May 9, 1967

The President
The White House
Washington, D.C.

My dear Mr. President:

In your 1967 message to the Congress on Urban and Rural Poverty you said:

> "I intend to call together an outstanding group of private citizens from across the country--from business and labor, government and the building industry--to examine every possible means of establishing the institutions to encourage the development of a large scale efficient rehabilitation industry.
>
> "I will ask this group of outstanding Americans to find the best ways to tap the enormous market that exists in rebuilding our cities and to bring the most modern systems and the most advanced technology to this urgent task."

I urge you to convene this group of national leaders at the White House at the earliest possible date, and invite them to consider the organization of a national, non-profit service corporation. Such a corporation could provide the technical and managerial skills to achieve the objectives set forth in your message.

The pressure on housing in America is explosive. Three factors contribute to this:

* older housing is decaying faster than it can be replaced;

* the growth in population accompanied by rapid urbanization and decline in household size is expanding the need;

* increasing costs and a low rate of housing starts are insufficient to keep pace with the need or the price that perhaps half of our families can pay.

As this pressure builds up the country has two options:

* it can divert a greater share of our national resources to build housing,

* or it can do more with the same amount of resources. This option can only be effective with a major technological breakthrough.

We are not going to achieve this technological advance without Presidential leadership in bringing about institutional innovation.

Your leadership in the War on Poverty and the development of the Model Cities program has had grass-roots repercussions around the country.

There is significant evidence of a growing readiness to support such large scale institutional innovation. Local urban development corporations are emerging. Working capital is at hand. Existing incentives are available to attract massive private investment.

A national urban service corporation would

* accelerate the organization of these local corporations

* secure access to capital investment

* pool markets for higher level, less expensive materials, systems and work technologies.

* train management

This conference, acting under your leadership and direction, with understanding of the value of economy of scale and efficient management could be the catalyst to bring this innovation about.

I am enclosing an outline of the functions and capabilities of such a corporation. At your convenience the appropriate back up materials can be provided.

I commend it to your attention.

Respectfully yours,

Walter P. Reuther

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Walter P. Reuther

WPR;s private stationery---UAW

A PROPOSAL FOR A NATIONALLY BASED, PRIVATE NON-PROFIT URBAN SERVICES CORPORATION TO REHABILITATE AND REBUILD SUBSTANDARD URBAN SLUM NEIGHBORHOODS

The pressure on housing in America is explosive.

Three factors contribute to this:

* older housing is decaying faster than it can be replaced;
* the growth in population accompanied by rapid urbanization and decline in household size is expanding the need;
* increasing costs and a low rate of housing starts are insufficient to keep pace with the need or the price that perhaps half our families can pay.

As this pressure builds up, the country has two options:

* it can divert a greater share of our national resources to build housing,
* or it can do more with the same amount of resources. For the immediate future this is the realistic option. This option can only be effective through a major technological breakthrough.

Our society can not continue to apply advanced technology to space vehicles, automobiles, television sets, etc., and fail to apply scientific and technological skills to satisfy the basic human need for decent and adequate housing in a healthy and attractive living environment.

We have the technology at hand to rehabilitate and to build houses and communities cheaper, faster, and better. But our present small scale building organizations and programs cannot attract effective management, significant amounts of private investment capital and large enough markets to induce innovation.

The President alone is in a position to provide the leadership and the initiative to respond to this challenge.

President Johnson recognized this when he said in his 1967 Message to the Congress on Urban and Rural Poverty:

> "I intend to call together an outstanding group of private citizens from across the country--from business and labor, government and the building industry--to examine every possible means of establishing the institutions to encourage the development of a large scale efficient rehabilitation industry.
>
> "I will ask this group of outstanding Americans to find the best ways to tap the enormous market that exists in rebuilding our cities and to bring the most modern systems and the most advanced technology to this urgent task."

It is urged that the President convene this group of national leaders at the White House at the earliest possible date.

At the same time, he should invite this group to consider the organization of a national, non-profit, urban service corporation which will bring to bear maximum private initiative and resources, with the most advanced technology and managerial skills, to rehabilitate and rebuild our slum neighborhoods.

A Favorable Climate of Opinion

The growing concern of many power groups with the problems of the cities is creating a climate of opinion which will support a large scale, combined public and private institution to rehabilitate and rebuild urban communities.

This is illustrated by

1. The emergence of solidly financed non-profit local, regional and state urban development corporations. At least a dozen such corporations have been organized or projected. These groups will have working capital of upwards of $20 million, of which more than 90 percent has been subscribed by private enterprise.

* For example, in Detroit the automobile industry, the United Automobile Workers, the leading banks, religious and racial leadership are organizing a metropolitan development corporation with more than $5 million available to it in working and seed capital.

* In New Jersey, under the leadership of Gov. Hughes, the legislature is appropriating $500,000 toward the organization of a similar multimillion dollar state-wide urban development corporation.

* In Waterbury, Connecticut, the Scovil Brass Company and other industrial, labor and community groups have pledged to raise close to $500,000 to fund an urban development corporation for that small city.

2. The widespread interest in a national urban development corporation proposal which emerged from the Woods Hole Conference sponsored by HUD and the President's Office of Science and Technology.

3. A tentative agreement among 10 major industrial groups to form a profit-based, national urban development corporation.

4. The reactivation and reorganization of the admixed public and private groups such as the Chicago Dwellings Association and the Philadelphia Housing Association.

New institutional forms are emerging. Working capital appears to be at hand. Existing Federal guarantees, state and local supports, tax and other financial incentives are available to attract massive capital investment. The major national institutional change set forth in this proposal is long overdue.

The Corporation and Its Purposes

The corporation's board would consist of national leaders of business, labor, finance, the building industry, the academic and scientific community, foundations, and public interest groups. Its working capital, contributed by government and private funds, would permit it to recruit the highest level managerial and technical staff.

The corporation would have interrelated missions. It would

* aggregate, on a national scale, the managerial and technical capability to bring to housing the increase in quality and reduction in cost that are the hallmarks of American industry.

* identify those elements and systems which through standardization and mass markets can reduce costs and improve quality. The corporation would establish national performance specifications and organize affiliated local development corporations into common markets for low-cost distribution of mass produced components.

* analyze, develop and attract new forms of private investment in housing, special facilities and total communities within cities and metropolitan and rural areas. This will include combinations of Federal guaranties, tax incentives, franchises, residuals and other benefits which can attract long-term capital investment at comparatively low returns. The national group will have the technical skill to continuously analyze and "parlay" the trade-offs between yield and risk ratios.

* identify entrepreneurial and management tasks which can best be performed by local and regional development corporations with the planning and participation of local residents, industries, labor and municipalities.

* assist in the organization of local development corporations, provide specialized technical skills and managerial competence, access to capital and supportive service and training programs.

* cooperate with the Department of Housing and Urban Development to supplement, expand and enhance the usefulness of Federal programs. This activity will have particular relevance to the Model Cities program.

* develop long-term incentives for unions and contractors to raise industry productivity through programming for continuity of operations and providing greater job and income security. This can best be achieved through economy of scale and coordinated construction scheduling. In turn this modernization will develop new constituencies for revising restrictive building and housing codes and elimination of obsolete bidding and inspection procedures.

* develop a major information center to assist special groups and the general public in the realization of these goals.

* continuously evaluate and adjust the structure, scope, and objectives of the national corporation and the local groups with which it interacts. This will permit the emergence of the

most effective tools for the rebuilding of our cities.

Two questions may properly be asked:

1. Why a national corporation? A national corporation is necessary for these reasons:

* First-rate managerial and technical talent is scarce and high priced. Currently there simply are not enough trained people to manage local urban development corporations as quickly as they appear to be organizing. The national group would have a prime responsibility to identify, recruit and train technical and management personnel for local corporations.

* Capital resources and local investment areas are often not matched. A national group with access to nationally based investment resources will be able to bring these resources to bear on areas of greatest local potential.

* Most local, if not all, programs will not be big enough to provide incentives for research, development, and mass production of standardized components. A national group can aggregate these markets to the benefit of all.

* The necessity for communication among local development groups is obvious. A national service corporation can develop this function most effectively.

2. Why a non-profit group? A non-profit group is necessary for these reasons:

* The key element in the national entity is service--service to the cities, to local development corporations, and to local communities. Its responsibility is to the greatest need and the greatest potential for urban development, and not to the easiest or the most immediately profitable sale of these services.

* A non-profit entity would be more responsive to the needs and desires of the residents. It could more readily work with local community organization. It would have far better credentials in the difficult and delicate areas where questions of motivations are critical.

* A non-profit group would be in a better position to contract with government for grants and to process bulk Federal mortgage credit.

* Only a non-profit group could receive tax exempt contributions.

This is not a recommendation for the creation of a monolithic entity which would assume initiative and responsibilities which are rightfully local. Rather, a new set of generating institutions and relationships which create their own momentum is envisioned. The institution will have the capacity to change and become more effective with changing circumstances.

The Role of Private Enterprise

It is obvious that neither the national corporation nor local urban development corporations can be effective without the active involvement and support of private enterprise.

Aside from the generalized benefits inherent in the elimination of slums, there are more direct profit opportunities. These include new areas for financial investment, new markets for components and materials, and a more modernized and more profitable construction industry.

The key is always economy of scale, effective management, and minimization of risks through Federal, state and municipal support:

1. Long-Term Investment

The mortgage instrument will continue to serve as a major resource for long-term investment. FHA-FNMA special assistance funds, rent supplements and urban renewal aids will play a major role. However, the corporation and its local counterparts can serve as magnets to attract other capital resources which have not hitherto been available to deprived areas. These might include:

* loans by industrial groups at low interest rates in exchange for franchises for the sale of services (gas stations, retail outlets, etc.) and materials (prefabricated kitchen and bathroom units, wall board systems, etc.).
* lease-backs of developments to local non-profit groups or public housing agencies with depreciation and residual values retained by the investor-lessor.

* lease-backs of land by municipalities, institutions and other organizations where the land is in the path of long-term development.
* Turnkey development of multi-purpose structures and communities.

These and other investment devices have long been employed in "downtown" areas. The national corporation will seek to develop settings in which they can be equally useful in the rehabilitation and rebuilding of slum neighborhoods.

2. Materials and Components Suppliers

As previously noted, the national corporation will have the technical capacity to develop national performance criteria, based upon user standards developed by the local groups. The national corporation can bring local development corporations together in common markets. This massive purchasing power can trigger research and development of less expensive and higher quality building components by traditional building suppliers. It can also create opportunities for transfer of materials and systems developed by defense, aero space and related industries.

3. Modernization and Expansion of the Construction Industry

The general contracting system has changed its methods little since the advent of the 20th Century. Characterized by small and discontinuous operations, it is unstable and has a high rate of business failure.

Economy of scale, a continuous flow of capital investment, and training in the use of modern work technology will create incentives for modernization of bidding, scheduling, and construction practices. This should produce an expanded construction industry with new and profitable opportunities for locally based contractors.

A modernized industry with continuous, systematized production flow can in turn provide employment and income security which is the basic incentive for increased productivity and opening of union ranks to minority workers.

Relationship with HUD and Other Federal Agencies

The national corporation, working closely with HUD and other Federal agencies, can enhance HUD operations. It would

* assist in streamlining mortgage processing and procedures,
* negotiate for bulk mortgage insurance and provide for certification of many steps which currently require minute and detailed review and inspection by FHA and other HUD personnel. Reservations of bulk mortgage credit will, of course, be subject to HUD annual review, audit, and inspection. Precedents for this already exist in New York, Chicago, and Philadelphia.
* support and parallel the Model Cities program. The additional increment will be the rapid and less expensive rebuilding of the physical components which undergird the social goals of the Model Cities program.
* provide an institutional vehicle for demonstrations in higher level systems analysis and development. Illustratively, one project of the national corporation migh include studies of local constraints--legal, institutional, and

technological--which prevent the construction of entire multi-purpose communities on a coordinated and perhaps turnkey basis. In other situations, such as metropolitan Detroit, the national corporation might bring its skills to bear on the planning and development of overall metropolitan systems or sub-systems.

The corporation will also be able to work closely with the Labor Department, OEO, DOT, HEW, and other Federal agencies in developing training programs for labor and management activities.

Relationships with Cities and Local Groups

The national corporation will train local development corporations to

* work with municipalities to plan and coordinate the development of housing and other facilities necessary for total neighborhood revitalization.
* encourage and assist in the formation of locally based non-profit and limited distribution organizations to acquire newly rehabilitated or new multi-family projects and, where appropriate, assist in the development of home ownership plans.
* involve the residents of the neighborhood in the planning of the rehabilitation program, the development of job opportunities related to reconstruction and the organization of

indigenous profit groups to service and manage the housing and related commercial facilities.

This proposal is in the great American tradition. Just as TVA was the innovation of the 1930's and NASA opened up the space age to us in the 50's, we must now create the new institutions which can successfully join public and private efforts in the rebuilding of our communities in this decade.

I urge this proposal be given the most earnest consideration.

Walter P. Reuther

May 8, 1967

THE WHITE HOUSE

WASHINGTON

June 10, 1967

Dear Friend:

I am grateful that you shared your thoughts and feelings with me during the difficult and anxious days of the crisis in the Middle East.

We worked hard to bring about a cease-fire.

We shall work with all our capacity to try to bring lasting peace to the area.

I enclose copies of my statement of May 23 and my letter to Senator Mansfield of June 8 so that you will know the policy of your President and your government during the crisis and in the days ahead.

Your understanding and support will be appreciated.

Sincerely,

Lyndon B. Johnson

. . . . Same wire sent to Dean Rusk and Arthur Goldberg as well as to all members of the Senate and House Foreign Relations Committees.

June 1, 1967

President Lyndon B. Johnson
The White House
Washington, D. C.

The Honorable Dean Rusk
Secretary of State
U. S. Department of State
Washington, D. C.

The Honorable Arthur Goldberg
United Nations
~~Washington, D. C.~~ New York, New York

The crisis in the Middle East not only threatens the peace of that region but endangers world peace as ~~with~~ well. The UAW therefore welcomes and supports ~~President Johnson's~~ YOUR prompt reaffirmation of the long-standing and firm American commitment, in ~~the President's~~ YOUR words, "to the support of the political independence and territorial integrity of all the nations of the area."

We also support American efforts to obtain agreement in the Security Council of the United Nations & on a breathing spell in which tensions may subside and time may be gained to work out solutions of the conflict. We commend the American offer to work directly with the Soviet Union, Britain

and France, in or out of the United Nations, to keep the peace in the area.

Prompt and peaceful resolution of the conflict between Israel and the Arab states involves recognition of the fact that the Egyptian blockade of the Gulf of Aqaba is more than a threat to the economic lifeline of Israel; it is an aggression committed against the interests of all maritime nations.

It is therefore a matter of urgent concern that all nations endorse the position expressed in ~~these words of President Johnson~~ YOUR WORDS:

> "...The United States considers the gulf to be an international waterway and feels that a blockade of Israeli shipping is illegal and potentially disastrous to the cause of peace. The right of free, innocent passage of the international waterway is a vital interest of the international community.

The peoples of the Middle East have been contending and still must contend with grave problems of economic and social underdevelopment. Their prospects for a better life will not be served by political instability and military adventures. A "holy war" by the Arab states against the people of Israel will, in fact, further disrupt their societies and set back their economic development by many years.

All of the peoples of the region, Israelis and Arabs alike, have a common interest in the prompt and peaceful resolution of the current crisis and need a sustained period of calm, in which their governments can give their undivided attention to the promotion of economic growth and higher standards of living.

Walter P. Reuther, President
Emil Mazey, Secretary-Treasurer
Leonard Woodcock, Vice President
Pat Greathouse, Vice President
INTERNATIONAL UNION, UAW

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90th CONGRESS, 1st SESSION

Beginning 10 January 1967

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90th CONGRESS, 1st SESSION
Beginning 10 January 1967

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THE WHITE HOUSE

WASHINGTON

June 8, 1967

Dear Mike:

I am delighted to respond to your note with a brief statement on the current situation as we see it. I entirely share your view that it is good for the President and the Senate to be in close touch on this matter.

Our most urgent present concern is to find a way to bring the fighting in the Middle East to an end. We are deeply concerned that there has not yet been an effective response to the two unanimous votes by which the U N Security Council has called for a cease-fire. While the representative of Israel agreed to comply if other parties also agreed, only Jordan, among the Arab States, has agreed to the cease-fire.

Ambassador Goldberg, on my instructions, has requested the immediate convening of another Security Council session, to deal with the current situation, and we have presented a Resolution whose text I attach.

The fighting has already brought the suffering and pain that comes with all such conflict. These losses have included the lives of Americans engaged in the work of peaceful communication on the high seas. On this matter we have found it necessary to make a prompt and firm protest to the Israel Government which, to its credit, had already acknowledged its responsibility and had apologized. This tragic episode will underline for all Americans the correctness of our own urgent concern that the fighting should stop at once.

So we continue to believe that a cease-fire is the urgent first step required to bring about peace in that troubled part of the world. At the same time we know, of course, that a cease-fire will be only a beginning and that many more fundamental questions must be tackled promptly if the area is to enjoy genuine stability. Our new Resolution begins to deal with some of these questions.

Let me emphasize that the U.S. continues to be guided by the same basic policies which have been followed by this Administration and three previous Administrations. These policies have always included a consistent effort on our part to maintain good relations with all the peoples of the area in spite of the difficulties caused by some of their leaders. This remains our policy despite the unhappy rupture of relations which has been declared by several Arab states.

We hope that the individual states in the Middle East will now find new ways to work out their differences with each other by the means of peace, and in accordance with the Charter of the United Nations. We look beyond the current conflict to a new era of greater stability which will permit all the peoples of the area to enjoy the fruits of lasting peace. Our full efforts will be directed to this end.

Sincerely,
Lyndon B. Johnson

The Honorable Mike Mansfield
United States Senate
Washington, D.C.

P.S. While this letter was in the typewriter I learned of the announcement, in the proceedings of the Security Council, that the United Arab Republic accepts the cease-fire resolutions subject only to acceptance by Israel. Thus we seem at the edge of progress in the directions this letter indicates. You can be sure that this Government will continue its work for peace, especially in the Security Council where Ambassador Goldberg has done such brilliant and productive work in the last days.

Statement by the President

In recent days, tension has again arisen along the armistice lines between Israel and the Arab States. The situation there is a matter of grave concern to the whole international community. We earnestly support all efforts, in and outside the United Nations and through its appropriate organs, including the Secretary General, to reduce tensions and to restore stability. The Secretary General has gone to the Near East on his mission of peace with the hopes and prayers of men of good will everywhere.

The Near East links three continents. The birthplace of civilization and of three of the world's great religions, it is the home of some sixty million people; and the crossroads between East and West.

The world community has a vital interest in peace and stability in the Near East, one that has been expressed primarily through continuing United Nations action and assistance over the past twenty years.

The United States, as a member of the United Nations, and as a nation dedicated to a world order based on law and mutual respect, has actively supported efforts to maintain peace in the Near East.

The danger, and it is a grave danger, lies in some miscalculation arising from a misunderstanding of the intentions and actions of others.

The government of the United States is deeply concerned, in particular, with three potentially explosive aspects of the present confrontation.

First, we regret that the General Armistice Agreements have failed to prevent warlike acts from the territory of one against another government, or against civilians, or territory, under control of another government.

Second, we are dismayed at the hurried withdrawal of the United Nations Emergency Force from Gaza and Sinai after more than ten years of steadfast and effective service in keeping the peace, without action by either the General Assembly or the Security Council. We continue to regard the presence of the United Nations in the area as a matter of fundamental importance and shall support its continuance with all possible vigor.

Third, we deplore the recent build-up of military forces and believe it a matter of urgent importance to reduce troop concentrations. The status of sensitive areas, as the Secretary General emphasized in his report to the Security Council, such as the Gaza strip and the Gulf of Aqaba, is a particularly important aspect of the situation.

In this connection, I want to add that the purported closing of the Gulf of Aqaba to Israeli shipping has brought a new and grave dimension to the crisis. The United States considers the gulf to be an international waterway and feels that a blockade of Israeli shipping is illegal and potentially disastrous to the cause of peace. The right of free, innocent passage of the international waterway is a vital interest of the international community.

The government of the United States is seeking clarification on this point. We have urged Secretary General Thant to recognize the sensitivity of the Aqaba question and to give it the highest priority in his discussions in Cairo.

To the leaders of all the nations of the Near East, I wish to say what three Presidents have said before—that the United States is firmly committed to the support of the political independence and territorial integrity of all the nations of the area. The United States strongly opposes aggression by anyone in the area, in any form, overt or clandestine. This has been the policy of the United States led by four Presidents—President Truman, President Eisenhower, President Kennedy, and myself—as well as the policy of both of our political parties. The record of the actions of the United States over the past twenty years, within and outside the United Nations, is very clear on this point.

The United States has consistently sought to have good relations with all the states of the Near East. Regrettably this has not always been possible, but we are convinced that our differences with individual states of the area and their differences with each other must be worked out peacefully and in accordance with accepted international practice.

We have always opposed—and we oppose in other parts of the world at this moment—the efforts of other nations to resolve their problems with their neighbors by aggression. We shall continue to do so. And we appeal to all other peace-loving nations to do likewise.

We call upon all concerned to observe in a spirit of restraint their solemn responsibilities under the Charter of the United Nations and the General Armistice agreements. These provide an honorable means of preventing hostilities until, through the efforts of the international community, a peace with justice and honor can be achieved.

I have been in close contact and will in the days ahead with Ambassador Goldberg at the United Nations, where we are pursuing the matter with great vigor, and hope the Security Council can act effectively.

The White House
May 23, 1967

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA

NEWS from UAW

8000 East Jefferson Avenue, Detroit, Michigan 48214 Public Relations Department, Joseph Walsh, Director Telephone, Area Code 313, 926-5291

For Release:

Immediate--Friday, June 16, 1967

UAW EXECUTIVE BOARD URGES DIRECT

NEGOTIATION BY MID-EAST NATIONS;

ASKS UN ECONOMIC DRIVE TO AID REGION

(The following statement was adopted unanimously by the UAW International Executive Board at its quarterly meeting in Toronto, Ontario on June 16, 1967 and is being released simultaneously in Detroit and Washington.)

"In the tragic area of the Middle East, the guns are now silenced and a precarious cease fire is in effect. If hostilities are not to recur, there must be a frank facing up to the underlying and unresolved problems and of the hard realities which now exist in the region, and a concerted and determined effort must be made to find a peaceful solution to these problems.

"While the major responsibility for dealing with these issues rests with the Arab states and with Israel, the world powers and other nations have an obligation to help create a climate of trust and cooperation in the region, without which there can be no substantial progress toward a lasting peace.

"For many years there has been a drumbeat by certain Arab leaders and nations inflaming passions by a call for a 'holy war to annihilate Israel and the Jews.' For 20 years the blind hatred and irrational passion of certain Arab leaders have inflamed relations in the Middle East. These leaders have refused to recognize the existence of Israel and its right to live as a sovereign and independent nation and as a member of the community of nations. Instead of accepting Israel in a spirit of cooperation and coexistence, these Arab leaders have continued their propaganda of a holy war directed at the destruction of the State of Israel. The present crisis in the Middle East is the product of this

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reckless and indefensible attitude and triggered the unprovoked action demanded by the United Arab Republic for the withdrawal of U.N. forces from the Gaza strip and the Straits of Tiran and the closing of the Gulf of Aqaba to Israeli ships.

"These actions followed by the full mobilization of Arab military forces surrounding the border of Israel and the open threats by Arab leaders to wage a holy war of annihilation against Israel and its people constituted, by any rational standard, an act of aggression against the State of Israel.

"It certainly does not serve the cause of peace or coexistence for leaders of the Soviet Union and the Arab nations to further inflame these passions by making deliberately wild and malicious charges which seek to equate Israel's defense against these calculated efforts to annihilate her with the brutal military aggression of the Hitler regime. What is needed is reason, not recrimination.

"As is always the case in war, it has many innocent victims. Thousands of civilians have been injured and many more have been up-rooted from their homes and swell the already large numbers of displaced refugees. It is of the highest priority that the United Nations, through its appropriate agency and backed by full support of the UN members, move with all speed and compassion to provide adequate emergency care for the injured and aid the homeless. In addition, the UN should call upon Israel and each of her Arab neighbors to enter into direct negotiations in an effort to settle not only the basic issues in conflict but also to find a just, equitable and compassionate resettlement of the thousands of refugees.

"There can be no basis for peace between Israel and the Arab nations without a firm and open acceptance by all of the right of each nation and its people to exist. Basic to this fundamental and elemental principle is the right of each nation to free and innocent access to and passage through international waterways essential to world commerce and national survival. This specifically includes access and passage through the Suez Canal and the Gulf of Aqaba.

"The right of a people not to be strangulated is not a negotiable matter. It must be an uncontested right underscored and guaranteed by the community of world nations.

"The world anxiously awaits an extension of the current precarious cease fire into a negotiated and durable peace treaty among the nations of the Middle East. If this hope is to be achieved, it must be anchored in agreements directly entered into through voluntary negotiations between Israel and each of her Arab neighbors. Tempting as it may be to certain world powers, history, none-the-less, tragically reveals that the terms of a just and lasting peace cannot be imposed from without.

"It is also equally clear that a return to past formulas on the terms of the 1949 or 1956 settlements which have demonstrated their own weakness and unworkability and finally ended in hostilities is not the answer. Such difficult issues which involve questions of national security, boundaries and borders, resettlement of refugees and other matters can best be settled through direct negotiations. In such direct confrontation there can evolve a realization that each has more in common than in conflict.

- more -

"To achieve this will require a turn away from an ever escalating and devastating arms race, which has been encouraged by the major powers, and a turn toward a common effort to develop the vast economic and social resources of the entire region and its people. The desert thirsts for water which can make it bloom. Parched and rocky hillsides can become lush with orchards and vineyards. Disease and illiteracy, which have been the historic legacy of vast areas of the Middle East, can be eliminated. It is toward these tasks of economic development and a common effort to raise living standards that each nation in the region should devote its energies and resources.

"The war has disrupted and seriously threatens the economies of many of the countries of the Middle East. If chaos and political instability are to be avoided, substantial external economic assistance must be mobilized and diverted to the region. The United Nations, rather than become embroiled in fruitless recriminations which can only further inflame passions in the area and further divide people and nations, should concentrate its energies and efforts on the creation of a special UN Economic and Social Development Authority for the Middle East to spearhead the urgent tasks confronting the people of the entire region. Such rewarding peaceful efforts should command the generous and whole-hearted support of all nations.

"The need is for a sustained period of calm and serious and direct negotiations pointed toward a settlement of major issues and regional economic cooperation to stimulate growth and a drive toward improved health, education and higher living standards.

"This region, which has contributed so much to the cultural heritage of civilized man, can and must find its way to contribute equally to man's search for peace and justice."

# # # #

opeiu42:erg

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL
CHAIRMAN OF THE BOARD

R. W. McFALL
PRESIDENT

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

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=WALTER REUTHER, CARE THEODORE C REUTHER , REPORT DLY=

FLORAL AVE WHEELING WVIR=

THE NEWS OF YOUR FATHER'S GRAVE ILLNESS IS VERY SAD. MY PRAYERS ARE WITH YOU BOTH AND YOU CAN CALL ON ME FOR ANY ASSISTANCE. I KNOW HOW MUCH YOUR FATHER WILL BE COMFORTED BY YOUR PRESENCE. HIS PRIDE IN YOU IS CONFIRMED AGAIN BY RECENT COURAGEOUS AND EFFECTIVE EFFORTS ON YOUR COUNTRY'S BEHALF. SECRETARY WIRTZ SHARES MY GREAT HOPE THAT YOU WILL BE ABLE TO SEE IT THROUGH DESPITE THIS FAMILY TRAGEDY.

YOU HAVE ALL OUR SYMPATHY AND ENCOURAGEMENT, AS DOES YOUR DEAR MOTHER WHOM I KNOW WILL FIND YOU A TOWER OF STRENGTH AT THIS TIME=

LYNDON B JOHNSON=

July 3, 1967

Dear Mr. President:

I am pleased to report "mission accomplished" in Avco. The new contract was ratified yesterday by an overwhelming vote of the UAW membership in both Avco bargaining units, and continued uninterrupted production of helicopter engines is assured. Both Secretary Wirtz and Jim Reynolds were most helpful in my efforts to secure a just and equitable settlement of the issues in dispute.

Your warm and sympathetic message did much to lift and strengthen my spirit, for my heart was heavy with sadness over my Father's critical illness and my body was weary from the long all-night bargaining session.

My Mother joins with me and the other members of my family in expressing our most sincere appreciation for your concern and sympathy and for your kindness in sending the lovely flowers to my Father. My Father remains in critical condition and the doctor advises that he is being sustained essentially by his indomitable will.

It is good to be on your team, and I was pleased to be able personally to follow through in the Avco negotiations because I knew of your deep personal concern and the need of our country and our fighting men in Vietnam depended upon uninterrupted production at the Avco plants.

Warmest personal regards.

With grateful appreciation for your kindness,

Sincerely,

WPR:ob
opeiu 32

President Lyndon B. Johnson
The White House
Washington, D. C.

STRAIGHT WIRE July 28, 1967

President Lyndon B. Johnson
The White House
Washington, D. C.

My warmest congratulations. I am confident American people will answer your call to join through constructive action to remove the basic causes of unrest.

Men and women of good will of all races, all creeds and political persuasion must respond to the crises in our cities by working together to weave more strongly the fabric of our nation's unity and by committing themselves and their resources in a measure equal to the dimensions of the problems we face. The response on the part of the people in the greater metropolitan area, of all races, creeds and economic groups, in the current crisis is overwhelming and most encouraging. The labor movement in the Detroit area is pledged to mobilize a voluntary emergency task force to clear the devastated areas as the first step toward reconstruction. We are determined to move with all speed to remove the ugly

visible scars in our city so that the invisible scars in men's hearts may heal more easily.

Every community must marshal its full resources in both the public and private sector to provide jobs, housing and education for all of the people. This local effort, as you have consistently pointed out, must be supplemented by federal action and resources through appropriate legislation, as you have recommended. I am currently working to help mobilize the broadest possible support behind your legislative program so that we can move America forward to achieve the goals you have set and to bring to practical fulfillment the bright promise that the future holds.

At a meeting yesterday of the broadly based Detroit Citizens Committee for Equal Opportunity, unanimous action was taken to help mobilize the broadest support behind your legislative program. I am currently working with Joe Barr and the committee of the National Conference of Mayors to mobilize the broadest national support in an effort to give Congress a greater

sense of urgency and realism so that your legislative program can be enacted and adequate resources appropriated to insure effective implementation.

Today at a committee meeting, the Detroit Metropolitan Citizens Development Authority, which was organized to implement the Model Cities program in the six-county metropolitan Detroit area and of which I am privileged to serve as Chairman of the Board, took action to move forward to provide housing for low income families in the inner city.

Be assured of my fullest cooperation.

Kindest personal regards.

Walter P. Reuther

Charge to:

International Union, UAW
8000 East Jefferson Avenue
Detroit, Michigan 48214
926-5201

THE WHITE HOUSE

WASHINGTON

July 29, 1967

Dear Walter:

Riots and disorder have brought violence and agony to the streets of America and to the hearts of its people.

For all our citizens, but particularly for those in public responsibility, this National tragedy poses grave obligations.

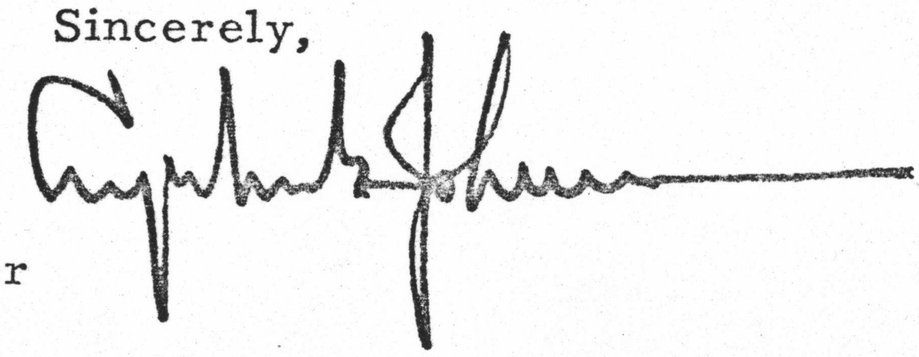
-- Above all, lawless disorder must be halted quickly and effectively, whenever and wherever it occurs. Local initiative and local action must form the first thrust of this effort. But when local resources are inadequate to the challenge, Federal power will back up local forces to the limit the law permits.

-- We must work and pray for harmony between the races, and prevent the destructive acts of a criminal few from prejudicing the great law-abiding majority of Negro citizens, who deplore the havoc and suffer its torment the most.

-- All levels and branches of Government must now press, with new resolve, the Nation's peaceful attack on the conditions which breed despair and violence.

My convictions on this urgent problem are set forth in my address to the Nation on July 27, 1967. I am enclosing a copy of that address, with the firm belief that working together in partnership and understanding we can see America safely through this troubled day -- to the better days that wait ahead.

Sincerely,



Honorable Walter P. Reuther
President
International Union, UAW, AFL-CIO
800 East Jefferson Avenue
Detroit, Michigan 48214

WPR NOTE

On Friday, July 21, 1967, Jim Reynolds phoned WPR and advised that the President had asked him to contact several key people and to get their reactions with respect to a tax increase.

WPR advised Jim Reynolds we had very serious reservations concerning the advisability of a tax increase at this time; we felt that while the general economic situation had improved, we were still not out of the woods and that a premature tax increase might possibly tend to compound negative economic factors and retard further recovery.

Reynolds said he would relay this to the President

On Saturday, July 22, 1967, at 2:00 p.m., Gardner Ackley, Chairman of the President's Council of Economic Advisers, phoned WPR at home and advised him that the President had asked him to call about the tax question based upon the report that Jim Reynolds had given the President.

WPR reviewed his position with Gardner Ackley and stated that his position had not changed from the one that he had given to the President at the time he met with the President in Austin, Texas in December of last year. Ackley indicated that they had some of the same concerns that WPR had but said that the President felt that he had to get tax authorization out of this Congress because it would be impossible in 1968.

Gardner Ackley said that the President was going to aim at an October date but would settle for a January 1st date. WPR told him that a January 1st date for a tax increase would obviously be less risky and Ackley said that he would therefore advise the President accordingly.

WPR:ob
opeiu 42
July 31, 1967

WPR NOTE

On Monday, July 24, 1967, Mayor Cavanagh phoned WPR in the late afternoon and asked if WPR would call the President and urge that federal troops be sent into Detroit since Mr. Cyrus Vance, the President's personal representative, did not feel the situation at that time justified the commitment of federal troops.

WPR advised Mayor Cavanagh that he was not in a position to make a judgment of the Detroit situation since his only knowledge was from the press and television, while Mr. Vance had direct knowledge since he was working directly with law enforcement agencies.

At 10:00 p.m. that evening, Mayor Cavanagh spoke to WPR again and it appeared that at that time Governor Romney was vacillanting with respect to the commitment of federal troops. WPR requested Mayor Cavanagh to give him specific facts concerning the situation in Detroit at that hour and based upon this information, WPR did agree to phone the President.

WPR spoke to the President at approximately 10:30 p.m. on the evening of July 24, 1967 and the President indicated that the Governor was vacillating and that he could not in good conscience send in federal troops under these circumstances. WPR advised the President that in his judgment federal troops would need to be committed and that the real question was when they would be committed. WPR indicated that

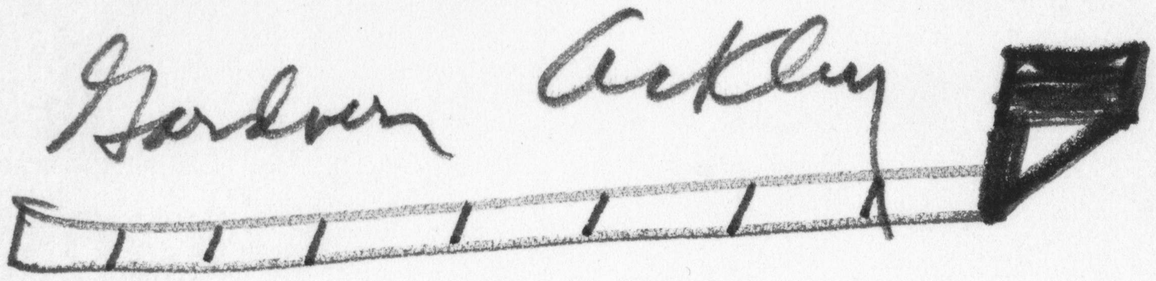
in his judgment the longer he delayed commitment of federal troops the more serious the situation would become and therefore the more difficult it would be to reestablish law and order.

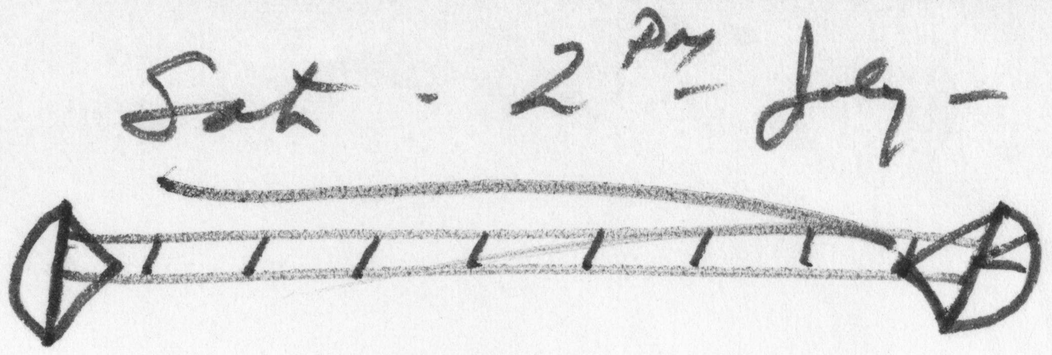
The President agreed to commit the troops and shortly thereafter Mayor Cavanagh called WPR again to tell him things were moving.

On Tuesday morning, July 25, 1967, the President phoned WPR to thank him for having called him. He gave WPR a report which he had just received from the commanding officers in Detroit and indicated that there was the finest cooperation possible between the Police Department, National Guard and federal troops. The President then told WPR off-the-record that Abe Fortas was with him the night before and that he had urged great caution in moving in federal troops. The President then said that some of the very people who had criticized him for killing innocent women and children in Vietnam were just waiting to make the same charge in Detroit. He indicated that he had instructed the federal troops to advise the people on the streets in Detroit that they were the same troops sent to Little Rock to defend the rights of Negroes to attend school and who had defended James Meredith at the University of Mississippi.

The President then discussed with WPR at some length the legislative program, including safety in the streets, anti-poverty, rent supplement, anti-rat bills and many other items which he said the Republicans and Southern Democrats had blocked in Congress or had watered down and denied adequate appropriation.

WPR:ob
opeiu 42
July 31, 1967





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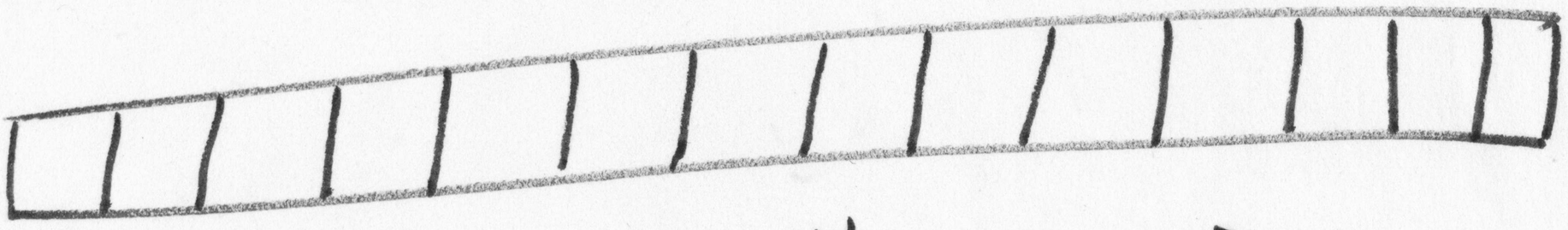
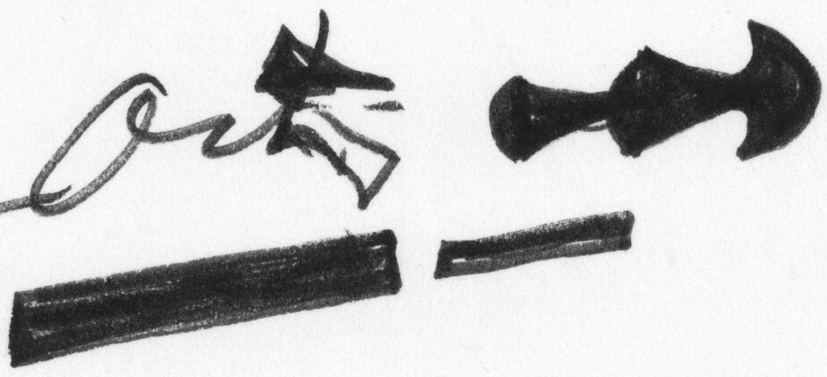




Kim Ryder

had replied to my ad

Tuesday - Jan 1st 68

U.S. Pres.
President Johnson

August 22, 1967

Dear Mr. President:

As you may recall, I wrote to you on February 11, 1966, regarding the UAW's interest in the establishment of a Redwood National Park of some 90,000 acres in the Redwood Creek area. In that letter I indicated that our position was established after considerable study of the various proposals advanced for a Redwood National Park.

We have continued to study and evaluate the various proposals advanced since we established our original position. All of the ingredients necessary for a true and fitting Redwood National Park -- a large and significant stand of superior virgin redwoods, ecological conditions most advantageous to redwood preservation, outstanding panoramic views, a long ocean-front beach, wildlife concentrations of major size, as well as a number of wilderness watersheds -- are still the main attributes of the 90,000 acre site. The overwhelming majority of individuals and organizations who have expressed interest in a Redwood National Park have supported the Redwood Creek site.

I am well aware that you and your administration have been the staunchest advocates of the need for the establishment of a Redwood National Park. Aside from the lumber industry, there appears to be practically unanimous support for the Park. The matter of site selection, size and cost have been the major points of difference between the Redwood National Park proponents. It is a source of personal disappointment that the Department of the Interior recommended the Mill Creek site for the Redwood National Park in spite of all the attributes of the Redwood Creek area. I am still hopeful that a careful review of the entire situation will persuade the Department of the Interior to support the Redwood Creek site.

When all the arguments are given for the various Redwood National Park proposals, one question still remains. Can the richest nation on the face of the earth afford to create a Redwood National Park deserving of the hopes and aspirations of a society which has at its core a set of values truly worthy of the name -- a Great Society? The UAW feels that the answer is yes and that the Redwood Creek site is the only proposal which meets this criteria.

The Redwood Creek site is truly deserving of your support and leadership, and I do hope that you will use your personal influence to ensure the creation of a Redwood National Park worthy of the highest ideals of all Americans for generations to come.

Warmest personal regards.

Sincerely,

WPR:ob
opeiu 42

President Lyndon B. Johnson
The White House
Washington, D. C.

THE WHITE HOUSE

WASHINGTON

October 11, 1967

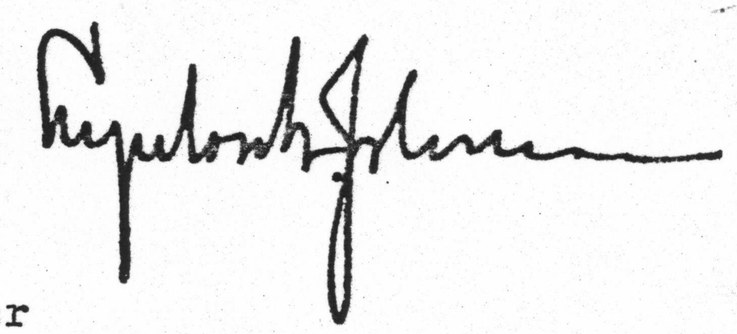
Dear Walter:

I have been advised that it is the view of the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration that the state of construction activities at the Nation's missile and space sites no longer requires the continued operation of the Missile Sites Labor Commission. I have accordingly transferred the responsibilities of the Missile Sites Labor Commission to the Federal Mediation and Conciliation Service.

I would like to use this occasion to express my gratitude for your service in connection with the activities of the Missile Sites Labor Commission. The success of the Commission -- and the role which it has played in the advancement of our missile and space programs -- can be attributed in no small measure to the selfless contribution made by you and your colleagues.

I thank you on behalf of your fellow countrymen.

Sincerely,



Mr. Walter P. Reuther
President
United Auto Workers
AFL-CIO
815 16th Street, NW.
Washington, D. C.

November 2, 1967

Dear Mr. President:

The agenda of the current session of the UN General Assembly is heavy with items dealing with long-standing disputes, troubled spots and peacekeeping activities, colonialism, etc. One item of a constructive and affirmative character which has the potentiality of raising the UN Assembly to a sense of historic purpose and renewed commitment to the broader aspirations of the human community is that item which relates to the future uses of the resources of the sea.

As you know, Mr. President, the delegate from Malta has placed this item of the sea and its resources on the agenda for consideration by the UN General Assembly at this session.

On July 13, 1966, Mr. President, you spoke prophetically about the opportunity and the challenge that the unlimited resources of the sea offers mankind if a rational and responsible approach is taken by the world community.

In your memorable speech you correctly pointed out that under no circumstances must we permit a new form of colonial competition among the maritime nations; we must be careful to avoid a race to grab the lands under the sea; and we must insure that the deep sea and the ocean bottom remain the legacy of all human beings. Speaking about the living things of the sea, you said that whereas throughout history we have been hunters of the sea, now we must learn to farm the sea.

As the United Nations consider this critical item, I urge you to again make your voice known with the clarity and compassion that has characterized your leadership on the great issues that effect the welfare and well-being of the human family.

I understand that this item on the agenda may be reached the last of this week or the first of next week. Presumably the United States Representative will speak shortly after Ambassador Pardo of Malta delivers the opening address.

The reaction of the General Assembly will understandably be mixed. There will be support of the liberal position; there will be some opposition; some delegates will not speak because their governments have not thought through the problem. If the General Assembly should adopt a mild resolution calling for unhurried study, it will have missed the urgency of your address. By the time the committee finished its report, the bed of the sea could be so marked up by colonial and power struggle claims that a decent world order as you contemplate would be impossible.

On the other hand, the Assembly could adopt some bold principles such as you proclaimed on July 13th, including the fact that the bed of the sea was not subject to appropriation by any state and that its resources must be so administered as a common heritage of mankind. A committee could then work out a regime under the authority of the United Nations to incorporate these principles.

The important thing is that the Assembly get off to a courageous start. This will be determined by the vigor and leadership of the United States. The representative of Malta has performed an important service but he is the representative of a small non-maritime power.

The point could very well be made that the capacity which nations such as the United States have to explore and develop the sea's resources can be protected by a rational order for the sea, whereas a power struggle or colonial race would be inimical to the interests of the maritime powers as well as the underprivileged peoples.

On October 10th you signed the outer space treaty. The sea, which is of much more practical use to the world, must likewise be brought under world law and order. I know that you look forward to an early signing of a treaty to this effect which would incorporate the principles and purposes which you have expressed with such clarity and conviction.

Mr. President, I urge your vigorous leadership in this critical matter so that this historic opportunity can be translated into practical fulfillment and insure that the vast resources of the sea, which are the heritage of all mankind, may be used to strengthen the efforts to build a rational and responsible world community in which peace, freedom, social justice and human fulfillment can be the blessings of all mankind.

I send my warmest best wishes.

Respectfully,

WPR:ob
opeiu 42

President Lyndon B. Johnson
The White House
Washington, D. C.

THE WHITE HOUSE

WASHINGTON

November 6, 1967

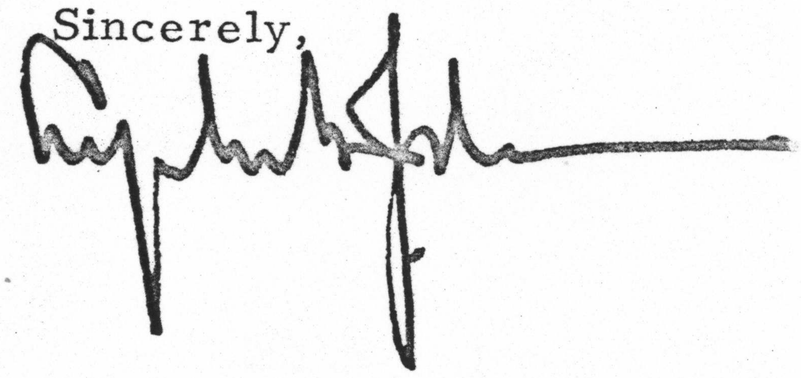
Dear Walter:

Thank you for your helpful letter regarding the General Assembly debate on a regime for the bed of the sea.

I share your view of the historic opportunity we have to assure that the resources of the sea will in a practical way become the heritage of all mankind. I think that the statements to be made shortly by Arthur Goldberg, when debate on the Malta resolution is resumed, will prove this Government supports the principles first declared last July at the dedication of the Oceanographer and to which you so kindly refer.

We may not yet know enough about the sea and its mysteries to plan in detail a complete system of international law and administration; but by rallying the United Nations to certain essential basic principles, we can lay the basis on which international law and administration can be developed in the future.

Sincerely,



Mr. Walter Reuther
President
United Auto Workers
8000 East Jefferson Avenue
Detroit, Michigan 48214

CABLE: "UAW DETROIT"

Solidarity House

8000 EAST JEFFERSON AVE.
DETROIT, MICHIGAN 48214
PHONE 926-5000

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA-UAW

WALTER P. REUTHER.....PRESIDENT
LEONARD WOODCOCK..VICE-PRESIDENT
EMIL MAZEY .....SECRETARY-TREASURER
PAT GREATHOUSE.....VICE-PRESIDENT

December 15, 1967

The President,
The White House,
Washington 25, D. C.

Dear President Johnson:

In behalf of the members of the UAW I am writing to urge you to veto HR 12080, the Social Security Amendments of 1967, and to request the Congress to pass a new bill which would provide more adequate benefits and eliminate the punitive and regressive welfare amendments which are part of the measure now on your desk.

I make this recommendation only after careful consideration of its implications. I recognize as I know you do, the critical need to improve the cash benefits for the elderly, the disabled and the others who are almost wholly dependent upon Social Security payments for their existence. The adoption of this bill, however, will not meet their needs in a significant way. It will prove to be a cruel disappointment, for our senior citizens will not receive the increases they need and deserve.

Raising the minimum benefit from $44 to $55 and providing for a 13% across-the-board increase in benefits falls substantially short of your own recommendations to the Congress and objective estimates of what is really required to bring the elderly poor to a minimum decent level of existence, as I have outlined in testimony to both the House and the Senate.

In terms of purchasing power -- what our aged citizens can buy with their 1968 dollars -- the cash benefits provided by the bill on your desk represent a 4% increase compared with 1954 benefits.

When one considers the fact that nearly two-thirds of single people past 65 and a third of those living in family units are classed as "poor or near poor", a 4% increase will obviously be nothing more than tokenism.

The decision of the House-Senate conferees to reject the Senate passed proposal and instead to raise the Social Security contributions base to only $7800 continues the regressive nature of Social Security taxes.

PRINTED IN USA

Those who can least afford to, workers with low incomes, will be paying proportionately more of their wages in Social Security taxes than the middle and upper income groups who are far more able to pay the increases.

Mr. President, this bill is an important test of the firmness of this nation's determination to stamp out poverty in America. You have forcefully and properly expressed the country's concern over the growing alienation of millions of the poor in the ghettos and slums in America. Those who are close to the problems, mayors of our major cities, representatives of the poor, social scientists and social welfare experts have testified that the welfare provisions of this bill are likely to add to the alienation and resentment of those whom this bill aims to help.

To cite only two of a number of the welfare provisions which are repugnant to those who wish to help and not punish the poor:

1. Imposing a freeze on Federal matching funds for aid to families with dependent children so that the proportion of children in each state cannot exceed that of January 1, 1968 defies rational analysis. Certainly no serious claim can be made that such a proposal will reduce illegitimacy or poverty. Rather it appears to be aimed at saving Federal funds by punishing the unfortunate children or passing on new welfare payment burdens to the states and counties, which in many instances they cannot or will not assume.

2. Requiring that mothers of children in AFDC programs, as a condition of continuing to receive relief, be required to go to work or take training for work is a negative and self-defeating device. Denying these mothers the right to free choice as to whether or not they shall be separated from their children can only further underline the growing belief held by many of the poor that they are in fact second class citizens. The proposal turns its back on a much older and more fundamental law -- that children particularly those without fathers, need the care of a mother and home-maker if they are to grow into decent and constructive citizens. The discretionary provisions in this measure will not be meaningful, for those states where welfare standards are lowest, and administration harshest, are least likely to grant the exceptions the measure permits.

Mr. President, I am keenly aware of the serious implications of a veto. This however is a bad bill. It cannot be defended on either economic or moral grounds. Certainly none of us wishes to see the elderly deprived of added cash income. A veto need not deprive them of new benefits. On the contrary, it would be an act of courage and of faith that the Congress would and could promptly enact a new measure with more adequate benefits and without the provisions which will punish and further alienate the poor of our country.

With all good wishes,

Sincerely,

Walter P. Reuther

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Walter P. Reuther, President,
INTERNATIONAL UNION UAW.

THE WHITE HOUSE

WASHINGTON

7

May 27, 1967

Dear Mr. Reuther:

Because of your interest in the political process, the President wanted you to have a copy of his recent message to Congress on this subject.

We would like to get the benefit of your reaction, thoughts and experience on these proposals.

Sincerely,

Joseph A. Califano, Jr.
Special Assistant to the President

Mr. Walter P. Reuther
United Auto Workers
8000 East Jefferson Avenue
Detroit, Michigan 48214

Enclosure

MAY 29 1967

MAY 29 1967

90th Congress, 1st Session - - - - - House Document No. 129

PUBLIC PARTICIPATION IN THE PROCESSES OF GOVERNMENT

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

RELATIVE TO PUBLIC PARTICIPATION IN THE PROCESSES OF GOVERNMENT IS THE ESSENCE OF DEMOCRACY

MAY 25, 1967.—Referred to the Committee of the Whole House on the State of the Union and ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE

65-011 O WASHINGTON : 1967.

To the Congress of the United States:

I. Introduction

Public participation in the processes of government is the essence of democracy. Public confidence in those processes strengthens democracy.

No Government can long survive which does not fuse the public will to the institutions which serve it. The American system has endured for almost two centuries because the people have involved themselves in the work of their Government, with full faith in the meaning of that involvement.

But Government itself has the continuing obligation—second to no other—to keep the machinery of public participation functioning smoothly and to improve it where necessary so that democracy remains a vital and vibrant institution.

It is in the spirit of that obligation that I send this message to the Congress today. I propose a five-point program to:

—Reform our campaign financing laws to assure full disclosure of contributions and expenses, to place realistic limits on contributions, and to remove the meaningless and ineffective ceilings on campaign expenditures.

—Provide a system of public financing for Presidential election campaigns..

—Broaden the base of public support for election campaigns, by exploring ways to encourage and stimulate small contributions.

—Close the loopholes in the Federal laws regulating lobbying.

—Assure the right to vote for millions of Americans who change their residences.

II. The Election Reform Act of 1967

In our democracy, politics is the instrument which sustains our institutions and keeps them strong and free.

The laws which govern political activity should be constantly reviewed—and reshaped when necessary—to preserve the essential health and vitality of the political process which is so fundamental to our way of life.

In my 1966 State of the Union message I called attention to the need for a basic reform of the laws governing political campaigns in these words:

> . . . I will submit legislation to revise the present unrealistic restrictions on contributions—to prohibit the endless proliferation of committees, bringing local and state committees under the act—and to attach strong teeth and severe penalties to the requirement of full disclosure of contributions . . .

A year ago this month, I submitted my proposals to the Congress in the Election Reform Act of 1966.

That measure reflected my concern, as one who has been involved in the process of elective Government for over three decades, that the

laws dealing with election campaigns have not kept pace with the times.

The Federal Corrupt Practices Act was passed 42 years ago. The Hatch Act was passed 27 years ago. Inadequate in their scope when enacted, they are now obsolete. More loophole than law, they invite evasion and circumvention.

A sweeping overhaul of the laws governing election campaigns should no longer be delayed.

Basic reform—with an emphasis on clear and straightforward disclosure—is essential to insure public confidence and involvement in the political process. On the cornerstone of disclosure we can build toward further reform—by charting new ways to broaden the base of financial support for candidates and parties in election campaigns.

I again ask the Congress to take positive action in this field as we work together to insure continued and increased public confidence in the elective process.

I recommend the Election Reform Act of 1967 to correct omissions, loopholes, and shortcomings in the present campaign laws.

This Act embodies many of the same positive measures I proposed last May. Last October, after hearings, the subcommittee on Elections of the Committee on House Administration reported out substantially the bill I proposed "favorably and with bipartisan support." The Subcommittee Report called those measures "a vast improvement over existing law."

Full Public Disclosure

The heart of basic reform is full disclosure. This measure would, for the first time, make effective the past efforts of the Congress and the Executive to achieve full disclosure of political campaign funds.

Complete disclosure will open to public view where campaign money comes from and how it is spent. Such disclosure will help dispel the growth of public skepticism which surrounds the present methods of financing political campaigns.

Full disclosure efforts are frustrated today by gaps in the law through which have passed an endless stream of national, state and local political committees.

To insure full disclosure, I recommend that:

Every candidate, including those for the Presidency and Vice Presidency, and every committee, state, interstate, and national, that supports a candidate for federal office be required to report on every contribution, loan and expense item over $100.

Primaries and convention nomination contests be brought within the disclosure laws.

Effective Ceilings on the Size of Contributions

Closely related to full disclosure—the basic step in any election reform—is another equally demanding task. It requires that we make political financing more democratic by recognizing that great wealth—in reality or appearance—could be used to achieve undue political influence.

Current law limits to $5,000 contributions to a single candidate for federal office or contributions to any national political committee supporting a candidate.

But the law does not prohibit an individual from making a $5,000 contribution to each of several national committees supporting a

candidate or party—and there is no limit to the number of such committees. Moreover, state and local political committees are not even covered by existing law.

I recommend that a $5,000 limit be placed on the total amount that could come from any individual, his wife or minor children, to the campaign of any candidate.

Repeal of Artificial Limits on Campaign Expenses

With full discolosure and an effective ceiling on contributions we can move forward to cure another defect in our election campaign laws—the artificial limits on campaign expenditures.

Under present law, for example:

—National political committees can raise and spend no more than $3 million. But the law does not limit the number of national committees.

—Senate candidates are limited to expenses of $25,000 and House candidates to $5,000. But the law does not limit the number of committees that can spend and raise money on the candidate's behalf.

These legal ceilings on expenditures were enacted many years ago, when the potential of radio in a campaign was virtually unknown and when television did not exist. They are totally unrealistic and inadequate. They have led to the endless proliferation of political committees.

I therefore recommend a repeal of the present arbitrary limits on the total expenditures of candidates for federal office.

Barring Political Contributions by Government Contractors

Present law prohibits corporations and labor organizations from making contributions to campaigns for federal office.

But there is an anomaly which must be corrected in the law relating to contractors with the federal government.

Non-corporate Government contractors are now prohibited from making political contributions at all levels of Government—federal, state and local.

The bar on corporations with government contracts, however, extends only to political contributions at the federal level. These corporations are free to make political contributions at the state and local levels where finances are often intertwined with national political campaigns.

In the interests of consistency and good sense, I recommend that corporations holding contracts with the Federal Government also be prohibited from making political contributions at the state and local level.

Enforcement

To insure that these reforms are strictly enforced, the Election Reform Act of 1967 would provide criminal penalties for violations of the law.

III. Campaign Financing

The proposed Election Reform Act of 1967 is corrective, remedying present inadequacies in the law. It goes hand in hand with the pursuit of another goal—to provide public support for election campaigns.

THE BACKGROUND

Democracy rests on the voice of the people. Whatever blunts the clear expression of that voice is a threat to democratic government.

In this century one phenomenon in particular poses such a threat—the soaring costs of political campaigns.

Historically, candidates for public office in this country have always relied upon private contributions to finance their campaigns.

But in the last few decades, technology—which has changed so much of our national life—has modified the nature of political campaigning as well. Radio, television, and the airplane have brought sweeping new dimensions and costs to the concept of political candidacy.

In many ways these changes have worked to the decided advantage of the American people. They have served to bring the candidates and the issues before virtually every voting citizen. They have contributed immeasurably to the political education of the nation.

In another way, however, they have worked to the opposite effect by increasing the costs of campaigning to spectacular proportions. Costs of such magnitude can have serious consequences for our democracy:

—More and more, men and women of limited means may refrain from running for public office. Private wealth increasingly becomes an artificial and unrealistic arbiter of qualifications, and the source of public leadership is thus severely narrowed.

—Increases in the size of individual contributions create uneasiness in the minds of the public. Actually, the exercise of undue influence occurs infrequently. Nonetheless, the circumstance in which a candidate is obligated to rely on sizable contributions easily creates the impression that influence is at work. This impression—however unfounded it might be—is itself intolerable, for it erodes public confidence in the democratic order.

—The necessity of acquiring substantial funds to finance campaigns diverts a candidate's attention from his public obligations and detracts from his energetic exposition of the issues.

—The growing importance of large contributions serves to deter the search for small ones, and thus effectively narrows the base of financial support. This is exactly the opposite of what a democratic society should strive to achieve.

It is extremely difficult to devise a program which completely eliminates these undesirable consequences without inhibiting robust campaigning and the freedom of every American fully to participate in the elective process. I believe that our ultimate goal should be to finance the total expense for this vital function of our democracy with public funds, and to prohibit the use or acceptance of money from private sources. We have virtually no experience upon which to base such a program. Its risks and uncertainties are formidable. I believe, however, that we are ready to make a beginning. We should proceed with all prudent speed to enact those parts of such a program which appear to be feasible at this time.

PRESIDENTIAL CAMPAIGNS

The Problem

The election of a President is the highest expression of the free choice of the American people. It is the most visible level of politics—and also the most expensive.

For their free choice to be exercised wisely, the people must be fully informed about the opposing candidates and issues. To achieve this, candidates and parties must have the funds to bring their platforms and programs to the people.

Yet, as we have seen, the costs of campaigning are skyrocketing. This imposes extreme and heavy financial burdens on party and candidate alike, creating a potential for danger—the possibility that men of great wealth could achieve undue political influence through large contributions.

In recognition of this problem, the Congress last year enacted the Presidential Election Campaign Fund Act. By so doing, it adopted the central concept that some form of public financing of Presidential campaigns would serve the public interest.

I did not submit or recommend this legislation. It was the creation and the product of the Congress in 1966. As you will recall, it was added as an amendment to other essential legislation. When I signed that Act into law last November, I observed that "it breaks new ground in the financing of Presidential election campaigns" and that the "new law is only a beginning." It was my belief then, as it is now, that the complex issues involved in this new concept required extensive discussion and penetrating analysis.

Over the past six weeks, we have heard men of deep principle and firm conviction engage in a spirited and searching debate on the law. While there were honest and vigorous disagreements, they were voiced by those who share a common faith in the free ideals which are the bedrock of our democracy.

The Issues

The course of the debate has illuminated many of the issues which underlie the matter of Presidential campaign financing. For example:

—In what amount should Federal funds be provided for these campaigns?

—What limitations should be placed on the use of these funds?

—Should there be a complete bar on the use of private contributions for those aspects of campaign financing which would be regularly provided through appropriations?

—Can the availability of public funds result in an undue concentration of power in National Political Committees. If so, what steps can be taken to prevent it?

—Is the tax check-off method a sound approach or is a direct appropriation to be preferred?

—How can equitable treatment of minor parties be assured?

—What sanctions would be most effective to insure compliance with the law?

—Whatever the ultimate formula, how can we preserve the independence, spirit and spontaneity that has hallmarked American political enterprise through the years?

The Recommendations

Against this backdrop of concern for the political process, the protection of the public interest, and the issues that have been raised,

I make these eleven recommendations to improve and strengthen the Presidential Election Campaign Fund Act:

1. *Funds to finance Presidential campaigns should be provided by direct Congressional appropriation, rather than determined by individual tax check-offs.*

This approach would—

—Provide the opportunity for Congress to make a realistic assessment, and express its judgment, of what it would cost Presidential candidates or parties to carry their views to the voters. This assessment should consider the recommendations of the special Advisory Board to the Comptroller General, created under the Presidential Election Campaign Fund Act. The Board consists of representatives of both major political parties. Based on this review and recommendation, Congress could then appropriate the necessary funds.

—Make the amount appropriated for the campaign fund more stable, by removing its uncertain reliance on tax check-offs, whose numbers might bear no reasonable relationship to the amount required to bring the issues before the public.

2. *The funds should be used only for expenses which are needed to bring the issues before the public.*

Under the procedure I recommend:

—The funds so appropriated would be used to reimburse specified expenditures incurred during the Presidential election campaign itself, after the parties have selected their candidate.

—The amount appropriated should be adequate to defray key items of expense to carry a campaign to the public and thus be limited to the following items: radio and television, newspaper and periodical advertising, the preparation and distribution of campaign literature, and travel.

—The amount of the fund for the major parties as finally determines by the Congress, would be divided equally between them.

3. *Private contributions for major parties could not be used for those items of expense to which public funds could be applied.*

Private contributions, however, could be used to defray the costs of other campaign expenses. These would include the salaries of campaign workers, overhead, research and polls, telegraph and telephone, postage and administrative expenses.

Citizens who want to make contributions to the party or candidate of their choice will be free to do so. Party workers at the grass roots will be able to pursue their neighborhood activities, a responsibility which is deeply woven into the fabric of American political tradition.

But under the measures I have proposed, the major burden of raising money for soaring campaign costs will be lifted from a Presidential candidate's shoulders. No longer will we have to rely on the large contributions of wealthy and powerful interests.

4. *A "major party" should be defined as one which received 25% or more of the popular votes cast in the last election.*

A percentage-of-votes test is more realistic than the fixed number of votes (15 million) now in the present law. It recognizes our growing population with more Americans entering the voting ranks each year.

5. *A "minor party" should be defined as one which received betweeen 5% and 25% of the popular votes cast in the current election.*

For the same reasons I described above, the eligibility test for Federal support should not be based on a fixed number of votes (5 million for "minor parties" in the current law), but rather on the percentage of votes received.

Third party movements can support the rich diversity of American political life. At the same time some reasonable limitations should be developed so that Federal financial incentives are not made available to parties lacking a modicum of public support—or created solely to receive Government funds.

Under this proposal, "minor parties" would receive payments based on the number of votes they receive in the current election. The payment for each vote received by a minor party would then be determined so as to be the equivalent of that made to the major parties.

For example, assume that two major parties received a total of 80 million votes in a prior election, and Congress had appropriated a $40 million campaign fund for those two parties. Although the major parties would share equally in that fund ($20 million each), the allocation would amount to 50 cents per vote cast for those parties. Using the 50 cents per vote as the guideline, a minor party receiving 5 million votes in the current election would be entitled to $2.5 million for its recognized campaign expenses.

6. *A "minor party" should be eligible for reimbursement promptly following an election.*

A "minor party" should be able to qualify promptly for federal funds, based on its showing in the current election, rather than waiting four years until the next election. This added source of funds should enhance a minor party's opportunity to bring its programs and platforms into the public arena.

7. *The percentage of federal funds received by a major or minor party which could be used in any one state should be limited to 140 percent of the percentage the population of that state bears to the population of the country.*

This would prevent the concentration of funds in any particular State and would minimize the ability of national party officials to reduce the role and effectiveness of local political organizations. At the same time, it would retain the flexibility necessary to carry a party's programs to the public. The Comptroller General should be empowered to issue rules for the equitable allocation, on a geographic basis, for national campaign expenses, such as network television.

8. *The Comptroller General should be required to make a full report to the Congress as soon as practicable after each Presidential election.*

This report should include—

—payments made to each party from the fund;

—expenses incurred by each party;

—any misuse of the funds.

9. *The Comptroller General should be given clear authority to audit the expenses of Presidential campaigns.*

It is imperative that the strictest controls be exercised to safeguard the public interest. The General Accounting Office is the arm of the Government which I believe is best suited to monitor the expenditures of the fund.

Payments from the fund would be made only upon the submission of certified vouchers to the Comptroller General.

If the Comptroller General's audit reveals any improper use of funds, the following sanctions would be applied:

—the amounts involved would have to be repaid to the Treasury; and

—if the misuse is willful, a penalty of up to 50 percent of the amount involved would be imposed.

10. *To bring greater wisdom and experience to the administration of the act, the Comptroller General's special Advisory Board on the Presidential Election Campaign Fund should be expanded from 7 to 11 members.*

This Advisory Board is faced with a heavy and demanding task. It must "counsel and assist" the Comptroller General in the performance of his duties under the Act.

The membership of the Board now consists of two members from each major political party and three additional members. I recommend that the Board be enlarged to encompass the wisdom and experience of 4 distinguished Americans:

—The Majority Leader of the Senate

—The Minority Leader of the Senate

—The Speaker of the House of Representatives

—The Minority Leader of the House

11. *Criminal penalties should be applied for the willful misuse of payments received under the Act by any person with custody of the funds.*

The penalties should be a fine of not more than $10,000, or 5 years imprisonment, or both. Criminal penalties would also be applied against any person who makes a false claim or statement for the purpose of obtaining funds under the Act.

OTHER CAMPAIGN FINANCING

We should also seek ways to provide some form of public support for Congressional, state and local political primaries and campaigns.

Here, the need is no less acute than at the Presidential level. But the problems involved are as complex as the elections themselves, which vary from district to district and contest to contest.

Because the uncertainties in this area are so very great, and because the issues have not received the benefit of the extensive debate that has characterized Presidential campaign financing, I pose for your consideration and exploration a series of alternatives.

In 1961, President Kennedy appointed a distinguished, bipartisan Commission on Campaign Costs to take a fresh look at the problems of financing election campaigns. Although the Commission devoted its attention to the problems of campaign costs for Presidential and Vice Presidential candidates, it pointed out that the measures proposed "would have a desirable effect on all political fund raising."

The Commission's 1962 report and recommendations were endorsed by Presidents Dwight D. Eisenhower and Harry S. Truman as well as leading Presidential candidates in recent elections.

Based on the Commission's recommendations and the later reviews and studies of campaign financing, there are several alternatives which should be considered. These alternatives all involve public financing of campaigns to a greater or lesser extent. Among them are:

—A system of direct appropriations, patterned after the recommendations made herein for Presidential campaigns, or modeled after recommendations pending in the Congress.

—A tax credit against federal income tax for 50 percent of contributions, up to a maximum credit of $10 per year.

—A matching incentive plan in which the government would contribute an amount up to $10 for an equal amount contributed by a citizen, whether or not a taxpayer, to a candidate or committee.

—A "voucher plan" in which Treasury certificates for small amounts could be mailed to citizens who, in turn, would send them to candidates or committees of their choice. These vouchers could then be redeemed from public funds, and the funds used to defray specified campaign expenditures.

I believe these deserve serious attention along with other proposals previously recommended and suggested to the Congress. Each alternative offers particular advantages. Thorough review may reveal that one is to be clearly preferred over the others, or that still other courses of action are appropriate. Whatever the outcome, any such review should reflect a realistic assessment of the amount of funds needed in these campaigns and the extent to which the funds should be provided by public means.

I recommend that Congress undertake such a review.

I have asked the Secretary of the Treasury and the Attorney General to cooperate fully with the Congress in its exploration of these alternatives in order to give all the help the Executive Branch can to the Congress as it seeks the best congressional election campaign financing program.

* * * * *

These recommendations represent my thoughts on the issues at stake. I believe they highlight the problems in an area so new and complex that there is little experience in our national life to guide us.

I hope that these proposals will serve as guidelines for discussion and debate in the coming weeks. A penetrating and orderly review of these vital public issues, with all the wisdom that the Congress can summon, will in itself be an important educational process for the nation in the art of government and politics.

I hope that Congress will proceed to consider promptly the problem of campaign financing and will enact appropriate legislation.

I make no recommendation as to the effective date with respect to such legislation. I leave that entirely to the judgment and wisdom of the Congress. I have no desire to ask that the provisions be made applicable to any campaign in which I may be involved. On the other hand, I have no desire to request that any such campaign be exempted from modernizing legislation which Congress might enact.

Public financing of political campaigns presents the American people with an issue that is both significant and complex—departing as it does from the familiar practices of the past. It transcends partisan political considerations. I urge the American people and the Congress to consider this issue thoughtfully, on its merits, and on the highest and most objective plane, independent of any personalities now in office or seeking office.

IV. Strengthening Federal Regulation of Lobbying

Full disclosure can serve the integrity of government in another important area—the regulation of lobbying.

Lobbying dates back to the earliest days of our Republic. It is based on the constitutionally guaranteed right of the people to petition their elected representatives for a redress of grievances.

Yet to realize the American ideal of Government, our elected representatives must be able to evaluate the varied pressures to which they are regularly subjected. In 1946, Congress responded to this need by enacting the Federal Regulation of Lobbying Act. Its purpose was not to curtail lobbying but to regulate it through disclosure. For the first time, individuals and groups who directly attempted to influence legislation were required to register.

More than twenty years of experience with the Act have highlighted its flaws. Through loopholes in the law, immune from its registration provisions, have passed some of the most powerful, best financed and best organized lobbies. Although engaged in constant and intensive lobbying, they are not legally required to disclose their existence—because lobbying is not their "principal" purpose, the narrow test under current law.

The Congress has properly taken the initiative to meet this problem. Two months ago, the Senate passed S. 355 by a decisive vote. In that measure, Federal regulation of lobbying has been strengthened by:

—Supplanting the "principal purpose" test with the broader test of "substantial purpose," thus extending the reach of the Act by a wider definition of those required to register.

—Transferring the responsibility for administration of the law from the Clerk of the House and the Secretary of the Senate to the Comptroller General.

I strongly endorse the Senate's action in strengthening Federal regulation of lobbying as an important step toward better Government, and I urge the House to take similar action.

V. The Residency Voting Act of 1967

Voting is the first duty of democracy. H. G. Wells called it, "Democracy's ceremonial, its feast, its great function."

This Nation has already assured that no man can legally be denied the right to vote because of the color of his skin or his economic condition. But we find that millions of Americans are still disenfranchised—because they have moved their residence from one locality to another.

Mobility is one of the attributes of a free society, and increasingly a chief characteristic of our Nation in the 20th Century. More American citizens than ever before move in search of new jobs and better opportunities.

For a mobile society, election laws which impose unduly long residence requirements are obsolete. They serve only to create a new class of disenfranchised Americans.

An analysis of the 1960 election, the last election for which studies are available, shows that between 5 and 8 million otherwise eligible voters were deprived of the right to vote because of unnecessarily long residency requirements in many of the states. Almost half the

states, for example, through laws a century old, require a citizen to be a resident a full 12 months before he can vote even in a Presidential election.

These requirements diminish democracy. The people's rights to travel freely from State to State is constitutionally protected. The exercise of that right should not imperil the loss of another constitutionally protected right—the right to vote.

I propose the Residency Voting Act of 1967 which provides that a citizen, otherwise qualified to vote under the laws of a state, may not be denied his vote in a Presidential election if he becomes a resident of the state by the first day of September preceding the election.

VI. Conclusion

Seventy years ago, the great American historian Frederick Jackson Turner wrote these words:

> Behind institutions, behind constitutional forms and modifications, lie the vital forces that call these organs into life and shape them to meet changing conditions. The peculiarity of American institutions is the fact that they have been compelled to adapt themselves to the changes of an expanding people . . .

This represents a valid exposition of the vitality of our democratic process as it has endured for almost two hundred years.

Over those two centuries Presidents and Congresses have strengthened that process as changing circumstances presented the clear need to do so. History has spared few generations that continuing obligation.

Today, that obligation poses for us the requirement—and the opportunity as well—to bring new strength to the processes which underlie our free institutions.

It is in keeping with this obligation that I submit the proposals in this Message.

Lyndon B. Johnson.

The White House, *May 25, 1967.*

○

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MAY 24 1967

THE WHITE HOUSE
WASHINGTON

May 22, 1967

Dear Mr. Reuther:

Two more handsome photographs for your picture album -- that the President wanted you to have.

With his best wishes, as always,

Juanita D. Roberts
Personal Secretary
to the President

To Walter Reuther
from his friend -
Lyndon B. Johnson

[originals in photo collection]

THE WHITE HOUSE

WASHINGTON

June 1, 1967

Mr. Walter P. Reuther
President
International Union, United Automobile
Aircraft and Agricultural
Implement Workers of America
8000 East Jefferson Avenue
Detroit, Michigan 48214

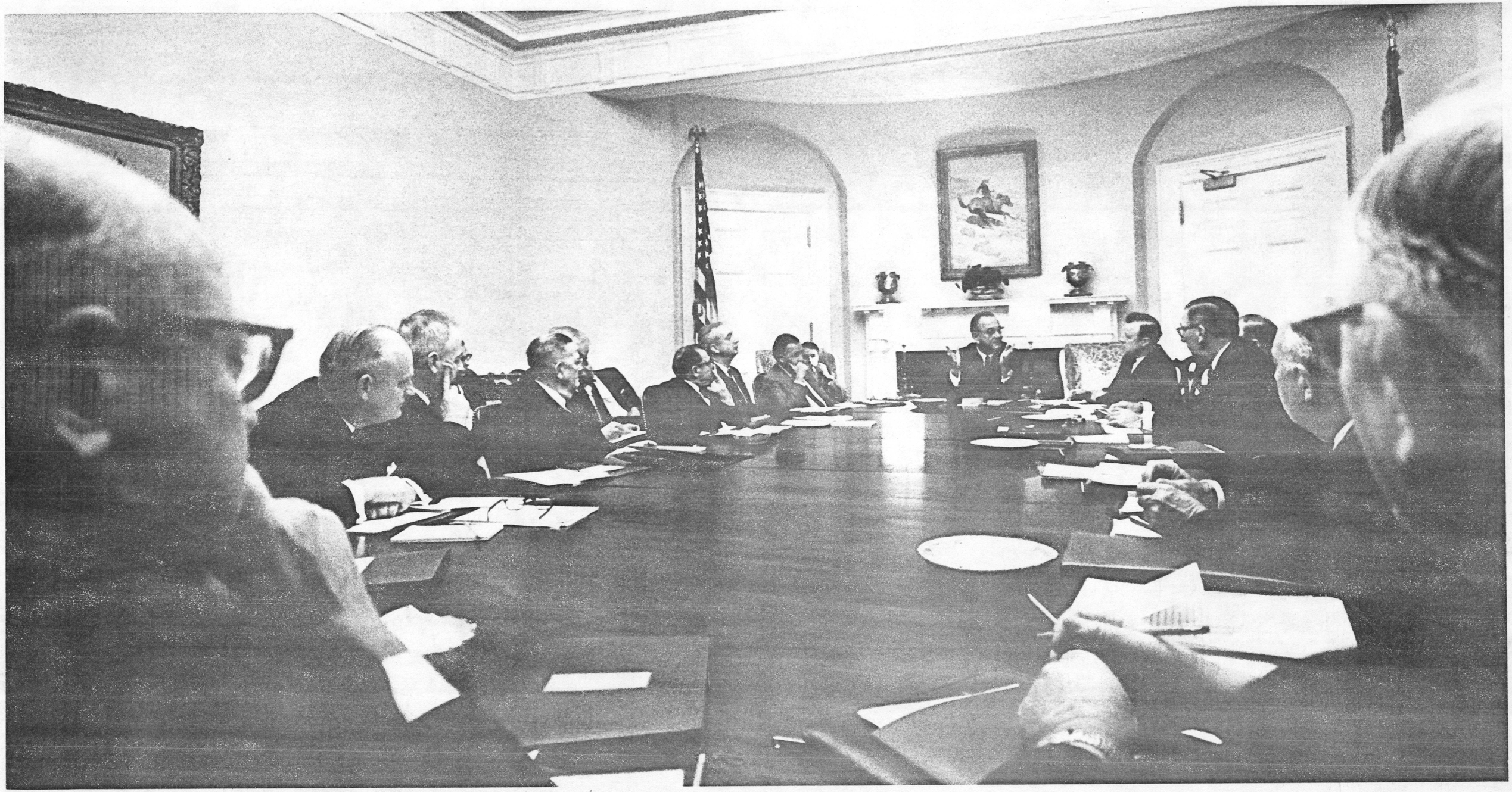
Dear Walter:

The President thought you might like to have the enclosed pictures which were taken at the May 2 meeting of the Labor Management Advisory Council.

Sincerely,

Joseph A. Califano, Jr.
Special Assistant to the President

Enclosures



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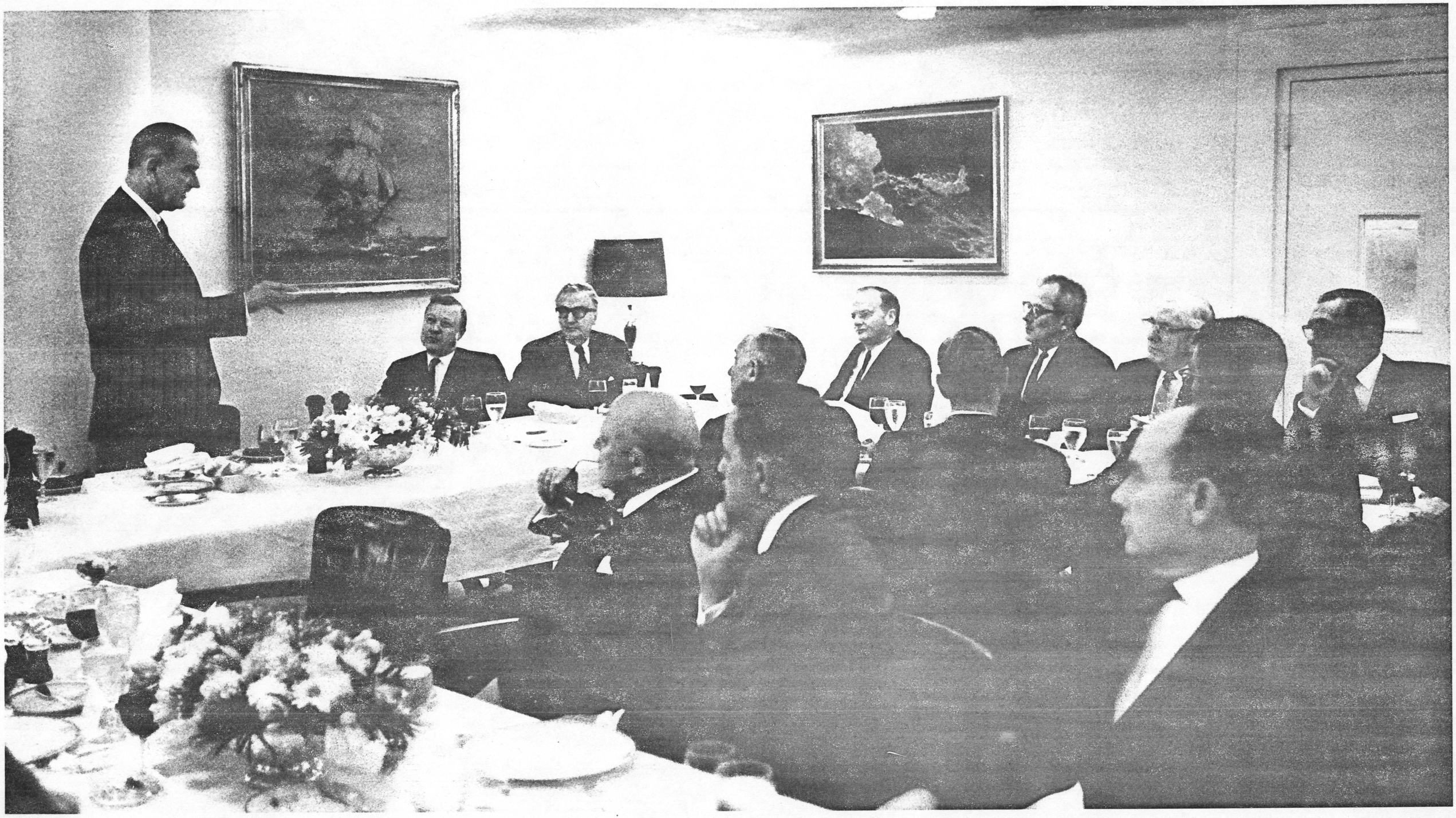


June 7, 1967

Dear Joe:

Thank you for your kindness in sending me the copies of the photographs taken during the recent visit of the Labor-Management Policy Committee to the White House.

All good wishes.

Sincerely,

WPR:ob
opeiu 42

Mr. Joseph Califano
Special Assistant to the President
The White House
Washington, D. C.

STRAIGHT WIRE June 9, 1967

W. Marvin Watson,
Special Assistant to the President
The White House
Washington, D. C.

Sincerely regret other commitments will deny me privilege of joing with you at swearing of Mr. Vincente Ximes this afternoon.

Walter P. Reuther

WPR:ob
opeiu 42

June 9

WESTERN UNION TELEGRAM

JUN 8 1967

WUA033 NSB010 NS WWY151 WWZ5 GOVT NL PD
THE WHITE HOUSE WASHINGTON DC 7
WALTER REUTHER, PRESIDENT
DONT DWR UNITED AUTO WORKERS 8000 EAST JEFFERSON ST DET
PRESIDENT JOHNSON CORDIALLY INVITES YOU TO THE WHITE HOUSE
ON FRIDAY, JUNE 9, 1967, AT 1 P.M. FOR SWEARING
IN OF MR. VINCENTE XIMES AS COMMISSIONER OF THE EQUAL
EMPLOYMENT OPPORTUNITIES COMMISSION. PLEASE PRESENT THIS
TELEGRAM AT 12:45 ON FRIDAY AT THE NORTHWEST GATE OF
THE WHITE HOUSE. WOULD YOU PLEASE CONFIRM YOUR ATTENDANCE
BY RETURN WIRE
W MARVIN WATSON SPECIAL ASSISTANT TO THE PRESIDENT.
9 1967 1 P.M. XIMES 12:45.

856A EST JUN 8 67

R A 033 ZXM

WESTERN UNION TELEGRAM

WESTERN UNION
TELEGRAM

JUN 12 1967

WUA272 BD271 B WWY061 WWZ4 GOVT PD
THE WHITE HOUSE WASHINGTON DC 12 NFT
WALTER P REUTHER, PRESIDENT, DONT DWR
INTERNATIONAL UNION UNITED AUTO AIRCRAFT AND AGRIC IMPLEMENT
WORKERS OF AMERICA 8000 EAST JEFFERSON AVE DET
YOU ARE CORDIALLY INVITED TO ATTEND THE SWEARING IN CEREMONY
OF ALEXANDER B. TROWBRIDGE AS SECRETARY OF COMMERCE AT THE
WHITE HOUSE AT 1:00 P.M. WEDNESDAY, JUNE 14.
PLEASE PRESENT THIS TELEGRAM AT THE WHITE HOUSE NORTHWEST
GATE AT 12:45 WEDNESDAY FOR YOUR ADMISSION AND PLEASE CONFIRM
YOUR ATTENDANCE BY RETURN WIRE
W MARVIN WATSON SPECIAL ASSISTANT TO THE PRESIDENT

1:00 14 12:45.

230P EST JUN 12 67

R A 272 ZXM

WESTERN UNION
TELEGRAM

THE WHITE HOUSE

WASHINGTON

June 16, 1967

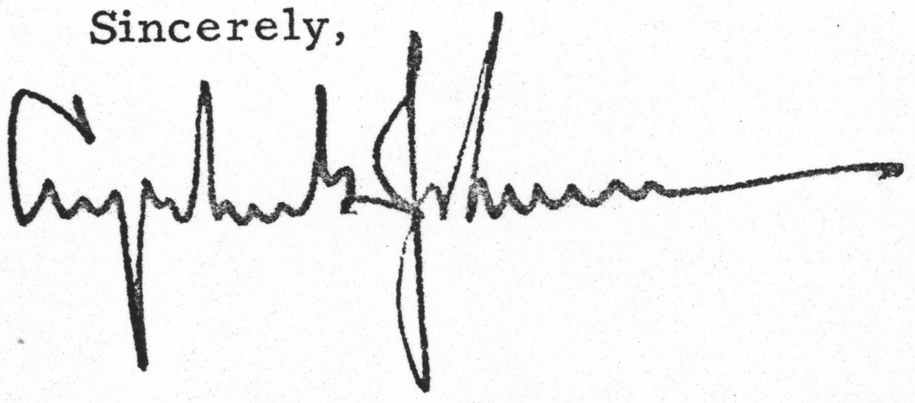
Dear Walter:

I was especially pleased to receive your telegram supporting my nomination of Thurgood Marshall to the Supreme Court of the United States.

There was never the slightest question in my mind of Judge Marshall's ability to serve the Court with distinction. His experience, his wisdom, and his demonstrated good judgment dispelled all doubt.

Your enthusiastic endorsement adds to my confidence that he will join the roster of eminent justices who have strengthened the institutions upon which our nation was founded -- and upon which it will continue to grow in greatness.

Sincerely,



Honorable Walter P. Reuther
President
International Union, UAW, AFL-CIO
8000 East Jefferson Avenue
Detroit, Michigan 48214

WESTERN UNION TELEGRAM

WE

WESTERN UNION TELEGRAM

JUN 20 1967

WUY529 WUA403 SYB650 SY WWY027 WWZ8 GOVT PD
WUX WASHINGTON DC 19 NFT
DEAR WALTER P REUTHER, PRESIDENT, DONT DWR (WALTER)
UNITED AUTO WORKERS 8000 EAST JEFFERSON AVE DET
FIRST MEETING OF THE PRESIDENT'S COMMITTEE, CHAIRED BY
MR. EDGAR F. DAISER, TO RECOMMEND PROPOSALS FOR INCREASING
THE PARTICIPATION OF PRIVATE ENTERPRISE IN THE TASK OF REBUILDING
AMERICAN SLUMS, IS SCHEDULED FOR THURSDAY, JUNE 22,
IN WASHINGTON, D. C. MR. KAISER WILL BE IN TOUCH WITH
YOU AS TO THE DETAILS. THE PRESIDENT HOPES TO MEET WITH
THE GROUP, IF HIS SCHEDULE PERMITS, AT 11:30 A.M.
ON THURSDAY, JUNE 22, AT THE WHITE HOUSE. THIS WILL
BE A NO-PUBLICITY OFF-THE RECORD MEETING. PLEASE ENTER
THE WHITE HOUSE SOUTHWEST GATE BY 11:15 A.M. I WILL
BE IN TOUCH WITH YOU IF THERE IS ANY CHANGE IN PLANS. WE
LOOK FORWARD TO SEEING YOU THEN
JOSEPH A CALIFANO JR SPECIAL ASSISTANT TO THE PRESIDENT.

900A EDT JUN 20 67

WESTERN UNION TELEGRAM

June 20, 1967

My dear Mr. President:

I attach herewith the full text of a statement on the crisis in the Middle East which has been adopted unanimously by the International Executive Board of the UAW, on behalf of the Union's 1,600,000 members in the United States and Canada.

Because of the critical nature of developments in the Middle East, our organization has considered it important to set forth its views on what steps might be taken to strengthen the possibilities for a durable peace in this region.

Sincerely,

WPR:eg
opeiu 42
Enc.

The Honorable Lyndon B. Johnson
The President
The White House
Washington, D. C.

June 20, 1967

My dear Mr. Ambassador:

I attach herewith the full text of a statement on the crisis in the Middle East which has been adopted unanimously by the International Executive Board of the UAW, on behalf of the Union's 1,600,000 members in the United States and Canada.

Because of the critical nature of developments in the Middle East, our organization has considered it important to set forth its views on what steps might be taken to strengthen the possibilities for a durable peace in this region.

Sincerely,

WPR:eg
opeiu 42
Enc.

His Excellency
Mr. Avraham Harman
The Ambassador of Israel
1621 22nd Street NW
Washington, D. C.

June 20, 1967

My dear Mr. Ambassador:

I attach herewith the full text of a statement on the crisis in the Middle East which has been adopted unanimously by the International Executive Board of the UAW, on behalf of the Union's 1,600,000 members in the United States and Canada.

Because of the critical nature of developments in the Middle East, our organization has considered it important to set forth its views on what steps might be taken to strengthen the possibilities for a durable peace in this region.

Sincerely,

WPR:eg
opeiu 42
Enc.

His Excellency
Mr. Gideon Rafael
The Ambassador of Israel
The United Nations
New York

June 20, 1967

Dear Prime Minister:

I attach herewith the full text of a statement on the crisis in the Middle East which has been adopted unanimously by the International Executive Board of the UAW, on behalf of the Union's 1,600,000 members in the United States and Canada.

Because of the critical nature of developments in the Middle East, our organization has considered it important to set forth its views on what steps might be taken to strengthen the possibilities for a durable peace in this region.

Sincerely,

WPR:eg
opeiu 42
Enc.

The Right Honorable Lester B. Pearson
Prime Minister
Parliament Building
Ottawa, Canada

June 20, 1967

Dear Secretary Rusk:

I attach herewith the full text of a statement on the crisis in the Middle East which has been adopted unanimously by the International Executive Board of the UAW, on behalf of the Union's 1,600,000 members in the United States and Canada.

Because of the critical nature of developments in the Middle East, our organization has considered it important to set forth its views on what steps might be taken to strengthen the possibilities for a durable peace in this region.

Sincerely,

WPR:eg
opeiu 42
Enc.

The Honorable Dean Rusk
The Secretary of State
Washington, D. C.

June 20, 1967

Dear Congressman Morgan:

I attach herewith the full text of a statement on the crisis in the Middle East which has been adopted unanimously by the International Executive Board of the UAW, on behalf of the Union's 1,600,000 members in the United States and Canada.

Because of the critical nature of developments in the Middle East, our organization has considered it important to set forth its views on what steps might be taken to strengthen the possibilities for a durable peace in this region.

Sincerely,

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Enc.

The Honorable Thomas E. Morgan
Chairman of the House Committee
on Foreign Relations
House of Representatives
Washington, D. C.

THE WHITE HOUSE

WASHINGTON

June 23, 1967

Mr. Walter P. Reuther
President, International Union,
United Automobile, Aerospace and
Agricultural Implement Workers of America
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Mr. Reuther:

President Johnson has been gratified to learn of the continued assistance and support that AFL-CIO unions are giving to his program to benefit all consumers. The response to his message to the Congress on consumer problems and to the upgrading of his Committee on Consumer Interests has been most heartwarming.

The AFL-CIO and virtually all of its affiliated unions have been generous in their publicity concerning the President's consumer program. We were particularly gratified by the recent articles in the AFL-CIO News, the American Federationist, the Memo from COPE, as well as other union publications.

We want you to know that the President's Committee on Consumer Interests stands ready to assist your union in every way to promote the consumer program.

We look forward to your continued cooperation and assistance.

Sincerely,

Betty Furness

Betty Furness
Special Assistant to the President
for Consumer Affairs

JUN 28 1967

THE WHITE HOUSE
WASHINGTON

JUL 13 1967

7/5/67

I believe you will find the attached report from Secretary McNamara highly informative. It describes the progress of the Defense Department's Cost Reduction Program and the savings achieved during the fiscal year just ended. I am particularly pleased with the alertness shown to the opportunities for cost reduction despite the pressure of combat operations. We are determined to provide our men with everything they need to accomplish their mission but we believe, and the report proves, that such an objective is not inconsistent with continued emphasis on the elimination of waste and inefficiency.

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THE SECRETARY OF DEFENSE
WASHINGTON

5 July 1967

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Department of Defense Cost Reduction Program -- Annual Progress Report

A year ago I reported to you on the completion of the Defense Department's initial five-year Cost Reduction Program - a project which produced savings of more than $14 billion in the five-year period. I told you then that the Program was being established on a permanent basis as an integral part of the Defense management system, with goals to be established and cost savings to be measured on a year-to-year basis. Today I can report to you the results of the first year on the new basis:

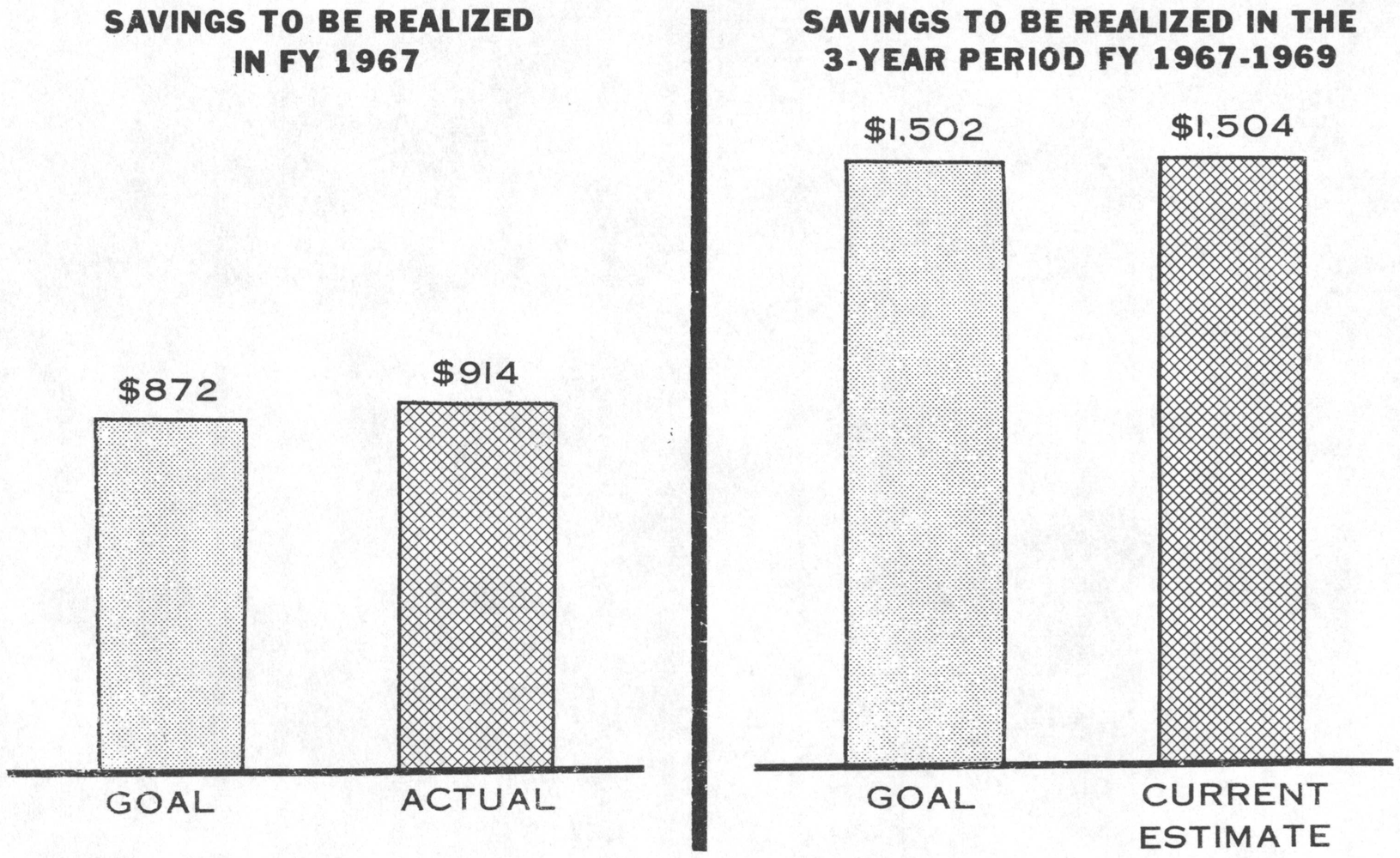
- Savings of $914 million were realized during FY 1967 from cost reduction actions taken in that year, and

- Additional savings of $590 million will accrue from the FY 1967 actions in FY 1968 and FY 1969. The FY 1967 decisions, therefore, will produce total savings of $1,504 million in the three-year period FY 1967-69.

As shown on the chart below, the results from FY 1967 actions are now expected to exceed the goals set for each of the two periods.

SAVINGS FROM DECISIONS MADE AND ACTIONS TAKEN IN FY 1967

(MILLIONS OF DOLLARS)



The initial five-year Cost Reduction Program, formally launched in July 1962, was a truly pioneering effort in Defense management. Over and above the large monetary savings achieved -- more than $14 billion during the five-year period -- the Program significantly raised the level of effectiveness of the entire worldwide logistics system. Tangible incentives for economy and efficiency were provided to the thousands of managers throughout the Department. Goals were established in cooperation with the participants in the program and performance was uniformly and regularly measured against those goals. The results were audited separately by an agency independent of the management structure. Public recognition was afforded to those individuals who performed in an outstanding manner. The skill and competence level of the entire management structure was raised through systematic training programs.

During this period, new procurement techniques were developed and brought into everyday use to broaden the area of competition for Defense work and to minimize the use of cost-plus-fixed-fee contracts. Requirements computation methods were thoroughly reviewed and more realistic standards established. New procedures were devised to ensure maximum utilization of excess inventories on a Department-wide basis. Special "value engineering" staffs were organized in all of the Department's procurement agencies to eliminate "goldplating" (i.e., unneeded frills) from specifications. Defense contractors were offered a share in the savings resulting from "value engineering" changes which they originated. Programs designed to increase the efficiency of the day-to-day operations of the Department were established at the base level. Defense installations were systematically reviewed and those excess to our requirements were closed and the property turned over to more productive public or private use.

Many of the cost reduction actions taken during that period will continue to generate important savings for years to come. But perhaps the most lasting benefit over the long run will be the higher level of efficiency and the persuasive incentives for economy which have now been built into the entire logistics management structure. In a program as dynamic and extensive as Defense, the possibilities for further improvement can never be exhausted. As old problems are solved, new problems appear. The great burden imposed on our logistics system by the military operations in Southeast Asia, for example, not only provided a stern test of its capabilities but also opened up new opportunities for savings. A considerable number of the cost reduction actions reported in FY 1967, some of which are described later in this memorandum, grew out of that logistics effort, proving once again the point you made last year "that we can have both combat readiness and economy in Defense".

Now that the policies and procedures for the Cost Reduction Program have been firmly established throughout the Department, the Program has been shifted to a permanent basis. In terms of overall coverage, the Program remains the same. The principal change concerns the manner in which the savings are reported. Beginning with FY 1967, savings will be reported in the year in which the specific action or decision giving rise to the savings was initiated. Even though the savings from a particular action may continue for five or ten years, the reported savings will be limited to those which will be realized in the year of decision and in the next two succeeding years. Moreover, no credit has been taken in FY 1967, or will be taken in any subsequent year, for any savings accruing from actions reported prior to July 1, 1966, thus understating the true savings generated by the initial five-year Cost Reduction Program. Although the new reporting procedure will inevitably understate the full dimensions of the savings achieved, I believe it will provide a more easily understood accounting for the general public.

As you know, I have insisted from the very inception of the Cost Reduction Program on an audit of the reported savings in order to ensure that they are bona fide (the audit is now performed by the Defense Comptroller). This is simply good business practice: no manager should report on his own performance without some form of independent verification. That is why I invited the General Accounting Office to undertake a full audit when the Program was first instituted, but for understandable reasons the Comptroller General thought it would be inappropriate. Beginning in FY 1968, however, the General Accounting Office will, as part of its government-wide review of internal audit activities, review our audit program and our criteria for measuring savings to ensure their adequacy. Although I would still prefer a full General Accounting Office audit, the more limited arrangement will serve as a useful external check on the soundness of our auditing procedures and, hence, on the validity of the savings reported.

The Cost Reduction Program has three major elements: Buying Only What We Need, Buying at the Lowest Sound Price, and Reducing Operating Costs. The following is a progress report on actions taken in these three areas during FY 1967.

I. BUYING ONLY WHAT WE NEED

The acid test of logistics effectiveness comes when large forces must be deployed quickly to distant troublespots and supported in sustained combat. Such a test was provided by the conflict in Southeast Asia where we now have a total of more than 530,000 military personnel (including those afloat) at the end of a 10,000-mile supply pipeline. General Wheeler, Chairman of the Joint Chiefs of Staff, stated earlier this year:

"Our logistic achievements have verged on the incredible. Anyone who recalls the Vietnam of 18 months ago, and now sees the bases and fields and depots, must be tremendously impressed. I would repeat what I said recently in Saigon -- no fighting force in military history has been supported more effectively than our men in Vietnam."

The high degree of combat readiness, which was achieved during a period when cost reduction and operating efficiency were being pursued vigorously, proves that these goals are not incompatible. Therefore, in FY 1967, we have continued our management efforts to limit our purchases to only what we need by:

- Applying the most advanced techniques to the prediction of consumption so as to minimize overages while avoiding shortages.

- Screening our excess stocks so that as much of them as possible can be used in place of new purchases.

- Accelerating all logistics operations so that a faster resupply capability can be translated into lower investments in "pipeline" stocks.

Savings realized in FY 1967 from cost reduction actions during the past year in this area are estimated at $613 million; for the three-year period, FY 1967-69, savings from FY 1967 decisions are expected to total $843 million.

A. Refining Requirements Calculations

Thousands of "requirement" reviews of major items of equipment, spare parts and "consumables" have been conducted to help determine our real needs and avoid procurement of materiel which might later prove surplus. More accurate predictions of wearout rates are being made through the use of automatic data processing equipment. Pipeline requirements are being reduced by the use of airlift to deliver high cost items. Better demand forecasts are being achieved through the widespread use of high-speed communications systems and by concentrating management effort on high-value items. Special review boards have been established to screen the need for the thousands of tons of reports, manuals, engineering drawings and other technical data required each year to develop, operate and maintain our equipment.

For example:

- The Air Force, by moving its C-141 landing gear repair activity to the same base where the aircraft itself is maintained, was

able to cut pipeline requirements for spare parts and transportation packing costs, saving $247,500 in FY 1967 and $2,373,800 for the three-year period FY 1967-69.

- The Defense Supply Agency was able to reduce its investment in 31 selected medical items by contracting for their delivery on an "as required" basis instead of continuing to make large "automatic" replenishments, saving $1,041,469 in FY 1967.

- The Air Force was able to cancel the requirement for an engineering report, related to the field repair of the C-5A transport, after study showed that the needed information could be obtained from existing sources. Over $1.5 million was saved in FY 1967 alone.

Actions like these saved $301 million in FY 1967, and the FY 1967 decisions are expected to save a total of $421 million in the three-year period FY 1967-69.

B. Use of Excess Inventories

The taxpayer gains every time some way is found to use an item from our stocks of surplus equipment and supplies to satisfy a current requirement in lieu of new procurement. Approximately $1.8 billion of such excess stocks were so used by the Department of Defense in FY 1967. New ways of using such stocks, developed in FY 1967, included the following:

- The Navy reclaimed lead elements from spent submarine batteries, converting them into lead ingots for use as submarine ballast. $91,088 was saved in FY 1967.

- The Defense Supply Agency reprocessed excess duck fabric purchased for lining Quonset huts and used it to make flight bags for the Air Force. $118,526 was saved in FY 1967 and savings for the three-year period FY 1967-69 will total $373,916.

- The Air Force modified four excess Marine Corps ground radar sets to meet a Vietnam operational requirement at a cost of $24,296, realizing a net savings of $336,762 in FY 1967 and $673,524 for the three-year period FY 1967-69.

- The Marine Corps met an urgent requirement for 90mm high explosive tracer cartridges in Southeast Asia by modifying its own fuses to fit excess Army rounds. The needed ammunition was obtained more quickly than would have been possible by new procurement and $1,448,000 was saved.

The savings achieved by these actions initiated in FY 1967 will total $33 million in FY 1967 and $42 million for the three years FY 1967-69.

C. Eliminating Goldplating

The Nation cannot afford the luxury of paying for design or performance features that contribute nothing to military effectiveness. Such unneeded features are often introduced into design specifications either because the designer is over-zealous or because there is inadequate practical experience on which to base a sound judgment. To prevent such "goldplating" of specifications, we have in recent years greatly augmented our "value engineering" staffs and conducted a vigorous education program to increase their skills. In addition, strong financial incentives have been introduced into our contractual arrangements to encourage defense contractors to exploit every "value engineering" opportunity which presents itself. Recent Departmental regulations have improved these contractual incentives by:

- Expanding the opportunities for a contractor to earn a greater share of his "value engineering" savings -- in some cases to over 50 percent.

- Extending the period during which a contractor can share in savings accruing from subsequent applications of his "value engineering" changes -- up to three years.

- Shortening the time a contractor must wait for payment of his share of the savings.

We estimate that "value engineering" changes made during the year yielded savings of $276 million for FY 1967 and $377 million for the three years FY 1967-69. Of special interest this year are some of the examples drawn from our operations in Southeast Asia:

- Instead of buying dual-fuel (i.e., coal or oil) hot water heaters for use in Vietnam, the Defense Supply Agency eliminated the coal burning components since that fuel is not readily available in the area. Savings in FY 1967 will be $214,338.

- By changing specifications for prefabricated aircraft hangars for Vietnam from shed-type to double-gable roof construction, the Navy was able to buy competitively a standard building which not only could be delivered faster but also produced savings of $311,298 in FY 1967.

- Each MK-81 and MK-82 bomb sent to Vietnam was being supplied with a hoisting lug to help lift it to the aircraft. The Navy found that these lugs were being discarded because the bombs were being loaded either by hand or hydraulic lift. Elimination of the lug reduced costs by 88 cents per bomb. Savings will be $620,048 in FY 1967 and $1,923,048 for the three years FY 1967-69.

- Studies showed that thickness specified for parking aprons and taxiways at Phan Rang airfield could be safely reduced, saving $928,000.

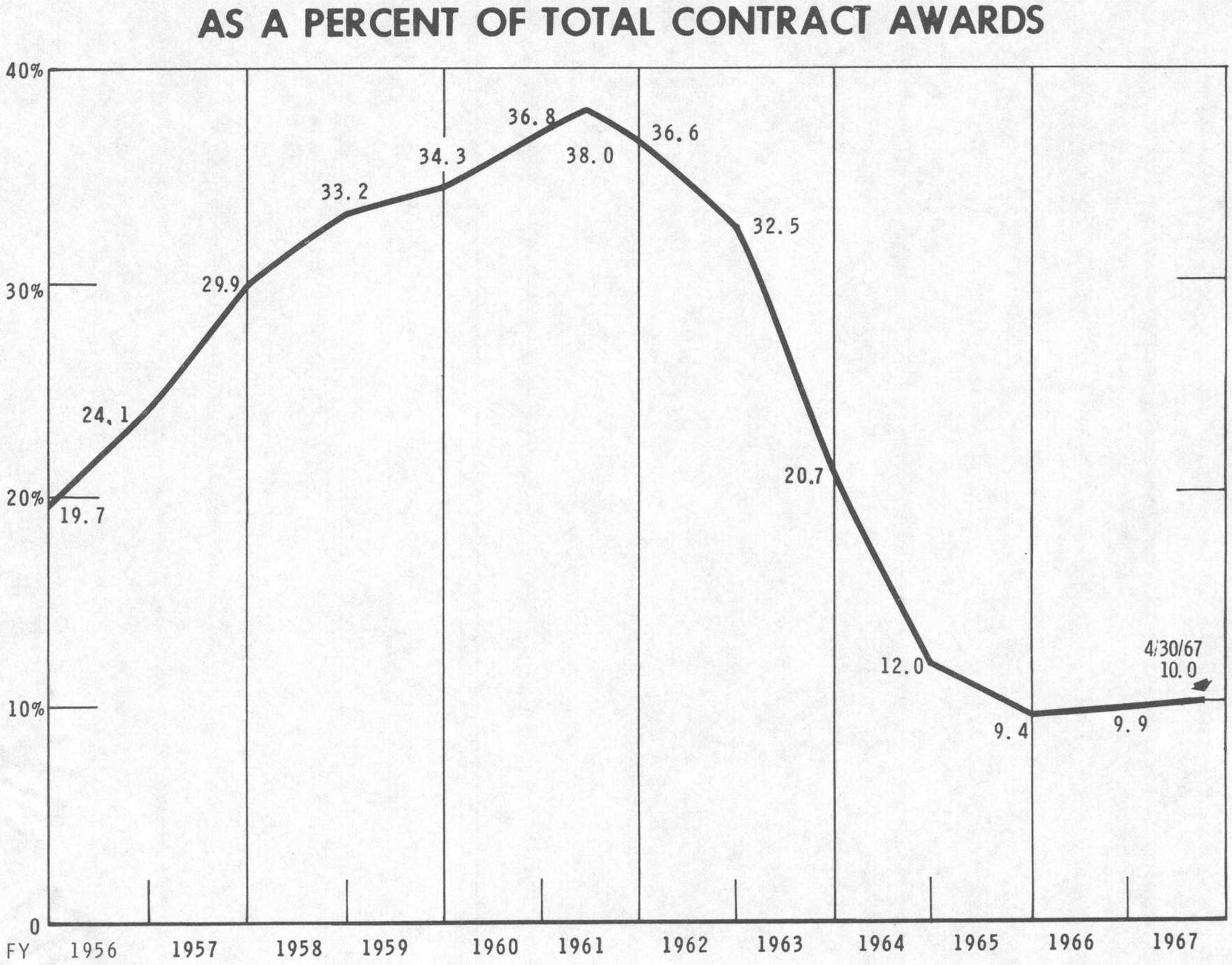
II. BUYING AT THE LOWEST SOUND PRICE

Military prime contract awards for the first ten months of FY 1967 increased 20.4 percent over the same period last year. Despite the greater volume of procurement and the special pressures resulting from our combat operations in Southeast Asia, we were able to hold the gains made in recent years in increasing the volume of competitive awards and reducing the use of cost-plus-fixed-fee contracts. The new actions taken in FY 1967 will save $54 million in FY 1967 and $95 million for the three years FY 1967-69.

A. Shifting Away from Cost-Plus-Fixed-Fee (CPFF) Contracts

One of the major accomplishments of the first phase of the Cost Reduction Program was the reversal of the long existing trend towards greater use of cost-plus-fixed-fee contracts. This type of contract, which is usually justified only when there are great uncertainties involved, offers neither reward for good performance nor penalty for bad. Between FY 1961 and FY 1965, the proportion of CPFF contracts was driven down from 38 percent to less than 10 percent, and despite the extraordinary demands of the Vietnam conflict, we have been able to hold close to that level through the first ten months of fiscal year 1967.

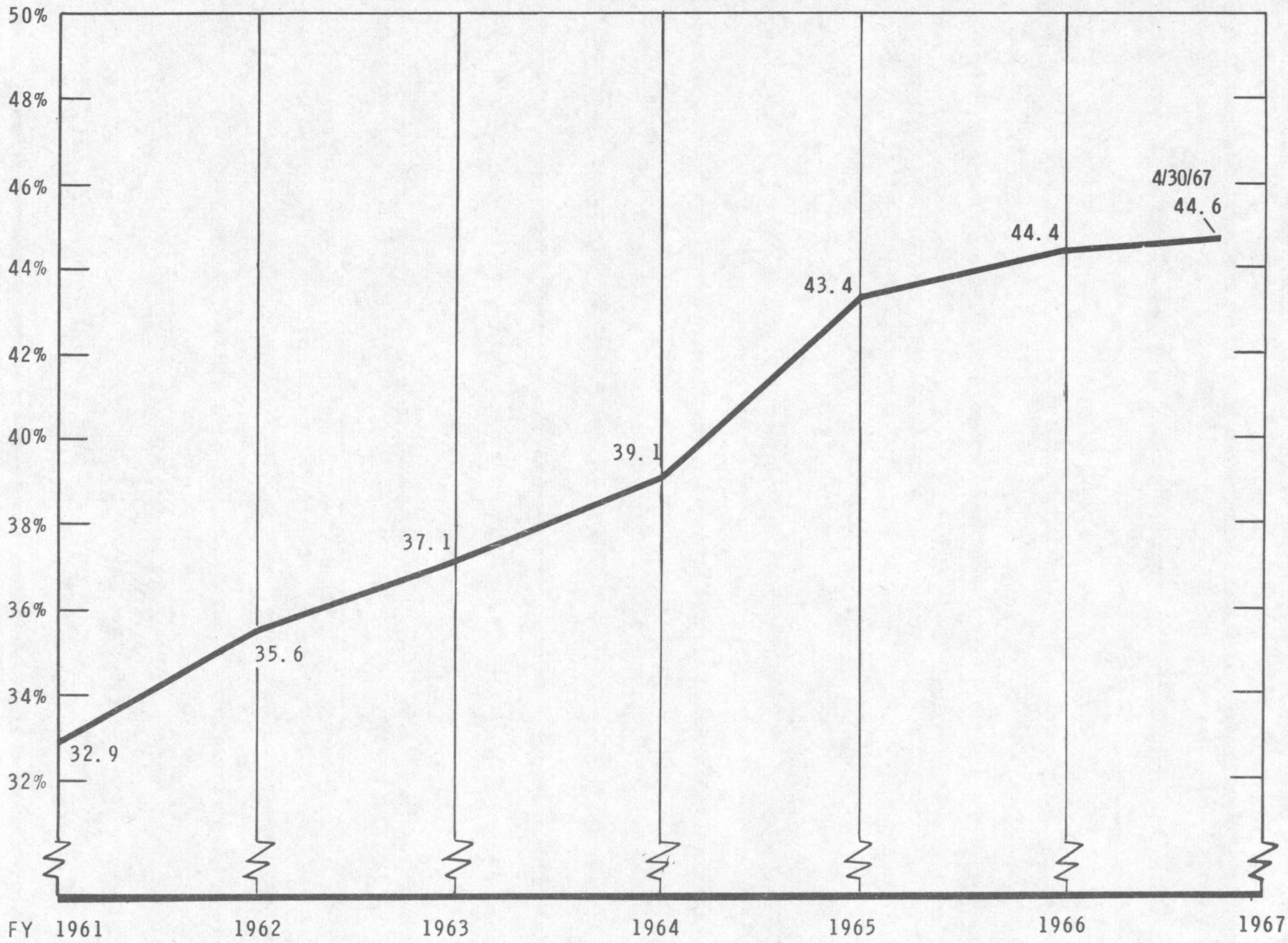
COST PLUS FIXED FEE CONTRACTS
AS A PERCENT OF TOTAL CONTRACT AWARDS



B. Shift to Competition

As I noted earlier in this report, we have also developed and introduced into our purchasing operations a number of new techniques designed to broaden and intensify competition for Defense work. For example, when specifications are too broad to permit formal advertising, producers are being asked to submit unpriced technical proposals. Producers whose proposals qualify then submit sealed bids with the award going to the low bidder. Or in cases where a complex end-item fails to attract competition, its high value parts and components are being "broken out" for separate procurement. These new techniques have helped to sustain the high level of competitive procurement achieved in recent years, notwithstanding the urgent demands of the Vietnam conflict.

CONTRACTS AWARDED ON BASIS OF COMPETITION AS A PERCENT OF TOTAL DOLLAR VALUE OF CONTRACT AWARDS



Specific actions taken during FY 1967 to shift procurement from non-competitive to competitive types of contracts saved $16 million in FY 1967. Some examples are shown below:

	Non-Competitive Unit Price	Competitive Unit Price	Percent Reduction	Savings
Test and Calibration Panels	$4,565.25	$2,887.00	37	$57,044
Traveling Wave Tube	1,289.10	702.00	46	58,710
Engine Speed Warning Device	160.29	139.25	13	36,404
Fuel Indicator, Aircraft	1,135.00	683.00	38	107,576
Duct Assembly, SH/UH-34 Helicopter	363.90	196.25	46	84,899

C. Direct Purchase of Parts and Components

Parts and components used in major weapon systems can often be purchased directly from the vendor instead of indirectly through the prime contractor. Although this practice cannot always, in itself, induce competition, it can produce savings when the price paid the vendor is lower than that formerly paid the prime contractor. During the past year, "direct purchase" actions cut costs $10 million in FY 1967 and $19 million for the three-year period FY 1967-69. Here are some examples:

	Prime Contractor's Unit Price	Vendor's Unit Price	Percent Reduction	Savings
Drive Assembly, P-3A Aircraft	$3,360.00	$1,843.84	45	$92,982
Oil Filter, Tactical Vehicles	10.50	8.40	20	17,793
Recording Paper for Computers	13.50	8.39	38	82,782
Diode, 5KW Generator	6.25	3.75	40	11,933

D. Multi-Year Procurement

Large production runs over longer periods of time tend to yield savings through "learning curve" economies, the elimination of repetitive start-up costs and the amortization of tooling and facility costs over a larger number of items.

The Defense Department attempts to take advantage of this principle by consolidating into one contract two or more years' requirements for an item whenever this is found practicable. During FY 1967, $28 million was saved by taking advantage of the lower prices for multi-year procurement. For example:

	Unit Price		FY 1967
	Single Year	Multi-Year	Net Savings
Protective Mask M-17A1	$ 19.24	$ 17.79	$ 378,000
Signal Generator AN/UR	2,777.00	2,450.00	205,356
Tank Landing Ship Vessels (LST-1180 Class)	15,346,500.00	14,653,588.00	11,779,504
Destroyer Escort Vessels (DE 1078 Class)	11,066,000.00	10,887,000.00	3,580,000
Bombs, GP, MK84-1	405.91	330.60	644,000
Receiving Multicoupler, AN/SRA-43	722.00	694.00	170,508

III. REDUCING OPERATING COSTS

The improvements made during the past year in managing the base structure, maintaining equipment, operating communications systems, transporting men and materiel, and carrying out the other day-to-day operations of the military establishment resulted in savings of $237 million for FY 1967 and $549 million for the three years FY 1967-69.

A. Terminating Unnecessary Operations

In FY 1967, actions were initiated to consolidate, reduce or close 39 Defense installations or activities involving property that had become surplus to all foreseeable peacetime and wartime needs. These new actions produced savings of $8 million in FY 1967 and when completed will produce annual savings of $49 million. The table below summarizes the "base closure" program since 1961 and the new actions of FY 1967:

	Total Through 30 June 1966	Total Through 30 June 1967	Increase
. Number of Actions	878	917	39
. Acres Released	1,810,000	1,818,000	8,000
. Industrial Plants with Commercial Potential Made Available for Sale	66	66	-
. Job Positions Eliminated	202,273	206,631	4,358
. Recurring Annual Savings	$1,450 Mil.	$1,499 Mil.	$49 Mil.

From the beginning, we have recognized that this re-channeling of resources, though beneficial to the Nation as a whole, could have serious adverse effects on local communities and our own employees. Two programs, each of several years standing, have been developed to help soften these effects.

One program is designed to help local communities find productive uses for the land and facilities made available as a result of base closures. Property released in recent years is now being used for airports, schools and universities, community recreation and development, and commercial operations. The table below summarizes the disposition of military property released since 1961.

	Number of Locations Through:		
	June 30, 1966	May 31, 1967	Increase
Civil Airports	28	34	6
Schools and Universities	157	229	72
Parks, Recreation, Community Development	90	104	14
Private Industry for Production	56	66	10
Individuals and Small Companies	306	494	188
Federally Owned Reserve Lands	6	9	3
Other Federal Agencies	79	99	20
Total Acres Involved	862,788	924,636	61,848

During the past year, the Defense Department's Office of Economic Adjustment, whose services become available to a community just as soon as a "base closure" decision is announced, worked closely with 31 communities in 25 states to plan new uses for properties which we are relinquishing. One example of what can be achieved by this type of planning concerns the Springfield Armory in Massachusetts, which is scheduled to close in April 1968. The community's plan calls for: (a) selling the Armory's manufacturing area to the city for subsequent lease to industry; (b) conveying another area to the State to expand the Springfield Technical Institute; and (c) conveying still another area to the city for a museum site and high school athletic field. One major firm estimates that it will add 1,000 new jobs at facilities in the Armory's manufacturing area.

Our Employment Opportunity Program continues to achieve excellent results in finding new jobs for the Department's employees displaced by base closings. No career civilian employee has been separated without an offer of another job opportunity. The following table summarizes the Program's experience with those employees affected by the base closure program between January 1964 and April 1967.

	Employees	
	Number	Percent
Accepted offer of another Defense job	78,188	68.8
Placed in another Federal job	4,422	3.9
Placed in a non-Federal job	2,603	2.3
Declined job offer, transfer or placement assistance	9,574	8.4
Retired or resigned	16,431	14.4
Other (death, military service, etc.)	2,532	2.2
Total employees affected	113,750	100.0
Separated without offer of "job opportunity"	None	None

B. Reducing Operating Expenses

The day-to-day operations of the Defense Department offer a broad range of opportunities for cutting costs through such actions as consolidating management functions, finding more efficient organizational arrangements, simplifying work methods, and increasing productivity. A large number of such actions in FY 1967, each involving relatively small amounts of money, will save $84 million in FY 1967 and $197 million in the three years FY 1967-69. For example:

- The Air Force established eight regional pay offices in place of 20 separate base pay offices in the Strategic Air Command. Savings were $148,319 in FY 1967 and will be $714,942 for the three years FY 1967-69.

- The Navy was able to speed the loading of bombs by modifying equipment, staggering work shifts and conducting time-motion studies. Savings were $339,000 in FY 1967 and will be $1,415,000 in the three years FY 1967-69.

C. Increasing the Efficiency of Other Support Operations

Communications systems costs, by actions in FY 1967, were reduced by $8 million in that year and by $27 million for the three-year period FY 1967-69 in the face of record communications traffic loads. Savings in this area are obtained through such actions as negotiating tariff rate reductions, eliminating unneeded circuits and equipment and consolidating leased long-line communications.

Transportation and traffic management improvements in FY 1967 netted savings of $44 million in FY 1967 and $138 million for the three-year period 1967-69.

- The Army's Anniston Depot in Alabama, by matching ammunition requisitions against incoming shipments at the freightyard and rescheduling entire carloads to the using organizations, was able to eliminate, in some cases, the normal process of unloading, storing, and then reloading boxcars, thereby saving $61,186 in FY 1967.

- The Air Force prepared 94 MACE missiles for ocean shipment by applying a protective coating instead of disassembling the missiles and sealing them in re-usable cans as had been the practice. Savings were $169,900 in FY 1967.

- The Navy negotiated ocean cargo rates directly with the individual carriers instead of with the carrier associations as had been the practice. Savings were $3.9 million in FY 1967.

Improvements in maintenance management initiated in FY 1967 saved $27 million in that year and will save $59 million in the three years FY 1967-69. Typical actions included:

- Developing repair procedures to reclaim components previously discarded.

- Eliminating unnecessarily stringent requirements from maintenance guidelines.

- Buying bulk instead of drum quantities of fluids used in maintenance operations.

- Designing protective devices for damage-prone parts.

Additional savings from FY 1967 actions totaled nearly $35 million for FY 1967 and will total $73 million for the three years FY 1967-69. They were realized by:

- Improving the management of non-combat vehicles, military family housing, other real property and the Military Assistance Program.

- Developing lower cost packing, preserving and packaging techniques.

- Replacing contract technicians with Civil Service personnel.

CONCLUSION

Although the very large savings of more than $14 billion achieved through the initial five-year Defense Department Cost Reduction Program

are not likely to be duplicated during the succeeding five years, I believe there are still significant opportunities for improvement, particularly in those activities which have been expanded so rapidly for the support of our military operations in Southeast Asia. Whenever the element of time becomes the overriding factor in our actions, economy and efficiency tend to be sacrificed in favor of speed. Consequently, I would not be at all surprised if some unnecessary spending and inefficiency have crept into the Defense program during these last two years of rapid build-up. Our task in the year ahead is, therefore, clear: it is to ferret out all these new sources of waste and inefficiency and tighten up our operations all along the line. Further savings of millions of dollars can be achieved by actions which are completely consistent with a high degree of combat readiness. I can assure you that this effort will receive my personal attention during the coming months.

Robert S. McNamara

To End Disorder

President Lyndon B. Johnson's
Television Address to the Nation
on Civil Disorders

The White House, July 27, 1967

To End Disorder

President Lyndon B. Johnson's Television Address to the Nation on Civil Disorders

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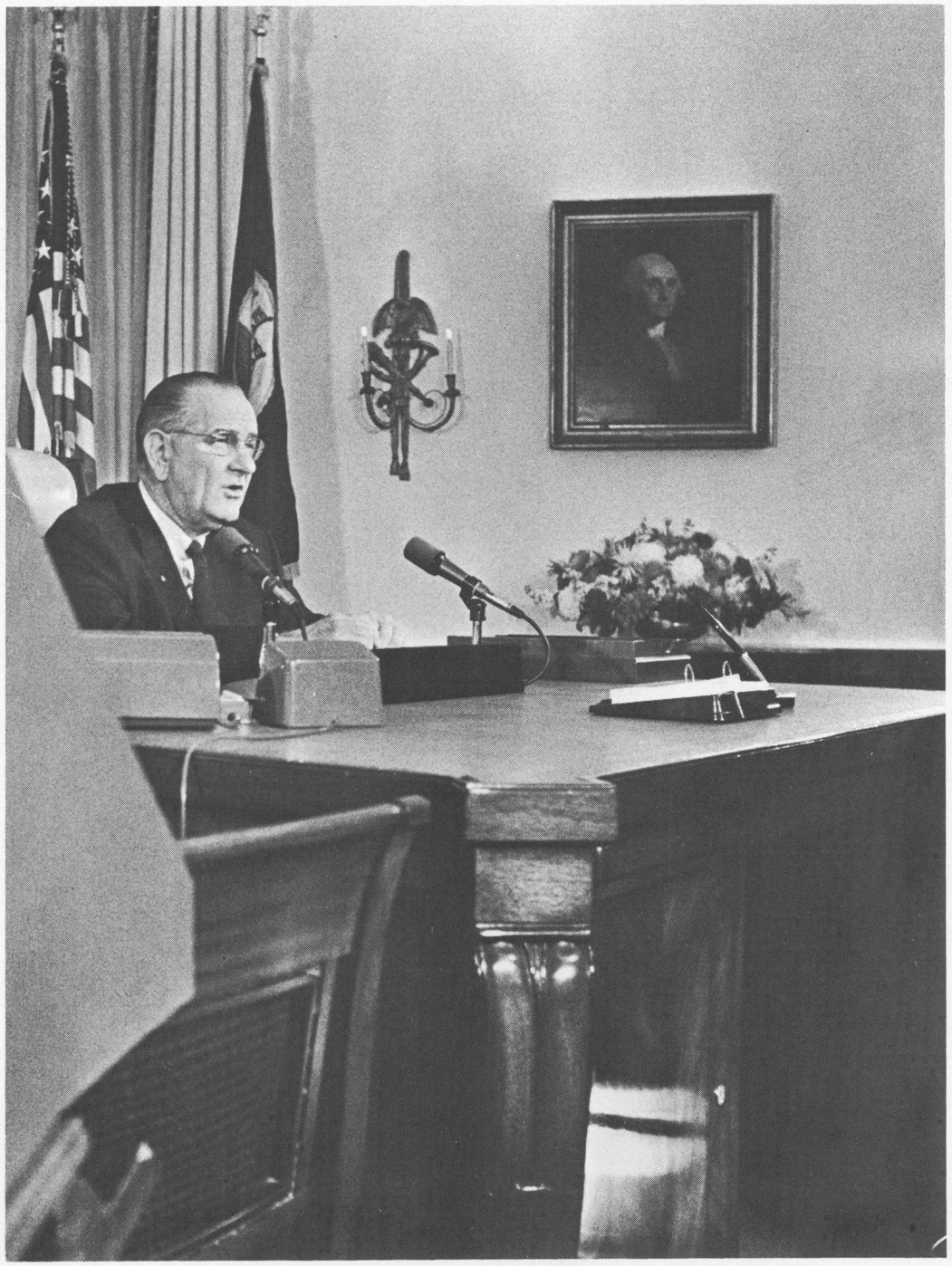

TO HEAL THE WOUNDS

I know there are millions of men and women tonight who are eager to heal the wounds that we have suffered; who want to get on with the job of teaching and working and building America . . .

The only genuine, long-range solution for what has happened lies in an attack mounted at every level upon the conditions that breed despair and violence. All of us know what those conditions are: ignorance, discrimination, slums, poverty, disease, joblessness. We should attack these conditions—not because we are frightened by conflict, but because we are fired by conscience. We should attack them because there is simply no other way to achieve a decent and orderly society in America.

My Fellow Americans:

We have endured a week such as no Nation should live through: a time of violence and tragedy.

For a few minutes tonight, I want to talk about that tragedy—and I want to talk about the deeper questions it raises for us all.

A SPECIAL ADVISORY COMMISSION ON CIVIL DISORDERS

I am tonight appointing a special Advisory Commission on Civil Disorders.

Governor Otto Kerner, of Illinois, has agreed to serve as Chairman. Mayor John Lindsay, of New York, will serve as Vice Chairman.

Its other members will include Fred W. Harris, Senator from Oklahoma; Edward W. Brooke, United States Senator from Massachusetts; James C. Corman, U.S. Representative from California, 22nd District, Los Angeles; William M. McCulloch, the U.S. Representative from the State of Ohio, the 4th District; I. W. Abel, the President of the United Steel Workers; Charles B. Thornton, the President, Director and Chairman of the Board of Litton Industries, Inc.; Roy Wilkins, the Executive Director of the NAACP; Katherine Graham Peden, the Commissioner of Commerce of the State of Kentucky; Herbert Jenkins, the Chief of Police, Atlanta, Georgia.

The Commission will investigate the origins of the recent disorders in our cities. It will make recommendations—to me, to the Congress, to the State Governors, and to the Mayors—for measures to prevent or contain such disasters in the future.

In their work, the Commission members will have access of the facts that are gathered by Director J. Edgar Hoover and the Federal Bureau of Investigation. The FBI will continue to exercise its full authority to investigate these riots, in accordance with my standing instructions, and it will continue to search for evidence of conspiracy.

But even before the Commission begins its work; and even before all the evidence is in, there are some things that we can tell about the outbreaks of this summer.

CRIMINALS MUST BE PUNISHED

First, let there be no mistake about it: the looting, arson, plunder and pillage which have occurred are not part of a civil rights protest. There is no American right to loot stores, or to burn buildings, or to fire rifles from the rooftops. That is crime—and crime must be dealt with forcefully, swiftly, and certainly under law.

Innocent people, Negro and white, have been killed. Damage to property—owned by Negroes and whites—is calamitous. Worst of all, fear and bitterness have been loosed which will take long months to erase.

The criminals who committed these acts of violence against the people deserve to be punished—and they must be punished. Explanations may be offered, but nothing can excuse what they have done.

There will be attempts to interpret the events of the past few days. But when violence strikes, then those in

public responsibility have an immediate and very different job: not to analyze, but to end disorder.

That they must seek to do with every means at their command: through local police, state officials, and—in extraordinary circumstances where local authorities have stated that they cannot maintain order with their own resources—through Federal power.

VIOLENCE MUST BE STOPPED

I have directed the Secretary of Defense to issue new training standards for riot control procedures immediately to National Guard units across the country. Through the Continental Army Command, this expanded training will begin immediately. The National Guard must have the ability to respond effectively, quickly, and appropriately, in conditions of disorder and violence.

Those charged with the responsibility of law enforcement must be respected by all of our people. The violence must be stopped: quickly, finally, and permanently.

LAW MUST BE RESPECTED AND LEGISLATION PRESSED

It would compound the tragedy, however, if we should settle for order imposed by the muzzle of a gun.

In America, we seek more than the uneasy calm of martial law. We seek peace based on one man's respect for another man—and upon mutual respect for law. We seek a public order that is built on steady progress in meeting the needs of all of our people.

Not even the sternest police action, nor the most effective Federal Troops, can create lasting peace in our cities.

The only genuine, long-range solution for what has happened lies in an attack mounted at every level upon the conditions that breed despair and violence. All of us know what those conditions are: ignorance, discrimination, slums, poverty, disease, joblessness. We should attack these conditions—not because we are frightened by conflict, but because we are fired by conscience. We should attack them because there is simply no other way to achieve a decent and orderly society in America.

A TIME TO ADVANCE, NOT RETREAT

In the past three and a half years, we have directed the greatest Governmental effort in all of our American history at these ancient enemies. The roll call of those laws reveals the depth of our concern: The Model Cities Act. The Voters Rights Act. The Civil Rights Act. The Rent Supplement Act. Medicare and Medicaid. Twenty-four education bills. Head Start. The Job Corps. The Neighborhood Youth Corps. The Teacher Corps. Manpower Development and Training, and many, many more.

We will continue to press for laws which would protect our citizens from violence: the Safe Streets and Crime Cotrol Act now under consideration in the Congress, and the Gun Control Act.

Our work has just begun. Yet there are those who feel that even this beginning is too much. There are those

who would have us turn back even now, at the beginning of this journey.

Last week in Congress, a small but important plan for action in the cities was voted down in the House of Representatives. The members of that body rejected my request for $20 million to fight a pestilence of rats—rats which prowl in dark alleys and tenements, and attack thousands of city children. The passage of this legislation would have meant much to the children of the slums. A strong government that has spent millions to protect baby calves from worms could surely afford to show as much concern for baby boys and girls.

There are some tonight who feel that we cannot afford a Model Cities program. They reduced my request for funds this year by two-thirds.

There are some who feel that we cannot afford additional teachers for the children of poverty in urban areas. Or new efforts to house those who are most in need of housing. Or aid education.

Theirs is a strange system of bookkeeping.

A TIME FOR ACTION, NOT BITTERNESS

I believe we should be counting the assets that these measures can bring to America: cities richer in opportunity; cities more full of promise; cities of order, progress, and happiness. Instead, some are counting the seeds of bitterness.

This is not a time for angry reaction. It is a time for action: starting with legislative action to improve the life in our cities. The strength and promise of the law are the surest remedies for tragedy in the streets.

But laws are only one answer. Another answer lies in the way our people will respond to those disturbances.

There is a danger that the worst toll of this tragedy will be counted in the hearts of Americans: in hatred, in insecurity, in fear, in heated words which will not end the conflict, but prolong it.

So let us acknowledge the tragedy; but let us not exaggerate it.

A TIME FOR DEDICATION AND UNDERSTANDING

Let us look about tonight. Let us look at ourselves, and we will see these things:

Most Americans, Negro and White, are leading decent, responsible, productive lives.

Most Americans, Negro and white, seek safety in their neighborhoods and harmony with their neighbors.

Nothing can destroy good will more swiftly than a period of needless strife and suspicion between the races.

Let us condemn the violent few. But let us remember that it is law-abiding Negro families who have suffered most at the hands of the rioters. It is responsible Negro citizens who hope most fervently—and need most urgently —to share in America's growth and prosperity.

This is not the time to turn away from that goal.

To reach it will require more than laws; more than dollars. It will take renewed dedication and understanding in the heart of every citizen.

I know there are millions of men and women tonight who are eager to heal the wounds that we have suffered; who want to get on with the job of teaching and working and building America.

ALL TO JOIN IN A DAY OF PRAYER

In that spirit, at the conclusion of this address, I will sign a proclamation calling for a day of prayer in our Nation throughout all of our States. On this Sunday, July 30, I urge the citizens of every town, every city, and every home in this Land to go into their churches to pray for order and reconciliation among men.

I appeal to every Governor, every Mayor, every preacher, every teacher and parent to join and give leadership in this national observance.

This spirit of dedication cannot be limited to our public leaders. It must extend to every citizen in this land. And the man who speaks to break the peace must feel the powerful disapproval of all of his neighbors.

ALL TO SEARCH THE HEART

Tonight, I call upon every American to search his own heart.

To those who are tempted by violence, I would say this: Think again. Who is really the loser when violence comes? Whose neighborhood is made a shambles? Whose life is threatened most?

If you choose to tear down what other hands have built,

—You will not succeed;

—You will suffer most from your own crimes;

—You will learn that there are no victors in the aftermath of violence.

The apostles of violence, with their ugly drumbeat of hatred, must know that they are heading for disaster. And every man who really wants progress or justice or equality must stand against them and their miserable virus of hate.

ALL TO SHARE A DUTY AND A FAITH

For other Americans, especially those in positions of public trust, I have this message:

Yours is the duty to bring about a peaceful change in America. If your response to these tragic events is only "business as usual"—you invite not only disaster, but dishonor.

My fellow citizens, let us go about our work. Let us clear the streets of rubble, and quench the fires that hatred set. Let us feed and care for those who have suffered at the rioter's hands. But let there be no bonus, no reward, no salutes for those who have inflicted that suffering.

Let us resolve that this violence is going to stop. We can stop it. We must stop it. We will stop it.

And let us build something much more lasting: faith between man and man, faith between race and race. Faith in each other—and faith in the promise of America.

Let us pray for the day when "mercy and truth are met together; righteousness and peace have kissed each other." Let us pray—and let us work for the better jobs and better housing and better education that so many millions of our fellow Americans need tonight.

Let us then act: in the Congress, in the city halls, and in every community, so that this great land of ours may truly be "one Nation under God—-with liberty and justice for all."

Goodnight.

NATIONAL DAY OF PRAYER FOR RECONCILIATION

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA—A PROCLAMATION

From its earliest day, our nation has been dedicated to justice, to equality—and to order.

We are a people committed to the rule of law, believing that it holds the greatest hope for human progress and well-being. We must never abandon that commitment.

Today our people reaffirm their faith in law; their faith in progress; their faith in human brotherhood.

It is right to pray that strife will not bring down what we have built, nor threaten all the things we hope to build.

NOW THEREFORE I, LYNDON B. JOHNSON, *President of the United States of America, do hereby set aside Sunday, July 30, 1967 as a National Day of Prayer for Peace and Reconciliation.*

I call on every Governor, every Mayor, every family in the land to join in this observance. I call on all our citizens to go into their churches on this Sunday, and to pray for peace in the land we love.

We deplore the few who rely upon words and works of terror.

We mourn the many who have suffered from violence in the cities.

We dedicate ourselves once more to the rule of law, in whose absence anarchy is loosed and tragedy is born.

We pray to almighty God, the Author of our liberty, for hearts free from hate, so that our Nation can be free from bitterness.
We pray for strength to build together so that disorder may cease, progress steadily continue, and justice prosper.

IN WITNESS WHEREOF, *I have hereunto set my hand this twenty-seventh day of July, in the year of our Lord nineteen hundred and sixty-seven, and of the Independence of the United States of America the one hundred and ninety-second.*

/s/ LYNDON B. JOHNSON

THE WHITE HOUSE
July 27, 1967

WESTERN UNION TELEGRAM

DEC 15 1967

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THOT YOU OPENED AT 9AM

WUBO18 BB127 B WWY039 WWZ9 GOVT NL PD AR
THE WHITE HOUSE WASHINGTON DC 14
WALTER P REUTHER, PRESIDENT DONT DWR
UNITED AUTO WORKERS AFL-CIO 8000 EAST JEFFERSON AVE
DET
YOU ARE CORDIALLY INVITED TO ATTEND THE SIGNING OF THE KENNEDY ROUND PROCLAMATION AT THE WHITE HOUSE. PLEASE PRESENT THIS TELEGRAM AT THE NORTHWEST GATE OF THE WHITE HOUSE AT 11:15 A.M. SATURDAY, DECEMBER 16 FOR YOUR ADMISSION AND CONFIRM YOUR ATTENDANCE BY RETURN WIRE
W MARVIN WATSON SPECIAL ASSISTANT TO THE PRESIDENT.

853A EST DEC 15 67

WESTERN UNION TELEGRAM

STRAIGHT WIRE December 20, 1967

President Lyndon B. Johnson
The White House
Washington, D. C.

We in the UAW are deeply concerned that budget restrictions will reduce funds to the Federal Mediation and Conciliation Service and thereby reduce its available manpower. The cutback in funds could seriously hamper the continuation and needed expansion of the vital services offered by the FMCS in helping to resolve disputes between labor and management in the critical days ahead. This agency, though small in size, has paid for itself many times over in savings to our economy by assisting in the prevention of strikes and lockouts and by reducing their duration once they occur. Your consideration is respectfully urged for restoration of budget funds which insure the effective operation of the Federal Mediation and Conciliation Service.

Walter P. Reuther

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cc: Mr. Charles L. Schultze
Mr. William Simkin

THE WHITE HOUSE

WASHINGTON

December 22, 1967

Mr. Walter P. Reuther
President
United Automobile Workers of America
Solidarity House
8000 East Jefferson Avenue
Detroit, Michigan 48214

Dear Walter:

In the absence of the President from Washington, let me acknowledge your letter of December 15, concerning the Social Security Bill. I shall bring it to the President's attention promptly after his return from his foreign trip.

With warm personal regards and best wishes for the Holiday Season.

Sincerely,

Joseph A. Califano, Jr.
Special Assistant to the President

DEC 28 1967