



Office of the Secretary

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ADDRESS BY SECRETARY OF COMMERCE JOHN T. CONNOR  
PREPARED FOR DELIVERY BEFORE THE RALEIGH, NORTH  
CAROLINA CHAMBER OF COMMERCE, ANGUS BARN,  
RALEIGH, NORTH CAROLINA, 7:00 P. M., THURSDAY,  
MARCH 31, 1966

I am delighted to be here tonight in the state where  
American history began, and where so many proud and stirring  
chapters of that history have been lived through the years.

Today, you North Carolinians have achieved widely  
recognized distinction and leadership in many areas of our national  
life. As a prominent publisher and educator has written, North  
Carolina "today ranks as one of the leaders not only of the South,  
but of the nation, in statecraft, in industry, and in education."

Nor is there a state in the union with brighter potentials  
for future growth and development. Governor Dan Moore said  
recently, "Never before in our history have the opportunities been  
so obvious or so abundant." In this I wholeheartedly concur.

The facts about North Carolina--past, present, and future--  
speak for themselves. I must admit, however, that I do look at

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your world through Hodges-colored glasses. Luther Hodges is a walking and talking "hard sell" for North Carolina and North Carolinians--both in his own character and in his achievements as a businessman, as your governor, and as my predecessor at the Department of Commerce.

Luther Hodges brought a new spirit to the Department of Commerce. He tuned its programs to the changing needs of business and the nation. He reinvigorated the Commerce Department and gave its voice new authority and respect in Washington.

So may I take this opportunity here tonight to salute my distinguished and honored predecessor and your former Governor, Luther H. Hodges--a distinguished Secretary of Commerce, an outstanding North Carolinian, and a great American.

We Americans are now in the sixth year of the greatest economic expansion and widespread prosperity ever achieved. President Johnson has described this expansion as "the American economic miracle."

The progress we have made since emerging from the recession in the winter of 1961 is measured in record figures--new highs in production, employment, profits, personal income,

capital investment, foreign trade. The advances have been shared through all segments of our society--business, labor, farmers, stockholders.

In five years the Gross National Product of the United States, the value of all our goods and services, has increased by nearly \$200 billion to an annual rate of \$697 billion at the end of 1965. The increase alone is more than equivalent to the Nation's total GNP in 1943.

North Carolina can tell the national story from its own experience.

Personal income in your State rose from \$7.6 billion in 1961 to \$9.3 billion in 1964--an increase of 22 percent, or 4 percent above the national average for this thriving nation. Per capita income rose at a corresponding rate--5 percentage points above the national average. Final figures for 1965 are not yet in, but it is clear that they represent a continued surge.

More people are at work in North Carolina than ever before--nearly 2 million last year in a population of some 5 million. Unemployment in North Carolina, at 4.2 percent, was below the national average of 4.6 percent for the year.

No one is more aware than you that North Carolina leads all other states in the manufacture of textiles, tobacco products, furniture and bricks.

North Carolina businessmen are alert to market opportunities abroad as well as at home. Your state ranks close to the top in total exports. North Carolina is currently selling an estimated \$800 million worth of goods overseas each year. You lead the Nation in the export of tobacco and textile mill products.

Just last week in Washington, Governor Hodges joined me in presenting Presidential "E" Awards for export excellence to 12 companies and organizations which made significant contributions to the balance of payments and to growth in the national economy by expanding foreign markets.

The "E" is a familiar symbol in North Carolina. Your State Department of Conservation and Development was the first state agency in the country to receive the "E" Award, and 10 "E" flags now fly in North Carolina.

Prosperity, coupled with the demands of our defense of freedom in Vietnam, has of course bred its own brand of problems.

We are now concerned with preventing a spiral of inflation from interfering with prosperity. We are concerned with manpower shortages in some industries and some geographical areas. We are concerned with the problems of operating close to capacity and at a very high level of demand. We are concerned lest expansion itself get out of balance.

These are broad national problems that you feel here in North Carolina. They are problems that are being met, and will continue to be met successfully through a sound combination of fiscal and monetary policies on the part of government, and the cooperation and understanding and considered restraint of business and labor.

They will be met--and expansion will go forward--in large part because these years of growth have been years of education for all of us. More than ever, we have become aware of the vast economic potentials of our states and our nation--of the private and public sectors of our economy--both to satisfy dreams that are as old as America and to solve problems that are as new as tomorrow.

We see the products and potentialities of scientific and technological advance for industries, for geographical areas, for all our people.

We understand the critical role that new and precise tools of economic analysis can play in energizing and sustaining progress and prosperity.

We recognize the immense progress that lies ahead for less developed regions of our nation through regional development programs--carried out by a creative federalism that provides broad partnership between the public and private sectors, and among federal, state, and local governments.

We know that the breadth and complexity of national economic challenges require meaningful cooperation among business, labor and government.

There has been no finer example of the active acceptance of joint economic responsibility than the President's voluntary balance of payments program. Under this program, the payments deficit was cut in half last year through the determined efforts of the nation's business and banking communities, and the voluntary effort is expected to yield further major contributions toward balancing the nation's international books this year.

In each of these areas, the Department of Commerce has a prime responsibility in the federal government. And they are also areas of special interest to you business leaders here in North Carolina.



The Public Works and Development Act passed by Congress last year marks a new step forward in the economic development of this country. It provides for an expanded program of Federal, technical and financial assistance to areas of high unemployment or low family income, administered by the Economic Development Administration of the Department of Commerce.

Under the prevailing standards, more than 1,200 counties across the country qualify for assistance. Thirty-seven of these counties are in North Carolina, principally along the coast, in the eastern farm area, and in some mountain sections.

Financial assistance is provided under this program only on the basis of a sound development plan established by the locality, state, or region. North Carolina and her counties have responded in the best possible fashion with plans for creating new jobs and industrial opportunities.

Several of the most promising initial projects in the nation are based in North Carolina. A \$9.5 million public works loan to the State Ports Authority to expand the port at Morehead City will make it possible to export at least a million tons of phosphate

a year from the new mining operations in Beaufort and Hyde counties. A study of the ultimate potential indicates port development could set off a new chain of economic progress-- including up to 50 new plants with a combined investment of nearly \$100 million and an employment capacity of more than 3,000.

Other projects in Greenville, Washington and Spruce Pine promise additional industrial expansion and employment opportunities.

An important feature of this economic development program is the encouragement of regional thinking and planning. City, county, and even state boundaries are often unrealistic economic development boundaries. This program, therefore, recognizes certain geographic regions of the country as economic entities and encourages states to plan together for progress.

Three regions--New England, the Ozarks, and the Upper Great Lakes--have responded by forming regional planning groups. They--and we--have high hopes that joint projects in this context can bring truly significant results. And we look for regional planning to take tangible form in other parts of the nation as well.



Just as the government's Agricultural Extension Service has through the years helped make America's farmers by far the most productive in the world, another new federal-state program is now making the scientific and technical know-how of this advanced age available to industry throughout the country.

This State Technical Services Program primarily uses the tools of communication and education--distribution of technical reports, technical information centers and reference services, industrial workshops and seminars, training programs, and so on.

When President Johnson signed this bill into law last year, he called it "the sleeper of the 89th Congress"--with the potential to spark creation of new industries and expansion of old ones, help diversify local industry, and speed development of cheaper and better consumer products. And this process is already beginning in various parts of the country.

Here, in your state, a grant has gone to the University of North Carolina. The development study now being undertaken by U. N. C. under the supervision of the State Department of Administration holds enormous possibilities for economic development throughout North Carolina.

This is the kind of thinking that you scientifically-minded North Carolinians well understand.

Across the entire land there is no more exciting venture than the Research Triangle within the perimeter of your great universities. You are transforming a tract of pineland into an intellectual, scientific, and technological resource of the first magnitude.

The North Carolina Research Triangle is cementing a relationship between industry and university that will yield dividends to every element of society. The universities are now better equipped to produce the industrial leaders of tomorrow because the faculties and students are more conversant with the problems and opportunities of industry. And industry now stands at an open doorway to the knowledge and skills that are cultivated in the universities' research laboratories.

This Triangle represents the kind of building for the future that has been the key to progress throughout the history of this state and this broad nation.

In this state where the four T's of textiles, tobacco, tourism, and timber products are among your economic mainstays,

another advance under the fifth T of technology can make an additional important contribution. The technology of the space age is bringing dramatic changes to weather forecasting--an art that is now well on the way to becoming a science.

The most important tool, of course, is the weather satellite. From the Tir os experimental satellites we have now gone on to the Commerce Department's ESSA family of spacecraft. ESSA I and II are now orbiting the globe and flashing back to earth pictures of the atmospheric landscape.

From weather satellites, improved radar, more effective use of reconnaissance aircraft, and other technological advances, a major improvement can be expected in our Weather Bureau capability to predict the course of hurricanes. These improved scientific capabilities are making possible the planning of a Natural Disaster Warning System to blanket the nation in the years to come.

The importance of this development to your beautiful state--with its world-famous coastline--cannot be exaggerated either in terms of life and property, or in terms of the annual income of your large and growing tourist industry.