those who are represented here this evening. For you are the
people who taught him -- and taught the American consumer -- one
of the most practical lessons in all economics: You taught us to
appreciate the value of quality. You made America quality conscious.

US-COMM-DC-33684

You taught us the art of discrimination in the marketplace. Even more, you gave us faith in the marketplace. You told us we could rely on products with your names on them, that you staked your reputation on their quality, that they were reasonably priced, and that you stood behind them as honorable businessmen. You pioneered the field of consumer protection, long before government even dreamed of such action.

You also helped create a peculiarly American trait, one that, in the rising expectations of people, has spread to every corner of the globe. For when you gave us a better product, we came to expect a constantly-improved product, an ever-increasing standard of excellence in everything we buy. Until today, we expect -- no, we demand -- a better and better tomorrow in every phase of life and society.

But as important as these lessons were for the American consumer in the school of practical economics, something even more significant happened on the way to graduation exercises.

You, the teachers, made a discovery that has transformed the world.

And because of the current discussions about consumer affairs, I think it's important to remind ourselves of this discovery, and what it has meant to us and to all people.

It all began, you remember, when you took the crackers out of the cracker barrel and put them in a tin can that had a name on it. You told the consumer that this was a better cracker, that you stood by its uniform quality, and that she could rely on its purity and goodness.

As we all know, it didn't take the consumer long to learn the lesson. She bought the branded crackers, and increasingly she bought other brands because she appreciated products of known characteristics, dependability, and quality.

Pretty soon, you manufacturers were swamped with orders -- and a new day had dawned in the world.

For the new device that you had invented and put to work -- the brand name -- turned out to be the element that created the critical mass. And the chain reaction which followed has altered the lives of men everywhere.

This was the discovery which made possible an assured market of enormous size once the brand had been established. When you eliminated guesswork for the consumer, and also the hazard of

buying merchandise of an uncertain character, you helped eliminate the hazard of the marketplace for the manufacturer.

When the consumer gained confidence in the reliability of the product, the manufacturer gained confidence in the reliability of consumer patronage. And with this assurance, the manufacturer had the confidence to expand his operations. Only then could he make the enormous investments in plant and equipment which brought into play all the economies of mass production and mass distribution. Only then could he justify the large investments in research and development that produced a growing stream of new and better products for the consumer.

The result was almost magical in its benefits: lower prices, increased purchasing power, more jobs, and a rising standard of living for all. You started out to emphasize quality and wound up fashioning a fabulous cornucopia that provides us with both quantity and quality. The gigantic American domestic market, the greatest market for goods and services in all history, is directly traceable to your imaginative and creative talent in developing the power of the brand name. And the economic wealth that has stemmed from this achievement has spread to every part of the globe.

Even more important is the economic example it provides for other nations.

And today, your invention of the brand name has even been put to work, as the current Harvard Business Review points out, in the improbable ideological environment of the Soviet Union.

The example cited is a classic study in the triumph of the brand name idea, and is one that should be pondered by every person who has responsibilities in this field.

It seems that a few years ago one of the Soviet factories making TV sets regularly turned out defective "lemons." But consumers had no way of identifying the sets from that particular factory, and although they badly wanted TV sets, they stopped buying even the good ones for fear of getting a bad one.

When inventories began to pile up, Soviet officials launched an investigation and uncovered the reason. So, as a means of checking up on the factories, they required each set to be identified with a factory mark.

But the result was more than they had bargained for. The consumer soon was using the factory marks as a means of avoiding the defective sets -- and he crowned himself as king of the marketplace. For he now had a way of rewarding quality and punishing shoddiness -- and the factory manager was his subject.

So the lesson we learned nearly a century ago has now been learned in the citadel of Communism-- where trademarks and brand names are beginning to flourish, and state-sponsored advertising agencies are being put to work.

What I'm driving at here is that in our collective concern for the consumer's interests today, let's not forget the lesson of history as to the value of trademarks and brand names. They are absolutely indispensable to our economic welfare, and we must strengthen, not weaken them.

We must strengthen them especially in the light of the developing competition in the world market. This is an area of intense concern to me because of my responsibilities in carrying out President Johnson's voluntary balance of payments program with industry.

And the American brand name plays a decisive role in our efforts, not only in selling in the foreign market, but in meeting the competition of foreign-made goods in our own domestic market.

Overseas, American brand names are the stamp of quality which has given our merchandise a preferred status in many markets around the world. Our advanced technology, our superior design and workmanship and our careful attention to quality materials have helped make our products competitive everywhere.

But I know that you are as aware as I am that we have no patent on technology and superior methods. Other nations, like West Germany and Japan, also are forging rapidly ahead in every phase of industrial development. Their success in selling their fine products in both our own domestic markets and in other countries attest to this fact.

And what is the principal device they are using to establish their products quickly in these markets?

The answer is obvious on the shelves of nearly every retailer in America and in the showrooms of thousands of automobile dealers: the brand name.

Using superior marketing methods and employing the creative talents of the same advertising people who helped establish so many American brands, foreign manufacturers have made the American consumer aware of new lines of excellent merchandise. And the consumer is buying these goods in record quantities.

We must, of course, meet this competition, both in our own domestic market and other segments of the world market.

One of the best ways, I think, is to strengthen the brand names of American goods through stepped-up marketing programs that include more promotion, more merchandising, and more advertising.

And not just more, but better. Better quality. Better advertising messages that better inform. Better labelling. Better packaging. Improved marketing methods that match the improvements in the quality of the goods.

We need this not only to help sell our goods in the world marketplace, but to help keep the consumer informed about the new products that the laboratories of science and technology are turning out at such a rapid rate. New synthetic fibers, new plastics, new household appliances, new chemicals for the gardener, and a host of other new products must be properly introduced for the consumer to realize the maximum benefit from them. In many instances the products and materials are so novel or revolutionary that advertising must assume the burden of educating the public to their uses. Apart from its selling function, advertising is an indispensable educational force in a world where change and innovation are constant.

Aside from its function as a motive force for growth and enlightenment, advertising has far-reaching implications in our national economy and our entire way of life.

More than 100,000 Americans are employed in the field of advertising on an annual payroll, according to latest figures, of more than \$717 million. Several hundred thousand more are working at advertising although not in the industry itself.

Important as they are, these are not the only jobs owed to advertising. It is a recognized fact that our great broadcast industry and our magazines, our business press, and our newspapers could not exist as we know them and need them today without advertising. Or, putting it another way, without brand names. For without brand names advertising could not thrive.

More than 500,000 men and women are employed by the broadcast industry, magazines, and the daily press. Their earnings exceed \$2.9 billion a year.

Corollary employment reaches into a wide range of our national economy--printing, paper and ink, graphic arts, direct mail, an endless chain of suppliers and services.

The advertising figures for 1965 tell the story better than words--broadcast advertising \$3.4 billion, general circulation magazines \$1.2 billion, newspapers \$4.4 billion, direct mail \$2.3 billion, to cite some of the major categories.

We have a special interest in the business press because the government depends on it to disseminate economic and technical information that is vital to the economic progress of our country. The gross advertising volume of the specialized business press amounted to more than \$678 million last year.

In the United States the total advertising volume in 1965 topped \$15 billion. So the direct impact of advertising on employment is clear. The indirect effect cannot be so precisely defined but its enormous influence is evident in the simple fact that mass production and mass consumption at the levels we enjoy in this country today have been buoyed upward by mass marketing of which advertising is an indispensable element.

Beyond all the economic considerations, the newspaper at our doorstep, the radio at our fingertips, the business periodical that is a courier of vital facts, the news and entertainment of television, the educational and cultural values of magazines--few would be within prices most people could pay were it not that advertising, especially the brand names advertiser, underwrites the principal costs.

We need constantly improved marketing methods and mature, responsible advertising in order to sustain and strengthen the confidence of the consumer in the marketplace. The recent series of advertisements warning buyers to "Be Suspicious," and to read carefully the label in some clothing, may be all right to call attention to a superior process.

American consumers aren't--and certainly don't want to be--suspicious of every item they buy, or even some of them. Of course, in a free, open, and democratic society, the individual has a responsibility to keep himself informed, but not many people want to make a career out of being the smartest shopper in town. They prefer to spend their time enjoying the many wonderful products you manufacturers are providing. And they gain some of that time by being able to buy with complete confidence in the quantity and quality they are getting for their money.

In the vast majority of cases they can do this. But in some few instances they can't--and this is what the proposed Federal legislation on packaging and labelling is all about.

Most business firms adhere to highly commendable standards of merchandising and packaging and do not engage in deceptive or questionable practices. In his message to Congress on consumer interests last month, President Johnson noted that American industry has made enormous strides in providing attractive and informative packaging.

They know, he said, that packages which accurately and fully describe their wares are the best salesmen. But practices have arisen, he added, that tend to cause confusion and conceal information even when there is no intention to deceive.

Legislation on packaging and labelling is now pending in the Congress and I believe agreement can be reached on a bill which will meet the President's objectives and which, at the same time, will not produce the type of regulation which industry would find unduly burdensome and costly, with relatively small gain to the consumer.

I said in the beginning that you brand name manufacturers are the people who first drove "caveat emptor" from the marketplace-- and in turn gained the confidence which helped revolutionize the world's production of goods.

Confidence, then, is the most precious ingredient in the marketplace, and we must protect it with every power at our command.

You leaders in the brand name field have special responsibilities in this area -- both in strengthening consumer confidence and in making your voice heard on legislative proposals in this field.

How well you discharge these responsibilities will determine to no small degree whether the American economy continues its march of progress, which has brought our people unprecedented prosperity and well-being.

I am confident that you will not only meet these responsibilities in your usual capable manner, but with a degree of candor and statesmanship unmatched anywhere in the world marketplace.

The greatest brand name in the world is not attached to a product but to a country -- the United States of America. It denotes a kind of individual responsibility that is the envy of all nations. It denotes high purpose, fair dealings, and an honest regard for the other fellow.

We must protect and strengthen that brand name -- and you brand names people can help do it. I am confident that you will.



Office of the Secretary

FOR RELEASE AT 2:00 P.M. FRIDAY, APRIL 22, 1966

ADDRESS BY SECRETARY OF COMMERCE JOHN T. CONNOR
PREPARED FOR DELIVERY AT THE COLLEGE OF BUSINESS
ADMINISTRATION, MARQUETTE UNIVERSITY, MILWAUKEE,
WISCONSIN, 2:00 P.M., FRIDAY, APRIL 22, 1966

I want to discuss the nation's balance of payments problem --
and the government-business program to combat it -- with you
here today.

I have chosen this topic for several reasons.

First, the balance of payments deficit poses a major economic
challenge to this country, one with which you who will be entering
the business world should be thoroughly familiar. This is particularly
so because balance of payments will remain a major economic con-
sideration for the country in the years ahead.

Second, the voluntary balance of payments program in which
the nation's business and banking communities are taking part -- with
notable success thus far -- provides an outstanding example of govern-
ment and the private sector acting jointly to meet a national problem.

And third, the balance of payments is a very broad topic, encompassing a range of problem areas that include international trade, industrial productivity, foreign investment, the international monetary system, United States global defense obligations, economic aid programs, domestic wage and price levels, and even individual vacation travel overseas.

So it is an important and complex subject that needs your understanding and consideration, and at the same time provides an almost classic case study in economic problem-solving at the national level.

To define balance of payments is, in itself, to take a long step toward understanding the nature and complexity of the problem presented by the nation's continuing annual deficits in this area. In effect, the term balance of payments denotes an accounting system or method rather than simply an entry or item in a giant international account book. The system brings together all international transactions in which the United States is engaged in both the public and private spheres -- government, business, banks, and private citizens.

The system is set up in such a way as to provide a running status report on the international reserve position of the United States. On the basis of this system, it is possible to analyze with a high degree of precision factors that bring about changes in the

level of the nation's monetary reserves. Our monetary reserves include gold -- the nation's primary international reserve -- foreign currencies, and automatic drawing rights in the International Monetary Fund.

The state of these reserves -- coupled with the related matter of international confidence -- influences the strength of the American dollar, both as a medium of U. S. exchange in the world and as the major international currency supporting trade and economic developments around the globe. And our reserves have been significantly eaten away through balance of payments deficits in every year but one since 1950. In other words, we have regularly through these years had a greater "outgo" than "income" in the annual total, or "balance", of international transactions.

The United States, of course, is the world's strongest economic power by a very large margin according to any yardstick. Our free enterprise system is the most productive and efficient in the world. Yearly, we attain new heights of output, employment, personal income, and widely shared abundance. We occupy the world's strongest creditor position and strongest trade position. And, despite the stubborn annual balance of payments deficits, the United States

still holds about a third of the free world's supply of gold in support of international financial obligations.

Yet, continuing imbalances in our international payments position can potentially erode this financial leadership and bring a dangerous element of instability into play internationally. It must be remembered, also, that the United States is political and military leader of the free world in addition to its economic primacy. This is a vital factor in any balance of payments discussion. Our obligation to stand beside free men around the world, in peace as well as war, inevitably contributes to deficits in our balance of payments, even as it contributes to the long-term interests of peace and economic progress for all nations, including our own. And our place as leader of the alliance of free men further demands that we act forcefully to maintain our economic preeminence, because economic power is an important element in political and military strength.

This, then, is the general nature of the balance of payments problem. Now let us look at the specific balance of payments figures and the major national program that has been undertaken to alleviate this problem, and ultimately to wipe out the annual deficit entirely.

The total of U. S. balance of payments deficits since 1950 comes to \$33 billion. Until about 1957, the "dollar shortage" overseas, among both our allies and former enemies in World War II, was considered primarily an international monetary problem, overshadowing any balance of payments concern in this country. In effect, during this early post-war period, we were far more concerned with economic rehabilitation and restoration of wartorn economies than balancing our international payments.

In terms of balance of payments, it may be considered that "post-war economics" drew to a close in the latter Fifties. In 1958 the United States registered the first of a series of uncomfortably large deficits in the balance of payments. Significantly, as the year ended, the leading European currencies were made convertible for the first time in decades.

From 1958 through 1964, the U.S. deficit averaged about \$3 billion a year. United States gold reserves at the beginning of 1958 stood at \$22.8 billion. Today U.S. gold reserves have fallen as a result of balance of payments deficits to \$13.8 billion--a meaningful drop in our reserves although, as I have noted, we still hold approximately one-third of the free world stock.

The largest deficits during this period were \$3.5 billion in 1958, \$3.7 billion in 1959, and \$3.9 billion in 1960. Since 1960 -- largely as a result of measures undertaken by government and business during the Kennedy and Johnson Administrations -- the deficits have been held under \$3 billion. These across-the-board efforts to combat the deficit remain in effect at the present time. At the same time, expenditures of funds for military and economic aid purposes in Vietnam are tending to increase our deficit position in both of these areas during the current year, 1966.

A concerted balance of payments program was launched by the Kennedy Administration early in 1961. Quite naturally, initial attention was turned to the government's international operations in terms of their impact on the payments balance. A determined effort was made--and continues to date--to minimize this impact while continuing to meet the nation's commitments overseas.

Under this Federal Government program, the impact of military programs overseas has been cut significantly year-by-year from the level of \$2.7 billion in 1960 down to \$1.6 billion for 1965. Similarly, the net impact of economic aid programs overseas has been cut from \$1.1 billion in 1960 to \$700 million last year. Parallel efforts across the full range of government activities overseas have brought similar if somewhat less spectacular results in view of lesser sums involved.

While the government moved to help keep the dollar strong in activities over which it had direct control, concerted attention turned also to two other areas in the early Sixties, export expansion and travel. The private entrepreneur and the private individual are, of course, the prime movers in each of these areas. The government can, however, play a significant role as a catalyst. International trade and travel are extremely important to the balance of payments. Trade is the single largest factor involved, and international travel by Americans as well as others is growing at a prodigious rate.

In the Department of Commerce and elsewhere in the Federal Government, we conduct a number of programs to encourage trade expansion, to assist businessmen in entering overseas markets, and to facilitate their overseas operations. These programs have been emphasized and expanded in recent years as an important part of the broad program to combat the balance of payments deficit. Export credit facilities made available by the government are also vital to exporters, and a broadening and liberalizing process has been under way here as well.

In the final analysis, it is private business that delivers the goods to the world marketplace, and this United States business

has been doing in great and increasing quantity. At \$26.6 billion, United States exports have doubled in ten years and risen sixfold in a quarter century.

Exports make a major contribution to the over-all health of the economy. Every \$7,500 in export sales provides one job here in this country. \$1 billion in exports creates about 134,000 jobs and brings in some \$75 million in profits.

In relation to the entire balance of payments, the so-called trade surplus, which is the surplus of U.S. exports over U.S. imports, is traditionally a major plus factor for this country. The nation's trade surplus rose to a record high of \$7 billion in 1964. Without this surplus, the 1964 balance of payments deficit would have reached a staggering \$9.8 billion.

Last year, however, even as government and business stepped up the drive to erase the balance of payments deficit under President Johnson's leadership, the U. S. trade surplus actually fell by more than one-and-one-half billion dollars. Sharply increased imports -- both of raw and semi-finished materials for industry and of consumer products -- were the key factor. Our exports continued to rise in absolute terms though at a reduced rate of growth after surging upward in 1964.

The fact is, if the trade surplus had remained at the 1964 level in 1965, the United States would have achieved a surplus instead of a deficit in balance of payments last year. This decrease in the trade surplus, even as determined efforts were achieving improvements in other areas of the balance of payments picture, is a prime illustration of the stubborn complexity of this problem.

Export levels clearly reflect the interrelationships and interdependence that characterize international economics. The great prosperity--and high level of demand for goods--that we are experiencing in this country increases the market for imports. At the same time, prosperity tends to keep the products of American business in our own prosperous domestic markets, thus tending to hold down on exports and decrease the trade surplus.

Further, comparative wage and price stability in this country over recent years has enabled our exporters to offer good, competitive prices in the world markets. This has been an important part of our great export expansion. Upward pressure on these wages and prices, again an element of our domestic prosperity, could adversely affect this competitive position. And, as still another element in the total equation, over these same years many foreign industries have improved their competitive position by raising productivity levels as high or even higher than American manufacturers.

So our determined efforts to prevent wage-price inflation in this country at this time have a very distinct relationship to exports and thus to the balance of payments--to keeping the dollar strong. And the continuing emphasis on further raising productivity through introduction of new and improved technologies also relates to our ability to expand exports.

Travel, as I have said, is another significant account within the over-all balance of payments area. Last year, a record number of Americans spent about \$1.8 billion more abroad than foreign travelers spent here. In other words, the travel deficit alone substantially exceeded the over-all payments imbalance in 1965 of \$1.3 billion. The travel gap has increased to the current \$1.8 billion from \$1.2 billion in 1960, and it may well go higher this year.

With all of the positive elements that are clearly present in foreign travel, such as better understanding among the peoples of the world, it is clear that it is also a U.S. monetary problem. This is another piece of the balance of payments challenge to which government and private enterprise are responding with positive programs.

Vice President Humphrey heads a Cabinet task force, of which I am a member, that is addressing itself to this matter, and several government agencies are acting within their areas. The U. S. Travel Service was created within the Department of Commerce in 1961 as part of the balance of payments program. It conducts an imaginative, energetic advertising and promotional campaign overseas to encourage foreign travel to the United States. The theme of this campaign at present is "Festival USA '66." And the travel and tourist industries also have heavy promotional programs underway overseas to attract the foreign tourist, including special reduced fares.

These efforts have scored significant achievements. The United States earned more than \$1.3 billion from foreign travel in 1965, compared to about \$980 million in 1960. In 1964, the United States became the first nation ever to earn \$1 billion in a single year from foreign visitors. And the number of tourists coming to this country has almost doubled since the Travel Service was established.

Meanwhile, here at home, the transportation, tourist, and other industries have jointly formed a dynamic non-profit organization called Discover America, Inc., to promote travel by Americans within America. This organization acts with the encouragement

and support of the Cabinet task force. And many of the nation's advertisers and publications, recognizing the nature of the balance of payments problem, have in recent months turned attention to the travel and recreation splendors that exist throughout this great nation.

All of this said, the fact remains that the U. S. travel deficit continues to outrun increases in the nation's income from foreign travelers. Here, as in other areas of the balance of payments problem, government and industry have moved jointly to attempt a solution. The hope is that further efforts will succeed in diminishing the travel gap in the years ahead.

Let us pick up another gold thread in the balance of payments problem. It is the most dramatic portion of this story of five years of struggle with a challenging economic problem. The elements of decision, action, accomplishment, and sacrifice are all present. I am afraid, however, that the ingredient final victory cannot yet be included.

This part of the story begins at the end of 1964. Despite concerted efforts in all of the areas we have been discussing, the nation's payments deficit was again rising after meaningful decreases in 1961 and 1962, largely as a result of the outflow of private capital. The 1964 deficit reached \$2.8 billion.

A year earlier, the Interest Equalization Tax of 1963 was enacted in response to mounting sales of foreign bonds in the United States with the consequent drain of U. S. dollars. The tax had an effective impact of about one percent and was designed to offset the higher interest offered on the foreign bonds. However, this tax as enacted in 1963 did not apply to other types of capital outflow -- including commercial bank loans, short-term securities, and direct investment. It was apparent by late 1964 that an accelerated flow of funds abroad, particularly in these categories, was increasing the payments deficit to a considerable extent.

Under these conditions, deliberations at the highest levels of the government, and among government and industrial leaders, were addressed to setting up a sound program meeting three essential criteria. First, to diminish the impact of the outflow of funds on the payments balance. Second, to gear into the nation's economy in a manner both effective and as consistent as possible with its normal free function. Third, to aim at a solution to the payments deficit without a disruptive effect on international trade or economic development, especially in underdeveloped nations.

The major product of these deliberations by government and by business is the voluntary balance of payments program announced by President Johnson in February 1965. In this program commercial banks -- under the guidance of the Federal Reserve and the Treasury Department -- were asked to restrict their loans to foreigners within reasonable limits, to give first priority on funds to export credits, and second priority to loans to less developed nations. United States industrial enterprises -- under the guidance of the Commerce Department -- were requested to moderate the outflow of capital and undertake a range of voluntary efforts to improve even more the already favorable balance of their foreign transactions.

The business and banking communities retain full discretion for the conduct of this program, weighing their own business concerns and the broad national interest in establishing their own policies and making their own decisions. These private enterprises were asked to cooperate, and asked to report on their progress. No mandatory conditions or penalties are built into the program.

There were no hard and fast formulas set for the industrial enterprises taking part, although we did announce some U. S. industry guides or targets for the corporate executives to shoot at. It was felt that the best way to achieve rapid improvement in the balance of payments was to leave it to knowledgeable corporate leadership, in each separate case, to seek ways to improve a firm's contribution to the payments balance.

Companies were urged to expand exports and avoid direct investment in marginal overseas projects. Where possible they were asked to accelerate the repatriation of earnings from subsidiaries in developed countries. They were also asked to try to avoid financing direct investment in developed countries with funds obtained in the United States. They were asked to rely more heavily on funds borrowed abroad. At the same time, it was stressed that private direct investment in the less developed countries was encouraged.

When appropriate to the company and the country, the sale of equities in foreign subsidiaries was recommended. Companies were also asked to repatriate short-term foreign financial assets held in excess of amounts required for working capital purposes.

And each company was asked to establish a "balance of payments ledger" of foreign transactions to measure the effect of the program.

In February of last year, the President announced this program to a group of business and financial leaders at the White House. He told them:

"I am asking you to join hands with your government in a

voluntary partnership. I am asking you to show the world that an aroused and a responsible business community in America can close ranks and make a voluntary program work. "

I also spoke with the group, noting that I had been assigned responsibility for administering the program among corporations, and concluding on that occasion:

"Now is the time for all good businessmen to come to the aid of their country -- and me. "

Not at all to my surprise, American businessmen did as ever come to the aid of their country. Largely as a result of their determined efforts in the voluntary program, the balance of payments deficit was cut to less than half the 1964 level in 1965 -- from the \$2.8 billion of 1964 to \$1.3 billion last year. This was done despite a falling trade surplus, an increased travel gap, rising military and aid expenditures in Vietnam, and increased direct investments earlier in the year before the program took full effect. The total of expanded contributions to the balance of payments by the 500 corporations in last year's program came to a grand total of some \$1.7 billion -- repatriation of short-term financial assets totaling \$400 million and selected

foreign transactions \$1.3 billion. These private corporations acted in the national interest even when doing so meant immediate dollars-and-cents sacrifice to their own corporate interests.

Today, this highly successful voluntary program is in its second year of operation, alongside of other programs we have discussed to help keep the American dollar strong. I look for further major contributions under this program during the current year toward achievement of the President's aim of equilibrium in the balance of payments.

The basic aim of the voluntary program, it should be emphasized, is not to curtail investments abroad. Rather, it is to minimize the impact of the outflow of funds on the U. S. balance of payments. Corporations are encouraged to arrange financing for overseas plans in foreign money markets, and in fact U. S. companies have borrowed well over half a billion dollars abroad since the middle of last year.

U. S. direct investments overseas -- which totaled \$49 billion worldwide at the end of 1965 -- make an immense contribution to our national economy and our balance of payments through repatriation of profits and fostering of exports. So, plainly, the balance of payments program would be self-defeating if it curtailed these investments even moderately over the long haul. This, government and business are agreed, it must not do.

I said that, although we had slashed the stubborn balance of payments by more than half in 1965, we could not yet talk of final victory. In a sense, it may not even be reasonable to seek a "lasting" solution because in reality we are dealing with a whole complex of economic, political, military, and other variables that are themselves subject to constant change and modification. The balance of payments problem is not one that we can expect to solve and walk away from for good. Rather, it is a factor in our national economic life that will remain with us and require consideration and positive action in the years to come.

The business and government programs have, however, achieved important steps on the road toward equilibrium in our international accounts. I am quite confident that American will be successful in achieving this important economic goal.

Let me conclude by saying that it has been a pleasure being here with you at this great university. Looking out at this fine audience, I am reminded of a remark that President Kennedy made to a group of students working in Washington one summer.

"Sometimes," he told them, "I wish I just had a summer job here."

Having met and visited with so many members of your wonderful university family -- and talked with you here today -- I am sorry to be just a visitor here at Marquette.

Thank you. And God bless you.

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Office of the Secretary

FOR P.M. RELEASE THURSDAY, APRIL 28, 1966

ADDRESS BY SECRETARY OF COMMERCE JOHN T. CONNOR
PREPARED FOR DELIVERY BEFORE THE ANNUAL MEETING,
PRESIDENT'S COMMITTEE ON EMPLOYMENT OF THE
HANDICAPPED, WASHINGTON HILTON HOTEL, WASHINGTON,
D.C., 10:30 A.M., THURSDAY, APRIL 28, 1966

It is a pleasure to keynote this annual meeting of the President's
Committee on Employment of the Specially Able.

If you don't recognize this new name for President Johnson's
organization, that's understandable. Because technically, it's wrong.
But semantically, it's right.

It's right because the people we're referring to are able in
special ways. They aren't able in every way--but who among us is?
When we survey the limited range of our own individual abilities, and
the infinite variety of job possibilities in our complex industrial society,
we recognize that each of us has his limitations and would be disqualified
for certain fields of endeavor.

But on the other hand we are all able in special ways. And in
this age of specialization, we can find our particular niches.

That generalization is particularly applicable to these people we are talking about here today. On some jobs they would be totally disqualified. But neither they nor we are seeking that type of employment for them. We want to fit them in jobs where they can turn in a performance that is the equal of others. Very often, of course, it turns out that they not only do the job as well, but better, and in some cases, far better.

This is why I think that perhaps the first handicap we should overcome is the handicap in our own minds which stems from calling these people handicapped. It not only perpetuates our own centuries-old misconception; our use of it reinforces the misconception in the minds of many employers and prospective employers. Worse still, it doesn't help the mental outlook of the very people we are trying to help.

I say a better name, a more descriptive name, a more positive name, and a far more accurate name is the specially able. And that's what I'm going to call them.

I also think it is appropriate in connection with the theme for our meeting this year: What's new in jobs for the specially able?

Certainly there's plenty that's new--so much, in fact, that I think we have a greater opportunity to make more real progress in hiring the specially able this year than in any other year in history.

The reason stems from a combination of two factors: One is that never has this great movement been so well organized to help in placing these people. You know this story better than I do because you have been working for years to create this organization.

The second reason is that not since World War II have the talents of the specially able been so urgently needed.

We all know the story of what's behind this fact: an unprecedented era of economic growth that has brought more real prosperity to more Americans than at any other time in our history.

Under the dynamic leadership of President Johnson, and through a working partnership of business, labor and government, we have made pioneering advances in solving the problems of recession, high unemployment, and declining production.

But a high level of prosperity such as we are now enjoying is always accompanied by its own peculiar set of problems, and we are beginning to experience some of them today.

One of these is a growing manpower shortage in some areas of industry.

It is, of course, imperative that we make the maximum use of our human resources. This is one of our best weapons against the forces of inflation, as we seek to ease unreasonable upward pressures on wages and costs and prices.

Today, as we approach the limits of our productive capacity, many employers are searching far and wide for help. The situation exists in a number of industries and trades, so that a wide variety of job opportunities is opening up.

Now you and I know that the specially able can meet the requirements to fill many of these openings. But neither all employers nor all the specially able themselves know this.

It's our job to make them both aware of each other -- and to help bring them together.

Having spent some years in business, I know that one of the problems for employers in such matters is to get even the soundest and most enlightened policies carried out fully within any large organization. It isn't enough for the president of a corporation merely to issue policy declarations, but a real effort has to be extended to see that they are put into effect.

And one of the things that has to be done in this hiring of the specially able is to educate the people at the supervisory level-- the people who actually do the hiring and promoting. For many people still nourish misconceptions about those with disabilities.

To help with this problem, the officials in our Commerce Department's Office of Personnel have come up with what I think is an excellent idea -- and one that we are carrying out.

Working with the Veteran's Administration, our people have produced a kit to aid in training and guiding supervisors in evaluating their job openings and the potential of the specially able to fill these jobs.

One part consists of a training course outline which can be used to conduct seminars and training sessions for line supervisors and for middle and upper management.

Another part is a guide which reminds the supervisor that technological advances may have changed requirements for his employees; that the specially able frequently have more desire to succeed than other workers; that they change jobs less frequently; and that many of them have special skills beyond those of other workers.

It urges supervisors to visit rehabilitation and training centers to become acquainted with the skills of these people, and to take another look at the jobs the specially able might fill.

But the thing I want to emphasize is that this reaches the very people who must take the final step -- the actual hiring of the specially able. And without that final step being taken, all the programs in Washington, all the policy statements from corporation presidents, all the training that the specially able receive -- all these are fruitless. Only the supervisor can take that final step, and we must reach him with the most persuasive message we can possible devise.

This little booklet is about to be distributed throughout the Federal Government -- we've just delivered 10,000 copies to Chairman John Macy at the Civil Service Commission -- and I earnestly hope that industry will pick it up and make a far wider distribution of it throughout the private sector of the economy.

In short, I think we're going to realize the tremendous potential for progress that 1966 offers only to the extent that we are successful in reaching the local level and the hiring level.

All the great fireworks display we put on here annually at the national level merely brightens up the sky for a few days. Far more effective in getting the job done is for some dedicated citizen in each of a thousand communities to light just one small candle that will burn quietly but steadily throughout the year.

to do what they have done -- courage and perseverance and determination in the fullest measure, qualities which stand them in good stead in any line of endeavor.

We, ourselves, then, must become specially able in the way we think about these people -- and in the way we project them to employers as candidates for jobs. We must focus our attention -- and that of employers -- on what the specially able can do, not on what they cannot do.

If we do this, and if we make additional advances in organization at the local level, I am confident that 1966 will indeed prove to be the most fruitful year in the history of this movement. America needs the specially able more than at any time since World War II -- and your job, and mine, is to help them put their skills to work.

As President Johnson has said, "In so doing, we can strengthen our Nation, for our strength rests in the participation of all our citizens and not just some of our citizens."

I am confident that this Annual Meeting will move us along toward the goal of participation by all -- including especially the specially able.

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The rate at which you are building roads in this state is another boost for your important tourist industry, as well as for all of your own citizens and for all of your business activities.

Well over half of North Carolina's 770 miles in the Interstate system are open to traffic. North Carolina's highways already are among the best in the Nation, and approval of the \$300 million roads bond issue last year indicates you are determined to keep this the case.

The Federal Government also maintains a strong interest in the continuing improvement of North Carolina's highway system. The Bureau of Public Roads' apportionment for fiscal year 1967, beginning July 1, totals almost \$50.5 million, of which \$27 million is for Interstate mileage and the balance for other Federal-aid projects.

An important aspect of this current program--and one that has received broadly enthusiastic response--is beautification of the nation's highways. Opinions differ in some of the specifics of this program, of course, and many considerations and interests are involved in various parts of the country. Now underway is the process of developing roadside standards that are equitable and

reasonable both from the standpoint of the public interest and private interests concerned so that Americans can, in the President's words, "touch nature and see beauty" as they drive through their countryside.

The economic road ahead for North Carolina is as broad and exciting to contemplate as the great new highways that make vacation-time Tarheels of millions of Americans each year. The economic superhighway that leads from your proud "vale of humility" to even brighter horizons is paved with many of the components of your present-day prosperity.

Diversification is one key word, both in agriculture and industry. This is an old story for North Carolina, and one in which you have achieved considerable success in the past. Along with this diversification will go further increased emphasis on export expansion--of agricultural products, furniture, textiles, minerals, and other products of your farms and factories.

And I am sure that pioneering education and training programs that you have sponsored here in North Carolina--and which have played such an important role in your past progress--will go forward to new and even greater heights of achievement.

In short, with the continued enlightened efforts of leaders like yourselves, I feel safe in predicting that the horn of plenty in your North Carolina state seal will continue to overflow in the years ahead--from your mountains to your Piedmont to your ocean white with foam.

There is no goal you cannot attain.

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