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Beyond the November Elections - 96th Annual Bankers Association Convention

Mike Mansfield 1903-2001

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REMARKS OF SENATOR MIKE MANSFIELD (D., MONTANA) at the
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FONTAINEBLEAU HOTEL, MIAMI BEACH, FLORIDA
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BEYOND THE NOVEMBER ELECTIONS

When I received an invitation to meet with you, I was somewhat hesitant. Banking is not my business. My business is politics and we are in the busy season. This late in the political campaign, it seemed to me an exercise in futility to seek a mass conversion of the American Banking Association to the Democratic Party. That would take, I should think, slightly more than one meeting.

On reflection, however, there is a more relevant reason for coming here than political evangelism. This meeting affords an opportunity to discuss matters which, beyond politics, are of concern to all concerned Americans. I refer to public issues which, for some years, have deeply troubled the nation.
Regardless of the political complexion of the next Congress and whatever the prime interest rate in January, these issues will still confront us. We will still face the need to return all Americans from the war in Viet Nam and to bring about an end to the misbegotten involvement in Southeast Asia. We will still have to grapple with the spread of crime, violence and drug abuse. We will still have to come to grips with a long list of inadequate public services and social inequities within our borders. We will still have to act to restrain the reckless devastation of the nation's environment.

In short, we will have to go on working--all of us--to keep this part of the earth fit for decent habitation. At the same time, the nation will have to continue to do its share in assuring that this planet remains suitable for human survival.

There are, to be sure, differences on how to approach these questions. Less and less, however, are they differences of party. On the contrary, a high degree of political agreement
exists on the problems of the nation and even on the general approach to solutions. That may not always seem to be the case, especially during the heat of an election campaign. Inescapably, partisan invective will be enlisted in the search for political profit and campaign contributions. Yet, the decline in traditional partisanship in this nation, in my judgment, is authentic.

Evidence that such is the case is to be found in the recent records of the Senate. Time and again, Senate Republicans and Democrats have joined to provide overwhelming support for major legislation. Significant party differences are not apparent, for example, with respect to such questions as control of crime, drug traffic, pollution and elementary and secondary education, and home financing. That more Democrats than Republicans can be found voting for legislation of this kind does not mean Democrats are "tougher" on crime, violence or pollution, or that Democrats are necessarily more concerned about housing, education and other aspects of the people's welfare. Rather,
the voting totals reflect the fact that there are more Democrats than Republicans in the Senate. May I add that this numerical division is, in my judgment, a most fortuitous arrangement. It is devoutly to be hoped that it will continue after the November elections.

I make that observation lest my comments on the decline of partisanship be misunderstood. Political differences have not entirely disappeared from the Senate Chamber. Partisan debate is still heard. Sometimes, it is rather blatant. What began, for example, as a nonpartisan effort to work with the President to curb the war in Indochina by means of the Cooper-Church amendment on Cambodia, regrettably, was injected with political overtones. As a result, the measure was debated, or more accurately delayed, for nearly two months. In the end, however, the Senate's determination to register its opposition to the spread of the military involvement in Southeast Asia was expressed in a vote of 58 to 37. Of those voting, 79% of the
Democrats voted for the measure; 39% of the Republicans saw fit to join with them, notwithstanding the vigorous opposition of the Executive Branch. In the retrospect of history, I believe that that vote will be seen as of profound significance in bringing to an end the involvement in Viet Nam.

Often, as in this issue, the differences on contemporary questions are more pronounced between the Administration on the one hand and the Senate as a whole on the other, rather than between the parties in the Senate. That was as true in the previous Administration as it is in the incumbent Administration. During this Congress, for example, Senate Republicans and Democrats twice put together more than a two-thirds majority to reverse Administration vetoes of significant social legislation. The Senate also rejected two Executive appointments to the Supreme Court by substantial cross-party votes.

I do not wish to leave the impression that the Administration and the Senate are invariably at swords' points.
The contrary is more the case, notwithstanding political efforts to depict it otherwise. It should be noted, for example, that the Senate has acquiesced in most of this President's appointments just as it did in those of his predecessor. In fact, while rejecting two appointments by President Nixon, the Senate endorsed more than 110,000 of his other designees. These ranged from the President's selection of the Chief Justice of the Supreme Court and an Associate Justice to his appointment of a member of the President's Commission on California Debris. The latter, may I say, has nothing to do with political flotsam and jetsam on the Pacific coast. The Commission represents, rather, one of the pioneer efforts to stop pollution. The Commission was established in the late 19th century; it has been coping with pollution, as it involves two small rivers, for about 75 years and is still trying.

The Senate's recent record emphasizes that there is an undercurrent of nonpartisan accord in the nation's leadership.
Why, then, if we have such common determinations on the political front, have we not done better in dealing with the nation's difficulties? Why the rising levels of crime and violence? The spread of drug abuse? The failure to check pollution? Why the near breakdown in transportation in and around many cities, in pure water supply, public health and in a dozen other routine public services? Why a continuing war abroad and a faltering economy at home?

Let me say that most of our difficulties are continuing difficulties, as illustrated by the case of the Commission on California Debris which I have just cited. They are not subject to overnight liquidation. We are going to be hearing about crime, drugs, violence, racial tension, inadequate housing and other sources of national anxiety through several Administrations regardless of party and for all the days of our lives.

To accept that reality is to perceive the accurate dimensions of what confronts the nation. It is not to accept
the inevitability of the collapse of our society. I reject that inevitability even as I reject the view that nothing can be done to alleviate the difficulties. I reject it even as I reject the apparent attempt to exorcise them by political bombast or by belaboring the upbringing of children.

National difficulties are not to be glossed over, grumbled over or gagged over. They are to be faced frankly and in all honesty. They are to be dealt with, using whatever resources may be mobilized for that purpose--national, state, local and private. I know of no other way out of the nation's present bewilderment. Charges and counter-charges over "who did it" may serve some political purpose but they are not likely to curb crime, bring pollution under control, end the war, and restore the vitality of the economy.

The responsibility of public leadership is not to divide the nation. It is to seek to define the nation's problems accurately and to act on them effectively. Increas-
ingly, the federal government, the President, and the Congress have been looked to as the principal sources of definition and action on a whole range of issues.

It seems to me that we have substantial agreement on the part of the President and the Congress on the basic national problems. What is still lacking is a full and timely grasp by all concerned—by the Administration and the Congress and the Executive agencies—of the changing dimensions of these problems. Nor have we yet perceived the most effective way of apportioning available public resources in seeking to manage these problems. We are trying—the President is trying; so, too, is the Senate, I know, and the Congress—but there is yet a way to go.

That is my judgment and that is all I can give you.

The responsibility for the shortfall in expectations of the people from their government, I repeat, is not that of the Congress alone. Nor is it that of the President alone. There is enough fault to go around for those who would find it.
It serves little purpose, however, to bemoan past failures or to belittle present efforts. More important, in my judgment, is to recognize that we are still overstating some difficulties while ignoring or downgrading others. We are still flailing at the nation's problems. We are still pursuing a path which follows too closely the ruts of past policy.

These ruts, may I say, are largely determined by the apportionments of the federal budget. Insofar as that yardstick of federal involvement is concerned, we are only at the beginning of a long and painful process of adjustment. It is a process which is called "reordering our priorities."

Loosely translated, the phrase means bringing the government abreast of what has happened in the nation and the world in the past decade or so. I would like to direct your attention to some of the most troublesome aspects which are involved in "reordering our priorities," or in effect reorganizing and reapportioning federal expenditures.
At the outset, it is necessary to recognize the enormous costs of maintaining the nation's rigid international security policies. Heretofore, the President, the Congress and the public have tended not to question very deeply expenditures budgeted for security against threats from abroad. For many years, the Congress was disposed to vote whatever funds were sought in the name of military purpose. These proposals were not subjected to the kind of severe scrutiny that normally is involved in reviews of appropriations. That is true not only for Viet Nam where there remains a unanimous disposition to finance whatever can be effectively used for the secure withdrawal of U. S. forces.

It was also the case in other situations. In Europe, for example, we have also borne for two decades the overwhelming financial burdens of NATO, largely for the defense of Western Europe against the Soviet bloc. We still do so, notwithstanding the great easement in East-West European relations and a booming
commercial interchange between the two regions. We still do so notwithstanding the complete European reluctance, to date, to take on an increased share of the military costs of NATO.

The price of NATO has been estimated at $14 billion a year out of the Defense budget and it involves the maintenance of a military enclave of over half a million U. S. military personnel and dependents in Europe. To me, that is an outlandish drain on our resources a quarter of a century after World War II. It is not necessary to weaken our valid ties with Western Europe in the NATO alliance in order to stop this drain. It is necessary only to adjust an archaic administrative practice of keeping about five U. S. divisions in Europe where one or two will serve just as well as an earnest of our intent, if any is needed.

Beyond the great U. S. military encampments in Southeast Asia and Europe, moreover, we have supplied about 75 nations with military aid of one kind or another during the past 20 years, in many cases bearing the price of maintaining
their forces from boots to bombs. Finally, it should be acknowledged that the Congress has been willing to accept, until recently, as worthy of funding, almost every proposal for some new or exotic addition to the nation's military arsenals.

The result of this indiscriminate accumulation of defense against threats from abroad has been a great drain on available federal resources. For two decades, defense expenditures have claimed in the neighborhood of fifty percent of all federal expenditures, not to speak of the human skills and talents which have been co-opted for military purposes during those twenty years. When that percentage is added to the more or less fixed charges in the budget, including the ever-growing outlays occasioned by past military enterprises, it can seem that not any great share of tax-revenues has remained for dealing with the mounting inner needs of an expanding and urbanizing population. The result has been a deterioration of the nation's
public services, an undermining of the pillars of national stability and, hence, a growing threat to the nation's inner security.

It has taken the shock of Viet Nam to awaken us to this imbalance. Whatever our views on the involvement in Southeast Asia, there is no avoiding the fact that it is an immensely exacting venture. It is costly in terms of its consumption of tax resources. It is costly in terms of its destructive impact on the nation's economy. It is costly, most of all, in human terms.

American lives no less than others have been forfeited and maimed in great numbers in this tragic war. Long after the involvement has been recognized as a mistake, the process of death and destruction goes on. The end is not in sight.
In sheer dollars and cents, the war in Viet Nam is already the second most expensive military engagement in the nation's history. It is exceeded only by the cost of our participation in World War II. As of the beginning of this fiscal year, about $110 billion of public funds had already been drained to pay for equipment and men. That is twice the original outlay for the Korean conflict. It is four times the cost of World War I.

The final reckoning for Viet Nam may come to more than three times the initial outlay. Many of the charges of war, as you know, continue long after the end of hostilities.
There are interest payments on war-induced public debts which may add at least 20% and, perhaps, as much as 40% to the initial cost. There are also payments to veterans and survivors which tend to stretch on for a century. Illustrating the point, the nation is still providing benefits to dependents of veterans of the Civil War. In 1967, there were 1,353 such dependents drawing in excess of $1 million. The complete cost of the Vietnamese conflict is likely to be in excess of $350 billion. That figure, moreover, assumes a war brought to an end without prolonged delay. Still, it is fifty times the amount spent for housing and community development during the decade of the military involvement. It is 14 times that spent by the Federal government for all levels of education and ten times the amount spent for Medicare and medical assistance.

Viet Nam is costing the nation one-fourth the value of the personal financial assets of all living Americans. It
is a third again as much as all outstanding home mortgages.

It is seven times the total value of all U. S. currency in circulation.

To the economic costs must be added, as noted, the far more tragic loss of life. Well over 50,000 American lives have already come to an end in Indochina--almost all of them are the lives of youth. Our wounded have numbered over 290,000, almost all of them young men. I need not dwell on the personal grief represented by every one of these statistics. We cannot put a price on sorrow and suffering of this kind; nor can we compensate for it.

There is also an intangible national cost in the sum of these deaths and disabilities and it, too, is incalculable. How is it possible, for example, to state the loss to the nation from this war in terms of talents cut short, of productivity diverted, of future leadership foregone and of investments in training and education sacrificed?
What this war has done to the economy of this country was summarized by one of the leaders of your profession, Louis Lundborg when he told the Senate Foreign Relations Committee, earlier this year:

"...The escalation of the war in Viet Nam has seriously distorted the American economy, has inflamed inflationary pressures, has drained resources that are desperately needed to overcome serious domestic problems confronting our country and has dampened the rate of growth in profits."

Mr. Lundborg is known to you as the Chairman of the Board of the Bank of America. However, his greater claim to fame, if I may say so, is that he is also a Montanan.

Inevitably, the war has acted to distort the nation's fiscal policies. It is the principal stimulant to inflation. Hence, it is the key factor underlying the decisions to impose restrictive fiscal and monetary policies. I do not necessarily quarrel with the economics of these decisions but
neither can I quarrel with my eyes. In the aftermath of these policies, there has been a constriction in the financial markets, a sharp drop in residential construction and in investment spending. There has been a rise in unemployment. Call this situation a necessary contraction. Call it a recession. I am not particularly concerned with names. However, as a Senator, I am deeply concerned with the human repercussions of economic stagnation. We must begin to ask ourselves, I think, what will produce the turn-around? When will it begin?

I am concerned, too, by the impact of prolonged recession on federal resources. Some months ago a "modest" surplus in the federal budget was projected by the Administration. A short time ago, the Chairman of the House Ways and Means Committee predicted a deficit of $10 billion or $20 billion. It will be politic, I suppose, to blame this deficit on an extravagant Congress. That is par for the political course in an election year.
It is true that the Congress provided additional funds for education, health care, medical research, the support of Social Security pensioners and the like. In the final tally, however, I believe the Congress will reduce, not increase, the over-all Administration requests for money this year as, in fact, it did last year by $6.3 billion. It will do so, largely, by shifting more funds away from the frills of defense, space research and so forth to more cogent and pressing national needs.

The projected budgetary deficit will materialize not out of "Congressional spending" which, I repeat, is likely to be lower than the expenditures requested by the Administration. Rather the deficit will result from a shortfall in federal tax receipts which, in turn, derives, largely, from the drop in taxable profits and taxable wages and the sluggishness in the economy. The federal deficit, in short, will be
a recession deficit not a spending deficit. That is the reality and it would border on political chicanery for me or anyone else to suggest otherwise.

In view of the probability of a large deficit, I am particularly disturbed by what I believe to be the continued over-spending of public funds for the rigid international security policies to which I have alluded. We are still putting excessive sums into protection from threats to security from abroad. In the meantime, what of the attacks on the nation's safety from within?

The President has already cut back defense spending by $12 billion since 1968 while at the same time proposing some additions for domestic programs involving social welfare. His actions in this recasting of priorities are to be commended. They have had, may I add, the full and nonpartisan support of the Senate which has gone even further in this respect.
A better balance between expenditures for security against threats from abroad and for the inner needs of the nation seems to be both good economics and sound politics. Sound politics does not mean who wins this election or the next. It means a vigorous political system. It means agencies of government held responsive to changing realities and evolving human needs in an increasingly complex world. That is what must be forthcoming if we are to assure the stable survival of a free economy, a free government and a free society.

In this regard, it is something of a truism to say that we are passing through a national crisis of confidence or as Charles B. McCoy, President of E. I. Dupont, put it:

"The Viet Nam war is tearing at the whole fabric of our social and political and economic life."

One of the manifestations of the crisis is the turmoil in youth. We may deplore this restlessness but it
is a biological inevitability reinforced by the facts of our times in which a mistaken war exacts its greatest tribute from young people.

Of course, nobody in his right mind wants bombs and violence on campus or in the streets or anywhere else. Of course, the sight of young people in vicious confrontation with national guardsmen and police is cause of anger and concern. Of course, the parade of filth and obscenity gives rise to revulsion. That ought to go without saying. It does not resolve the problem, however, to spend an entire political campaign in searching for new ways to state it.

We who are older, however, cannot escape our responsibilities by laying the problems of the nation, indiscriminately, on the doorstep of our children. Rather, we may well heed the words of Thomas J. Watson, Jr., Chairman of the Board of I.B.M., who called recently for a prompt end to Viet Nam setting forth two basic points in support of this position.