



Your Washington Review

by
Congressman
JERRY FORD



January 22, 1964

The second session of the 88th Congress convened on Tuesday, January 8. On Wednesday President Johnson delivered his State of the Union message and the House passed its first major legislation. This was a resolution to rename the National Cultural Center to be constructed in Washington the "John F. Kennedy Center for the Performing Arts," and to authorize for it appropriations not exceeding \$15.5 million, and to provide for government guarantee of revenue bonds up to \$15.4 million for the construction of parking facilities for the Center.

STATE OF THE UNION: The President's emphasis on efficiency and frugality in government was encouraging. The predicted reduction of \$500 million in federal expenditures in fiscal 1965 with the annual deficit being cut from \$10 billion to \$4.9 billion is clearly consistent with Republican policy and action. We hope that these Presidential promises will materialize. I must confess that I have some reservations on Mr. Johnson's assurance that we can continue existing costly programs and take on new construction and activities "without any increase in spending." But if the Democrats in Congress will support the Republicans and the President, federal spending can be reduced and a tax cut justified.

The President rightly praised the accomplishments of our free enterprise economy: over 70 million persons at work; a gross national product of \$600 billion; "wages and profits and family income...at their highest level in history." Mr. Johnson called for further progress. I fully endorse this policy of growth. But we cannot escape this question: If in such times of prosperity we are saddled with an annual deficit of \$5 to \$10 billion, when will we have a balanced budget? We can't forget that our \$310 billion national debt costs us \$10 billion a year in interest charges. Each \$1 billion added to the debt increases these charges by \$33.3 million annually.

THE FIRST TEST: The first roll call vote of the new session involved the question of reducing the authorization for federal aid to airports by \$15 million for each of the next three years. It was proposed to cut the three-year expenditure from \$225 million to \$180 million but the tally showed only 110 members (106 Republicans and 4 Democrats) in support of the lower figure. Nearly twice as many, 201 to be exact, decided it must be "spending as usual." Unfortunately the House has failed its first test on economy.

CIVIL RIGHTS: The House Committee on Rules has opened its hearings on H. R. 7152, the civil rights bill reported in late November by the Committee on the Judiciary. This

is the bill on which many were demanding House action in December and for which we were asked to sign the discharge petition in order to bypass the Rules Committee. You will remember that in my last newsletter (Dec. 18, 1963) I outlined the history of the legislation and reviewed the reasons for the delay in its consideration. It is interesting to note that last week the Democratic Chairman of the Judiciary Committee, who had presented the discharge petition, acknowledged at a Rules Committee meeting that he had deliberately "dragged his feet" on the civil rights bill. This was done because the Democratic leaders in the Congress and in the Administration want Congressional action on the tax bill before civil rights comes up. The House passed the tax bill on September 25th and it is presently with the Senate Committee on Finance.

The latest report is that the Democratic leaders at both ends of Pennsylvania Avenue want no House action on civil rights until March or until after the Senate acts on the tax bill. This strategy and the Judiciary Chairman's confession of "feet dragging" can only verify the suspicions that most of the efforts on behalf of the discharge petition were mere window-dressing for political purposes.

ANOTHER DISCHARGE PETITION: A measure before the Committee on the Judiciary is itself the subject of a discharge petition. Since last June this committee has received over 130 resolutions relative to a constitutional amendment on the use of the scriptures and prayer in the public schools and other governmental institutions. Although introduced by about 100 members of the House, the committee has neither scheduled action on the resolutions nor presented any indication that it will give the issue consideration. At the very minimum the committee should promptly hold public hearings on the resolutions so that the pros and cons can be fully developed.

This proposed constitutional amendment grew out of the Supreme Court's decision of June 17, 1963 finding unconstitutional the state requirement that public school sessions be opened with Bible reading or the Lord's Prayer. The proposed amendment embodied in H. J. Res. 693 (a substitute for H. J. Res. 9) would make it lawful to have Bible reading or prayer in schools on a voluntary basis and would permit reference to belief in God in public documents, ceremonies, schools and other institutions, and on the coins or currency of the United States. But Section 3 of the proposal says, "Nothing in this article shall constitute an establishment of religion."

Because of the number of resolutions introduced by members of Congress on this issue, I think the committee should give active consideration to it. Because for seven months the Committee on the Judiciary has done nothing on this important matter, I have signed the discharge petition to bring the issue directly to the floor of the House. We are dealing here with a constitutional amendment, not with regular legislation. I believe the 50 state legislatures should have an opportunity to pass on this basic issue in the manner prescribed by the constitution. To date 125 members of the House have signed the petition but 218 names are required to make it effective.



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January 29, 1964

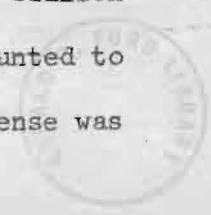
In his recent budget message President Johnson revealed a federal budget in excess of \$100 billion for the past, the current, and the next fiscal years. While the headlines have blazed with a \$97.9 billion expenditure limit for fiscal 1965, the fine print in the budget tells us that costs will be closer to \$103.8 billion. The lower figure relates to anticipated expenditures, the higher to "new obligational authority."

When the Congress considers the budget it acts on the new obligational authority rather than directly on the expenditure budget. If the Congress increases "obligational authority," the executive branch can spend more. The important factor in federal spending is the trend of new obligating authority rather than how much is spent in a given fiscal year. As the President himself said, "Expenditure control, therefore, depends substantially upon careful control of obligations." When new obligational authority is increasing, any decrease in estimated or real disbursements (expenditures) in a given period is only a momentary pause often caused by temporary and fortuitous circumstances. When we look at obligational authority, the budget presented by Mr. Johnson is higher, not lower. It signifies more, not less spending.

The President proposed new obligational authority of over \$108 billion. Of this amount \$103.8 billion is for fiscal 1965 (beginning July 1, 1964) and \$4.2 billion is to be added to this year's budget, placing the total of 1964 at \$102.6 billion. The President also reported that new obligational authority actually enacted for fiscal 1963 was \$102.3 billion. This upward trend from \$102.3 to \$102.6 to \$103.8 billions in new obligational authority, which is the authority to spend, can only mean MORE, not less, spending.

Let me point out one more fact as listed in Table 9 on page 50 of "The Budget" released by the President last Tuesday. This table tells us that the "net obligations incurred" in the administrative budget (the one usually discussed) for 1963 were \$94.7 billion. However, for 1964 the obligation is up to \$103.3 billion and the estimate for 1965 is \$105.3 billion. "Incurred obligations" must be paid. The trend is upward by \$8.6 billion this year and as presently estimated by \$2 billion more next year.

DEFENSE AND NON-DEFENSE SPENDING: It is significant that non-defense rather than defense spending is the major cause for the increase in new obligational authority. During fiscal year 1954 (the first post-Korean war year) defense costs of \$38.9 billion represented 62.1 percent of the new obligations while non-defense functions amounted to \$23.8 billion or 37.9 percent of the total. But by 1961 the percentage for defense was



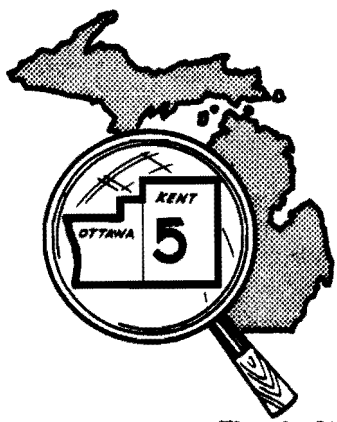
down to 53.1 and that for non-defense up to 46.9 percent. Or putting it another way, defense accounted for only 29.7 percent of the increase in federal spending in 1961 over 1954 while non-defense activities were responsible for 70.3 percent of the increase. When we compare the 1965 proposed budget with the 1961 enacted budget we find that defense accounts for 44.7 percent of the increase (\$7.6 billion) but non-defense items are up \$9.4 billion representing 55.3 percent of the increase.

DEBT AND INTEREST: Our national debt today stands at \$310 billion. President Johnson predicted a debt of \$317 billion for fiscal 1965. He said that the interest charges which amounted to \$9.9 billion last year, will go to \$10.7 billion this year and to \$11.1 billion in 1965. This \$11 billion in annual carrying charges means \$20,800 every minute day and night. It means a charge of \$234 each year for every family in the United States. It means that over 11¢ of every budget dollar is gone before we start spending. It means that Congress will be asked and expected to again raise the debt ceiling.

FEDERAL EMPLOYMENT: Federal employment has sharply increased in the last three years. Between January 31, 1961 and November 30, 1963 more than 140,000 employees were added to the payroll. The President has directed all department heads to reduce employment. His 1965 budget proposes a reduction from 2,512,400 to 2,511,200 civilian employees. This is a reduction of only 1,200. But it is significant that while the President is proposing a cut of 17,000 civilians in the Department of Defense, he is recommending an increase of about 16,000 employees in other departments.

IN SUMMARY: Some may assume that the above is a partisan criticism of Mr. Johnson's budget. I can report that the Democratic Chairman of the House Committee on Appropriations, Rep. Clarence Cannon of Missouri, explained in detail in the CONGRESSIONAL RECORD for January 21 (pages 681-688) all that I have summarized. Mr. Cannon also said that "the imperative necessity of the times is that we live within our income and stop piling up more debt and heavier interest payments to be passed on to future generations." He deplored our unwillingness "to distinguish between our needs and our wants" and for our refusal to "pay as we go along for non-defense expenses or defer something until we are willing--if we ever are--to pay as we go."

HOUSE FAILS SECOND TEST: Last week I mentioned the fact that the House had an opportunity to cut expenses by reducing the federal aid to airport program but failed to do so. Last Tuesday it had an opportunity to cut \$20 to \$37.5 million from a bill providing federal aid to libraries. But it refused by three different roll call votes to make any reduction in the bill which increased the authorization for library aid this year from \$7.5 million to \$45 million.



Your Washington Review

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February 5, 1964

The bulk of our mail continues to consist of requests that Congress act on the proposal to amend the Constitution to overrule the decision of the Supreme Court relative to the use of Bible reading and prayer in the public schools. Other offices report that interest in this amendment is exceeded only by that in the civil rights bill.

Over 100 resolutions have been introduced proposing an amendment to legalize the use of the scriptures and prayer in the schools and other public institutions. These resolutions have been with the Committee on the Judiciary since last June. Because no action had been taken by the Committee, Discharge Petition #3 was filed in an effort to prompt committee action or bring the matter directly to the floor of the House. At this writing, 129 members have signed the petition but 218 names are needed to make it effective. As I indicated in the newsletter two weeks ago, I have signed the petition because of the committee's inaction and because I believe the legislatures of the 50 states should have the opportunity to pass on this constitutional issue.

The 1963 National Convention of the American Legion adopted a resolution requesting Congress to propose a constitutional amendment on this subject. The Legion's national headquarters has asked state and local officers to urge their congressmen to sign Petition #3.

CIVIL RIGHTS: Our mail on civil rights has slowed to a trickle. This may be due to the fact that the legislation is scheduled for floor action this week or because it is difficult to state a positive position relative to the bill before the House. H. R. 7152, the bill reported by the Committee on the Judiciary, does not follow all the recommendations of the Administration; it varies considerably from the bill proposed by the subcommittee which held public hearings, and differs from other civil rights bills introduced earlier last year.

The bill as reported consists of 50 pages with ten titles (main divisions) and 53 sections (subdivisions). The Committee Report is in two parts running to a total of 153 pages. In addition to the explanation and recommendation of a majority of the committee, the Report contains a minority report (6 members), the "separate minority views" of two members, and six sets of "additional views" signed by one or two members.

We can be sure, therefore, that numerous amendments to the bill will be

offered and debated this week. Consequently we cannot predict what will be contained in the legislation as finally approved by the House. We trust that any bill ultimately enacted will be a constructive step in protecting the rights and best interests of all American citizens.

DAVIS-BACON AMENDMENTS: A major item considered by the House last week involved amendments to the Davis-Bacon Act. This is the Act, first passed in 1931, which requires wages paid for work on federal construction projects, or on projects in which federal funds are involved, to be comparable to the "prevailing rates" for similar work in the area. There is little, if any, objection to the principle of this concept.

The bill before the House, H. R. 6041, would require the inclusion of the value of fringe benefits in determining the "prevailing wage." There was not much opposition to the purpose of this bill.

The committee report and the debate on the bill indicate that the primary concern of those who had questions about the bill related to the need for updating the Davis-Bacon Act and for providing judicial review of decisions of the Secretary of Labor. When he was Secretary of Labor, Arthur Goldberg told the Committee on Education and Labor that he wanted "to underscore the necessity for constantly re-appraising and re-examining the Davis-Bacon program operations. It is obvious that the program approach of 1945 would be ill suited to the needs of today." Certain members of the House felt that this was the time to examine some of the problems (not those of wages) which have arisen in connection with the Act.

"Judicial Review" was a major item in the discussion last week. At the present time, every wage determination by the Secretary of Labor, with or without an investigation and with or without a hearing, is final. When the Secretary sets the "prevailing wage" which must be paid on a given project, there is no appeal from his decision even though he may have made an error in fact or misinterpreted the intention of the law. Neither employees nor employers, who may know that an error has been made in setting wage rates too high or too low, have any appeal except to the same person who made the initial decision. Nor does the community or local organization which is paying its share of the cost of the project have any appeal if it feels that the wages set are unfair.

It was proposed that the Davis-Bacon Act be amended to permit any of the parties involved to appeal to the federal courts for relief if that appeared necessary. This sort of relief, or "judicial review" is not uncommon in the administration of federal law. But by a vote of 297 to 105 the House refused to alter the parliamentary situation in order to permit consideration of an amendment providing for judicial review. The bill as recommended by the committee was approved subsequently by a vote of 357 to 50.



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February 12, 1964

While the House of Representatives was debating the civil rights bill last week, the Presidential Commission to investigate the assassination of Mr. Kennedy was questioning Mrs. Lee Harvey Oswald. This meant that I could not be on the floor of the House during much of the discussion nor for all of the voice and teller votes on amendments to the civil rights bill. I regret that this had to be the case but felt that I should participate as a member of the Commission in the interrogation of such an important witness as Mrs. Oswald.

Because the Commission met only a few blocks from the Capitol I was able to answer roll calls and to vote when the final decisions on civil rights were made. The Commission met from Monday through Thursday for five hours a day. The testimony of Mrs. Oswald was significant and extremely helpful.

It is the intention of the Commission to develop a complete record on Lee Harvey Oswald. Mrs. Oswald was asked about her life in the Soviet Union before and after her marriage, and about all of her husband's activities in Russia and in the United States following his return. It was a long and difficult interrogation handled most effectively by Lee Rankin, General Counsel for the Commission, through an interpreter and in the presence of Mrs. Oswald's attorney, John Thorne. Mrs. Oswald, a slight and attractive young woman who spoke in soft tones, was most cooperative. The information she presented will materially assist the Commission in presenting to the American people all the facts and implications relative to the tragic event of November 22nd.

WHEAT FOR THE COMMUNISTS: On the same day the Russians shot down an unarmed United States training plane killing three Air Force officers, President Johnson wrote the Speaker of the House to say, "I have determined that it is in the national interest for the Export-Import Bank to issue guarantees in connection with the sale of United States agricultural products to the Union of Soviet Socialist Republics, Bulgaria, Czechoslovakia, Hungary, Poland, and Rumania (and Yugoslavia). The Bank will report the individual guarantees to the Congress as they are issued." The letter was delivered to the Speaker at 5:00 p.m. on February 4th, a week after it was signed. There was sufficient time, therefore, following the brutal attack on our plane to change this decision. But no change was made. As a result the American taxpayers who supply the funds for the Export-Import Bank will pay for the wheat sold to Russia if the Kremlin refuses to honor its obligations.

This was the basic issue in the consideration of the foreign aid appropriation bill which kept the House in session until Christmas eve. President Johnson insisted that the Export-Import Bank (an agency of the U. S. government) be authorized to guarantee credit extended to Russia in the purchase of wheat from American grain companies. (The Bank is a sort of FHA for sale of goods abroad. If the purchaser defaults on his payment, the Bank reimburses the seller for any loss). Republicans in the House opposed this arrangement. Many of us were against supplying Russia with our tax-subsidized wheat at a cost of 50¢ to 60¢ per bushel under the price paid by American purchasers. But we definitely felt that any sale should involve "cash on the barrelhead" and that by no means should the Export-Import Bank make up any loss due to default by the Kremlin.

President Johnson demanded that the House remain in session until it approved his credit plan. It was finally agreed that the Bank could issue its credit guarantees if the President found such action to be "in the national interest." Last Tuesday, a week after three U.S. Air Force officers were shot down and killed by the Communists, the Congress was notified by President Johnson that he had determined it was "in the national interest" to send tax-subsidized wheat to Russia and that the tax-supported Bank should guarantee any credit extended to the Kremlin by American shippers.

It is significant to note that two days after the Administration initially announced its decision to sell wheat to the Communists, the Russians held up for many hours a U. S. Army convoy on the highway leading into Berlin. Now, a week after an unarmed U. S. plane is destroyed over Communist East Germany, our President finds it is in our national interest to send wheat to Communist nations on easy terms with Uncle Sam co-signing the note. One can only wonder whether the alleged cold war thaw is restricted to this side of the iron curtain. It appears to be; and that may account for the tragic turn of events throughout the world in the last few weeks in which "our side" has taken a beating. And how can we object to the sale of British buses to Cuba when we ship our wheat to Russia?

The latest developments in the wheat deal involve the Administration's promise that 50 percent of the wheat will be carried in U. S. ships if available. Shippers and unions have accused Continental Grain Company, which has sold 1 million tons of wheat to Russia, of rejecting offers of domestic ships on flimsy grounds in order to increase profits. Continental wants to ship 78 percent of its wheat in foreign ships. Continental has the only firm contract with Russia to date. It calls for delivery by March 31 of 37 million bushels of wheat at a cost to Russia of \$78.5 million and a subsidy payment-in-kind to Continental of about \$25 million.



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February 19, 1964

The civil rights bill was approved by the House of Representatives last Monday in substantially the form recommended by the Committee on the Judiciary. While 155 amendments were proposed, only 34 were adopted and generally these made rather minor changes in the bill. However, some of the seemingly technical changes may turn out to be very important. Probably the most significant amendment was the one which makes it an unlawful employment practice for an employer to discriminate against women in his employment policies. The word "sex" was added to the items "race, color, religion or national origin" on the basis of which it is unlawful to discriminate. Another amendment adopted says it shall not be unlawful "for an employer to refuse to hire and employ any person because of said person's atheistic practices and beliefs."

The consideration of the civil rights bill (H.R. 7152) extended over nine days with a total of 64 hours and 25 minutes spent in debate. There were 55 division votes (members are asked to stand and be counted) and 17 teller votes in which two tellers stand at the head of the center aisle in the House Chamber and count members as they walk by: first those in favor of the proposition and then those opposed.

The vote on final passage came at 8:00 p.m. Monday evening when the bill was approved 290 to 130. This was the only roll call vote on the bill and I voted for it at that time. The bill now goes to the Senate where it is expected to undergo intensive consideration and undoubtedly will be extensively revised.

THE LINCOLN WEEK: With the passage of the civil rights bill, no further legislative action was scheduled for last week. I participated in the sessions of the Presidential Commission on the Assassination of President Kennedy on Monday, Tuesday, and Wednesday. When there were no meetings of the Warren Commission I attended hearings of the subcommittee on defense appropriations. The subcommittee was hearing testimony on Air Force missile and aircraft procurement.

On Thursday noon I left for Grand Rapids to meet that evening with the members of the Grand Rapids Rotary Club and their ladies. On Friday morning I was in the office at 425 Cherry Street and on Friday and Saturday evenings participated in Lincoln Day activities at Monmouth, Illinois and Paulding County, Ohio.

I had planned to address the annual meeting of the Lowell Chamber of Commerce last Monday evening but House consideration of the civil rights bill prevented me from leaving Washington. We worked out an arrangement, which was a new experience

for me, whereby I talked by telephone from my office to the group assembled in the Runciman School Auditorium where a loudspeaker had been set up. My remarks were interrupted when the bells rang signaling the vote on civil rights, but we were able to continue in about 20 minutes when I returned to the office after voting.

FOR THIS WEEK: A major item scheduled for consideration by the House this week is H.R. 9637, a bill authorizing appropriations for aircraft, missiles, naval vessels, and for research and development, all in the Department of Defense. The Administration had requested \$17.2 billion but the Committee on Armed Services cut the amount to \$16.9 billion. Its reduction of \$270.5 million was entirely in research and development with no cut made in the request for "hardware." The bill is expected to pass the House with little change but the final appropriation bill may be less than \$16.9 billion.

The House is also scheduled to act on H.R. 9640, a bill to authorize appropriations of \$93.3 million for vessels and aircraft, and the construction activities of the Coast Guard. The only construction proposed for the Great Lakes area is for "operational facilities for helicopter detachment" at Detroit in the amount of \$738,000.

In consideration of the request for funds by the Coast Guard, the House Committee on Merchant Marine and Fisheries increased the authorization bill by \$21.5 million from \$71.8 million to \$93.3 million. The Coast Guard asked for one "high-endurance cutter" at \$14 million; the Committee recommends two. These vessels are used to provide meteorological and oceanographic observations, aid to air navigation and communications at sea, to perform search and rescue missions of at least 1,000 miles, and to carry out law enforcement duties. The Coast Guard now has 36 such ships in varying degrees of repair and with an average age of 21 years in service. In the replacement and modernization program the committee felt two new ships rather than one should be built in 1965.

The committee also recommended eight rather than six new "medium-endurance cutters" at an additional cost of \$7.5 million. These vessels will be 210 feet long and are the power tool for search and rescue work along the coast and are used to a large extent for law enforcement, including fishery patrols. There are now 30 such vessels in the fleet with 18 being over 30 years old and obsolete.

WITH THE COMMITTEES: The House Committee on Education and Labor on Monday began hearings on the President's proposal for double-time pay for overtime work. The hearings are expected to continue all week. Senior members of the Committee on Ways and Means are meeting in conference with members of the Senate Committee on Finance to iron out the differences in the House and Senate versions of the tax-reduction bill.



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February 26, 1964

Secretary of Defense Robert McNamara was before our Subcommittee on Defense Appropriations last week. Accompanied by General Maxwell Taylor, Chairman of the Joint Chiefs of Staff, he presented a 227-page report and was interrogated by the 12-member subcommittee on our defense posture and on his recommendations for the expenditure of over \$51 billion in tax money.

In his budget message President Johnson estimated Department of Defense expenditure for fiscal 1965 to be \$51.2 billion. This is \$1.1 billion less than the estimated expenditure of \$52.3 billion during the current fiscal year. However, this year's defense spending will exceed that of fiscal 1961 (only 3 years ago and during the year in which the Democratic Administration took over) by \$7.7 billion. According to President Johnson's Budget Message the \$52.3 billion defense expenditure this year is up \$2.4 billion over 1963 and exceeds the 1962 cost by \$4.1 billion.

It is to be noted also that we will enter fiscal year 1965 (July 1, 1964) with military personnel numbering 2,686,821. This is 166,821 more persons than were in the armed services on June 30, 1960. In 1961 during a Berlin crisis 147,849 reservists were called to active duty and 14,025 were called up in 1962 to meet the Cuban situation.

With this background on the increase in cost and in the strength of the Department of Defense we can easily understand the fundamental question put to Secretary McNamara and General Taylor. Our Committee wanted to know why the United States in recent months has done no better in protecting its interests and the cause of freedom throughout the world.

Our situation in Vietnam is precarious; in Cambodia we are confronted with an ultimatum. Sukarno is unpredictable. We have not been successful in Cyprus; our efforts to isolate Cuba have failed. Ghana has expelled U. S. teachers and much of Africa is in turmoil. We are not getting along well in Panama and the situation in Brazil is quite unstable. Our allies in Europe ignore our policies and wishes with impunity. The leadership of the free world seems to be slipping rapidly from our grasp.

Our subcommittee which earmarks your tax dollars for the defense of our country is primarily concerned with the basic question of why events in so many areas of the world are going against us. Is it because we have not sufficiently developed our fighting forces to enable us to speak from a position of strength? Or have our

political policies, both domestic and foreign, nullified the effectiveness of our military might? I do not believe the former to be the case but in the interrogation of Secretary McNamara and other civilian and military leaders, our subcommittee must get the answers to these basic questions. Only when these answers are obtained can the subcommittee determine how much money should be granted to the Department of Defense and the manner in which it should be spent. Every member of the subcommittee recognizes his profound responsibility toward the taxpayers and toward every citizen whose safety lies in an adequate defense against the Communist conspiracy.

TAX REVISION AND REDUCTION: The House-Senate conferees have completed the task of ironing out the differences in the House and Senate versions of the tax bill. Final action on the bill to cut federal taxes by \$11.5 billion is expected this week. This bill (H.R. 8363) not only makes certain changes in tax rates but also in the tax structure. It does more than reduce taxes; it redistributes the tax burden.

All of us accept taxes as an unpleasant necessity. We agree that taxes are so high that they constitute a substantial burden to each of us individually and the U. S. economy as a whole. Taxes should be reduced and can be reduced. But this does not mean that H.R. 8363 should be enacted. As individuals we may benefit momentarily to a smaller or larger degree from this bill. But as citizens we recognize the necessity of a sound fiscal policy. We know that continued deficit financing is neither economically sound or morally right. President Johnson in his budget message reported that on June 30, 1963 the public debt totaled \$305.8 billion. He predicted that it would go to \$311.8 billion on June 30 of this year and that a year hence it will stand at \$317 billion. Each \$1 billion increase in the debt costs the taxpayers an additional \$33.3 million a year in interest charges. The current annual interest charge is over \$10 billion. Of every \$100 collected in taxes, \$1 goes for interest on the debt.

If we were now in a depression or recession, we might be able to justify the tax cut. But if we cannot pay our own way now, when will we be able to do so? As the New York Times said on February 14, "In the summer of 1962, when economic activity turned sluggish and threatened to recede, we favored a cut in taxes....But with the economy advancing at an increasingly rapid pace, moderation is more necessary than ever." Under current conditions the bill may well stimulate further inflation and as the Times said, "It will not eliminate the problem of unemployment. Nor will it eradicate poverty. The people most in need of help will get no benefit."

I voted against H.R. 8363 when it passed the House on September 25, 1963 because we had no assurance that there would be a reduction in spending. We now know that federal spending will increase and that the national debt will grow. I cannot support this tax reduction bill under these circumstances.



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March 4, 1964

The tax bill (H.R. 8363, Revenue Act of 1964) was approved last Tuesday by a 326 to 83 vote in the House of Representatives and on Wednesday by a vote of 74 to 19 in the Senate. As I have pointed out before, I could not go along with this "easy way" which does not face up to the hard realities of our economic and fiscal responsibilities.

FEDERAL SPENDING CAN BE REDUCED: Now that the \$11.5 billion tax cut is law, it is more imperative than ever that Federal spending be held in check. If the Johnson Administration will truly exert as much pressure in keeping expenses down as it did in getting taxes cut, we may be able to realize a balanced budget. But this is not the "easy way;" real statesmanship is required.

Republican members of the Committee on Appropriations, using four basic guidelines, have analyzed the 1965 budgetary proposals and suggested methods for expenditure savings which could total \$6 - 8 billion. The basic guidelines are simple, common sense principles which can be applied without endangering the defense or welfare of our country. The first calls for a "conscious reappraisal of ongoing programs and services, with a view to leveling off temporarily those like research, which have enlarged substantially in recent years, and reducing others to low priority."

Secondly, there should be a moratorium on new programs which are not essential to the national welfare and security, and a slow-down on new activities recently enacted. The third guideline calls for the "postponement of a considerable portion of non-emergency construction, both civil and military." Lastly, there should be a limit to the number of new federal employees.

These guidelines are sound and reasonable. Applied judiciously, no essential programs or personnel will be hurt. Considered in the context of the promised effect of the tax cut on the private economy, the implementation of these guidelines will reduce governmental borrowing, help control inflation, and leave still more funds available for spending in the private sector. Viewed in the light of responsible fiscal policy, the guidelines set forth the basic minimum for protecting the integrity of the dollar and of our government.

In any consideration of fiscal policy the following facts cannot be ignored: New spending authority recommended by the President has grown from \$80.9 billion in the original budget for 1962 to \$103.8 billion in 1965, an increase of 28% in three years; 2) The deficit in the five years since President Eisenhower's last balanced

budget in 1960 is presently estimated at \$31.4 billion; 3) Research and development expenditures of the federal government have gone from \$7.7 billion in 1960 to \$15.3 billion in 1965, up 98 percent; 4) Government civilian and military employment has increased from 4.8 million on June 30, 1960 to a budgeted (planned) 5.2 million on June 30, 1965.

The tax cut reemphasizes the necessity for restraint in expenditures. Some of the good programs must be postponed until we can pay for them without mortgaging the future. In the absence of a national emergency, it is morally wrong for us to enjoy benefits the cost of which plus interest we pass on to others. Republicans on the Appropriations Committee have shown how the President's request for a \$4.2 billion supplemental appropriation for this fiscal year can be cut by \$2.8 billion. That is more than 50 percent. We hope our Democratic friends will help us achieve a major portion of this savings in behalf of all our taxpayers.

THOSE LONG COMMERCIALS: At first glance the action taken by the House last Thursday in passing H.R. 8316 would seem to encourage long radio and TV commercials. Closer study, however, will reveal that the true issue involves the protection of our citizens from unwarranted assumption of authority by a regulatory agency. In approving this legislation the House clearly stated that the Federal Communications Commission does not have the power to control the length or frequency of radio and TV commercials. While current statutes are not specific on this point, the FCC has read into the law this additional authority. It thereby took unto itself more power. To clarify the law and to pull in the reins on a regulatory body created by the Congress, H.R. 8316 was approved by the House. Further self-empowerment could lead to FCC censorship and program dictation. As long as there is a switch on the radio or TV set, we don't need further governmental control. We do hope, however, that private program directors will exercise proper discretion in this connection.

SOMEWHAT STARTLING: Many of us were startled to read recently that \$10 million annually could be saved in the civil service classified payroll by simply rounding out employee salaries at the nearest cent instead of the highest cent. This indicates something of the complexities of a payroll involving over 1 million classified employees.

According to current law, a civil service employee's pay is determined by dividing his annual salary by 2080 (the number of hours in a normal work year) to obtain his hourly rate. If the rate for A should come out to \$2.56001, he is paid \$2.57. If the rate for B should come out at \$2.568, he is also paid \$2.57. If the law were changed to pay to the nearest cent, A would get \$2.56 per hour and B \$2.57. The net annual savings will be \$10 million. The greatest yearly saving that could be realized on any one person is \$20.80.



Your Washington Review

by
Congressman
JERRY FORD



March 11, 1964

The bill (H.R. 8986) to increase salaries of federal employees is the major item of business scheduled by the House of Representatives this week. Reported by the Committee on Post Office and Civil Service on November 13, 1963, the bill as reported will add \$668 million to the annual cost of the federal payroll. With Administration endorsement, Chairman Tom Murray (Dem. Tenn) plans to offer amendments which will cut the cost to \$545 million. Rep. Murray's amendments will remove from the bill certain benefits for specific postal employees (for example, the five-day week for postmasters), will require federal agencies to absorb 10 percent of the additional cost of the pay raise, and will provide for rounding off the employee's hourly rate at the nearest cent rather than the highest cent. As explained last week this bookkeeping device will save \$10 million annually.

The Johnson Administration supports a pay raise and has included \$544 million in the 1965 budget to cover the cost. But because the bill as reported exceeds this amount by \$124 million, the Administration endorses Chairman Murray's amendments.

In any consideration of federal payroll adjustments it must be remembered that in January of this year a pay increase ranging from 2 percent to 8 percent became effective automatically under present law. This added \$380 million annually to payroll costs. There was another federal employee pay increase in October, 1962 which added costs of about \$670 million annually. The total civilian payroll for the year ending January 31, 1964 came to \$15.9 billion.

From the minority report on the bill (dated Nov. 13, 1963) we learn that "the cost-of-living index has risen 7.5 percent since 1957. However, since December 1957, the Classification Act employees have received an average of 23.2 percent pay increase plus 4.1 percent which goes into effect in January, 1964. In turn, postal employees since December 1957 have received a 27 percent increase in pay (average) and an additional 2.6 percent increase in January 1964." Under the new proposals being considered this week the classified civil service employees would get an additional 4.2 percent overall average increase while that for postal employees would be 5.6 percent.

This bill, H.R. 8986, also includes salary increases for members of Congress (from \$22,500 to \$32,500), members of the cabinet (from \$25,000 to \$35,000), justices of the Supreme Court (from \$35,000 to \$45,000), and numerous other top officials in the legislative, executive, and judicial branches.

I am sure all of us want our postal employees and other government workers

in the lower and medium salary ranges to be fairly and adequately compensated. But there is no justification for increasing high echelon salaries, including those for members of Congress, when the federal deficit for this year is \$10.7 billion, and the national debt is predicted by the President to go from the current figure of \$310 billion to a total of \$317 billion on June 30, 1965.

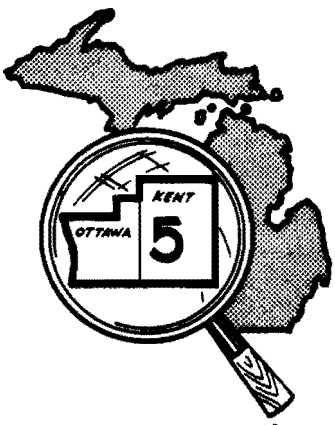
The overall fiscal position of the federal government cannot be ignored in consideration of this bill. No matter how pleasant a pay raise would be personally, I do not think Congressional salaries should be raised until our fiscal house is in better order. With the Treasury's situation as it is, in good conscience I cannot vote for another across-the-board salary increase for all federal employees.

PEACE CORPS AUTHORIZATION: Among the bills approved last week was one to authorize \$115 million to finance the operation of the Peace Corps during fiscal 1965. The appropriation for this year was \$95.9 million. The higher figure for next year will make possible an increase in the authorized number of volunteers from 10,500 to 14,000. On January 15th the Peace Corps had 6,976 volunteers and trainees serving overseas in 46 countries. During the month of January, 5,037 applicants sought enrollment in the Corps. The average annual cost per Peace Corps volunteer has been reduced from \$9000 in previous years to an estimated \$8,560 in fiscal 1965.

A motion to reduce the 1965 funds to the 1964 level of \$95.9 million was defeated by a vote of 90 to 309. I voted with the majority to place a ceiling as recommended by the Committee on Foreign Affairs. The final appropriation funds, however, may be less than the ceiling of \$115 million.

APPROPRIATIONS MOVING: The House has passed the first of 12 regular appropriation bills which must be adopted this session to provide funds for operating the government during fiscal year 1965. Approved precisely on the date previously scheduled, this bill supplying funds for the District of Columbia was passed on March 3, one month earlier than the first appropriation bill of last year. If the other money bills continue on schedule the House will consider the \$50 billion defense appropriation bill on April 21 and 22 (instead of June 25 and 26 as last year) and the foreign aid bill will come to the House on June 9 rather than in December as it did last year. However, Senate action must follow and agreement must be reached on any differences between the two bodies before the process is completed.

The story on the first appropriation bill for next year was the familiar one: a reduction in the amount requested by the President but an increase over the appropriation for the current year. The \$338 million approved for the District of Columbia government was \$19.4 million less than requested but \$25 million more than was appropriated for this year. Most of the money for this budget is raised locally with the U. S. taxpayers contributing \$40.7 million (in lieu of taxes on federal property) and making a loan of \$26.4 million for construction purposes.



Your Washington Review

by
Congressman
JERRY FORD



March 18, 1964

The pace of the hearings by the Presidential Commission to Investigate the Assassination of President Kennedy has been stepped up. Daily sessions are being scheduled for the next five or six weeks to receive testimony from about 50 principal witnesses. Other witnesses will be interviewed by staff members and all leads will be checked out. The Commission, which has practically unlimited authority to investigate all aspects of the assassination and the events preceding and following it, is determined to carry out its responsibilities thoroughly and completely.

The task of the Commission falls into three broad categories. First we have the serious responsibility of evaluating all of the evidence to determine the degree of guilt of any individual or individuals involved in the tragic event of November 22nd. Secondly, and this may well be the Commission's most significant function, we must sift fact from fiction in the numerous allegations, rumors, charges, and counter-charges that have grown out of the assassination. It is our task to the degree possible to establish the facts and disprove all unfounded charges. Thirdly, the Commission is taking a hard look at the security measures affecting the President. We are examining the current regulations and the extent to which these were complied with in Dallas. This study may result in suggestions for improving Presidential security measures in the future.

It is my hope that the Commission will complete its work and make its report to the President early this summer. We trust that the complete report and all background information will then be made available to the public. Right now we who are members of the Commission are devoting many hours to this extra responsibility but we know that the record being developed today will be of inestimable value to the American people in our time and to historians of the future.

NEW FARM LEGISLATION: Greater bureaucratic control over farmers, increased costs to the taxpayers, and higher prices for the consumers are all contained in the Senate-approved farm bill (H.R. 6196) presently with the House of Representatives. Originally passed by the House on December 4 as a cotton bill, H.R. 6196 was amended by the Senate to include new provisions on the production and marketing of wheat. Final action was completed in the Senate on Friday, March 6. Democratic House leaders on Monday afternoon, March 9, proposed immediate House approval of the amended bill. But Republicans objected on the basis that the House Committee had not considered the provisions relative to wheat. Following a Monday evening conference

of Democratic leaders including the President, the House Committee on Agriculture met on Tuesday and without hearings and by a straight party vote of 20 - 12 voted to report H.R. 9780, a bill identical to the wheat provisions of H.R. 6196 as approved by the Senate.

The legislation is replete with the dangerous phrase "as determined by the Secretary." The Secretary of Agriculture is authorized to alter acreage allotments, to determine how much wheat on each farm should be allocated for domestic food purposes and for export, and to fix the number of acres which must be diverted to "conservation use."

The bill sets up a certificate plan, allegedly voluntary but in fact the farmer must volunteer "or else." The grower who participates agrees to reduce his acreage by a fixed percentage. He then becomes eligible for price supports on the wheat he produces. On that percentage of his wheat which the Secretary says is needed for domestic food consumption he will get the market price (about \$1.30 a bushel) plus a certificate worth 70¢. On that portion of his wheat set aside for export he gets the market price plus a certificate worth 25¢. The farmer would obtain his certificates from the local ASC Committee when his planting had been certified as complying with the law. When the farmer sells his wheat he cashes in the certificates by selling them to another person (the processor or exporter) or to the government. The processor or exporter must buy a one-bushel certificate with every bushel of wheat he purchases. The cost of the certificate (70¢ for each bushel of wheat going into flour consumed in the U.S.) will be passed on to the consumer in the form of higher prices. This is in reality a processing tax, a "bread tax," which places the heaviest burden on the lower-income groups who spend the largest proportion of their income for bread and flour. If there ever was a "phony" farm bill this is it.

The Democratic leaders are expected to ask the Committee on Rules this Thursday for a "closed rule" requiring the House to say "yes" or "no" to the cotton-wheat bill precisely as approved by the Senate. Under these circumstances my vote will be an emphatic "no." Our farmers last May spoke out loudly and clearly in the wheat referendum against this kind of program. They want less complicated and more workable wheat legislation geared to less, not more, governmental control.

If this bill is defeated or if there is no wheat legislation this year, there still remains with the Secretary of Agriculture if he makes certain findings, a legal authority to set price supports between \$1.90 and \$2.25 a bushel for those producers who stay within their wheat allotment. If Secretary Freeman doesn't do this and there is no wheat legislation passed, the price-support on wheat on July 1 could fall from \$2.00 to \$1.25 a bushel. This will reduce the cost to taxpayers by \$100 million and save consumers \$350 million a year. It could mean some loss in wheat-farm income but will also result in a removal of burdensome restrictions on production. Soft red wheat produced in Michigan is seldom in substantial surplus, so the overall effect should not be serious for farmers in our area unless Secretary Freeman sulks in defeat and takes it out on farmers who believe in freedom.



Your Washington Review

by
Congressman
JERRY FORD



March 25, 1964

The President has sent to the Congress his message on "Poverty" and the House Committee on Education and Labor is examining the proposals in public hearings. The specific provisions in the 5-point program must be thoroughly analyzed and all the pros and cons developed so that the Congress and the American people can arrive at a sound judgment on the proposals. The President has suggested a National Job Corps, a national work-training program, a national work-study program, a community-action program, a recruiting and training program for volunteers for the war against poverty, a program of loans and guarantees to provide employers with incentives to hire the unemployed, and a program for work and retraining for unemployed fathers and mothers. Finally, there is to be a new Office of Economic Opportunity to coordinate and provide leadership and direction for all these programs.

President Johnson also told us that the annual cost would be \$970 million (that is nearly \$1 billion) and "every dollar I am requesting for this program is already included in the budget I sent to Congress in January." In other words we are to get all of this without increasing the budget. It is imperative therefore that at the public hearings the plans and recommendations be fully developed, that purposes and programs be spelled out in detail, and that costs and benefits be itemized and proved. If we are to wage a war on poverty, we must plan well, attack effectively, and be determined to win. But first there must be a sound plan. This means that each specific proposal must be judged on its own merits in the context of our current social and economic structure. If it is sound and practical, let's make it work. But if it's another political gimmick, let it be exposed for what it is.

CONGRESSIONAL DISTRICTS: The hearings on the establishment of congressional districts which opened before the Committee on the Judiciary last Wednesday hold more than academic interest for us in Michigan. The Supreme Court has ruled that the Federal Judiciary has jurisdiction in cases involving the size of congressional districts within the states. In recent days a three-judge court has considered the constitutionality of the new congressional districts established by the Michigan State Legislature last year.

While the Supreme Court has endorsed the "one person, one vote" doctrine, it recognizes that "it may not be possible to draw congressional districts with mathematical precision." The legislation being considered by the Committee would set forth guidelines for the establishment of acceptable congressional districts. Two bills will receive major consideration. The first, H.R. 2836 introduced by Chairman

Celler, would require each district to "be composed of contiguous territory, in as compact form as practicable," and to vary not more than 15 percent in either direction from the average obtained by dividing the number of people in the state by the number of representatives. This bill specifically grants to the courts authority to enforce these provisions.

The other bill, H.R. 7343 by Rep. Mathias, would require each congressional district to be within 20 percent of the average with no reference to contiguity or compactness. Enforcement would be through action by the Director of the Census and the Clerk of the House of Representatives requiring any state which does not comply with the law to elect all of its representatives at large.

If Kent and Ionia Counties comprise the Fifth District as under the 1963 state law, the deviation will be only 1.07 percent below the state average. The average for Michigan under the 1960 census is 411,747 while the population of Kent and Ionia is 406,319. Had Ottawa remained with Kent (total population: 461,906) there would have been a 12 percent deviation above the average.

The committee also has with it a proposed constitutional amendment reserving all decisions relative to congressional and legislative districts to each state. This would in effect overrule the decision of the Supreme Court which held that the federal judiciary has jurisdiction relative to these districts. However, the Committee is planning no action on this proposal.

INTERIOR APPROPRIATIONS: The second of 12 regular appropriation bills, that for the Department of Interior, was approved by the House last Tuesday. Following the normal pattern, this \$961.3 million money bill for fiscal 1965 was \$24.5 million less than that requested by the President but \$20.4 million more than was provided for the Department in the appropriation bill for 1964. However, the Report on the bill says, "The recommended bill...provides a net increase of only \$9,439,100, or 1%, in the comparable base for the current fiscal year."

The story is this, and it is another familiar one involving supplemental appropriations. When the 1964 Appropriation Bill for the Department of the Interior became law on July 26, 1963 it provided funds totaling \$940.9 million to operate the Department until June 30, 1964. But the bill approved last Tuesday contained "supplemental appropriations" for the current fiscal year (ending June 30, 1964) of \$32.7 million. By supplementing the appropriation for this year by \$32.7 million, the increase for next year can be made to appear only \$9.4 million rather than the actual \$20.4 million. This may be a demonstration of what Republican members of the Committee on Appropriations meant when they said, "we regard President Johnson's so-called economy drive as a myth and his budget as a figure-juggler's dream that only serves to conceal more and more planned spending."



Your Washington Review

by
Congressman
JERRY FORD



April 1, 1964

Before adjourning for the Easter recess, the House of Representatives last week passed the third appropriation bill of the session and approved an authorization of funds for NASA totaling \$5.1 billion. Also, our subcommittee completed its "markup" of the defense appropriation bill.

Our subcommittee under the chairmanship of Rep. George Mahon of Texas has been hearing civilian and military leaders of the Department of Defense since January on the request for funds to operate the Army, Navy, and Air Force. During the "markup," final decisions are made by the subcommittee of 12 members relative to dollar amounts to be allocated to various items. These amounts cannot be revealed until the subcommittee's report is written and approved by the full Committee on Appropriations composed of 50 members. Full Committee action on our recommendations is scheduled for April 17th with the bill coming to the floor of the House on April 21st.

TREASURY, POST OFFICE APPROPRIATIONS: Three of the 12 regular appropriation bills have now been approved by the House. Providing funds in the amount of \$6.2 billion, last week's bill was for the Treasury and Post Office Departments, for the Executive Office of the President, and certain independent agencies. The story is the familiar one: the appropriation for 1965 is \$46.5 million less than the Presidential request but \$179.9 million more than for 1964. The cost of the federal government continues to rise despite the best efforts of the Congress to make reductions below President Johnson's budget.

The House upheld the Committee's recommendation that no additional silver dollars be minted at this time. Western Congressmen attempted to provide funds needed to mint 100 million silver dollars but the House turned down the proposal. The Committee pointed out that the need for minor coins (less than \$1) is critical, that demand for these coins exceeds the supply of our mints, even at three-shift, seven-day operation (included in the bill is \$16 million toward the construction of a new mint at Philadelphia), that silver dollars can be minted only at the expense of minor coins, and that "the amount of silver in a silver dollar, at current prices, is worth slightly more than a dollar, while the amount of silver in two half-dollars is worth about 92 cents.... Should the price of silver continue to rise, even just a few cents per ounce, it would be profitable to melt down silver dollars for the silver content."

THE RUN ON SILVER DOLLARS: From March 11 to March 25 hundreds of persons were lining up at the Treasury Building in Washington to buy silver dollars with

their silver certificates (dollar bills). They were hoping to get a coin which had special numismatic (collector's) value, for example, the "Morgan" type silver dollar minted at Carson City, Nevada in 1879.

No silver dollars have been minted since 1935. As individuals or banks come to the Treasury for silver dollars, vaults which have been under triple seal since 1935 are opened. No one seems to know what silver dollars are in each vault. Most are of 1922 or 1923 mintage with no numismatic value. But on March 11 someone started the rumor that "collector's items" were available among the silver dollars presently being sold at the Treasury. Immediately the lines formed and thousands of silver certificates were redeemed for silver dollars. No one could lose; the silver was always worth a dollar and one might win if he should get a "collector's item." However, on March 25th at 11:00 a.m. just before the Kennedy half-dollars went on sale the Treasury suspended the sale of silver dollars. Silver certificates now can be redeemed only in silver bullion. At certain offices as small an amount as \$1 worth of silver (in an envelop) may be purchased.

THIS ECONOMY DRIVE: In a letter to the Congress dated March 17th President Johnson said, "Congress and the country surely support my determined drive for economy in government." Concerning the wide support for economy there is no question; on the sincerity of the determination for economy by the Administration there are many reservations.

The day before, on March 16th, President Johnson sent his message on poverty to the Congress. Last week I mentioned his five-point, \$970 million program and suggested that it must be thoroughly analyzed. But included in the message were other multi-billion dollar spending proposals. Mr. Johnson asked for the extension of the Area Redevelopment Act, the Manpower Development Training Act, and the Vocational Education Act. He also listed such proposals as "hospital insurance for the elderly, protection for migrant farm workers, a food stamp program for the needy, coverage of millions not now protected by a minimum wage, new and expanded unemployment benefits for men out of work, a housing and community development bill for those seeking decent homes." He then called for "programs which help the entire country, such as aid to education..." Mr. Johnson concluded by saying, "I ask immediate action on all these programs." To do so will add billions to annual federal expenditures.

This official request by President Johnson is ample proof that his Administration is dedicated to spending rather than economy. There is something in his program for everyone except the taxpayer. Unless the Johnson recommendations were enunciated for political purposes only, they can only mean higher taxes or greater deficits or both. We must also remember that the fight against poverty is not a new thing. Without any of the President's new proposals relative to "poverty," Uncle Sam will be spending on similar programs in 1965 about \$9 billion. If we include social security payments and unemployment compensation the total is approximately \$25 billion.



Your Washington Review

by
Congressman
JERRY FORD



April 8, 1964

Two bills relative to agriculture comprise the major legislative business scheduled by the House of Representatives this week. Following only one hour of debate the House will be asked to vote "yes" or "no" on a resolution to agree to the Senate-approved cotton-wheat bill and to send it to the President for signature. I discussed this legislation, H.R. 6196, in the newsletter of March 18 and stated that I would vote "no" on the bill or on a resolution to approve it. The wheat provision is similar to that rejected by our farmers in the referendum last May and can only mean higher costs to the Treasury and to the consumer.

FOOD STAMP ACT: Scheduled for four hours of general debate with additional time for the consideration of amendments is the Food Stamp Act of 1964 (H.R. 10222). Reported by a sharply divided Committee on Agriculture, the bill would "provide congressional direction and specific legal authorities for the program" which has been operated in about 43 local areas on a pilot basis.

The Act sets up a plan for distributing food through regular retail stores to those families found eligible by the local welfare agency. Eligibility is not limited to those on public assistance rolls but is determined under rules and regulations established by the State. According to the bill the program would aid "those whose economic status is such as to be a substantial limiting factor in the attainment of a nutritionally adequate diet." Gross income, liquid assets, and household size are to be taken into consideration. However, and this is significant, all State plans for operating the food stamp plan including conditions of eligibility must be approved by the Secretary of Agriculture. Only when he is satisfied, can the State participate in the program.

Any food products may be obtained with the stamps (coupons) except alcoholic beverages, tobacco, soft drinks, imported items, and luxury foods as defined by the Secretary of Agriculture. The plan is not limited to the distribution of those farm commodities which are in surplus.

When a family has been found eligible for participation in the plan, a case-worker from the local welfare agency determines how many stamps (coupons) the family must purchase and how many it will receive free. These requirements are generally set up in pre-determined tables based on studies of how much an average family spends on food. For example, under some of the pilot programs a family of four receiving \$100 a month (either from employment or welfare) have averaged \$44 a month for food

expenditure. Under the food stamp plan such a family would be required to purchase \$44 worth of stamps and then would be given free an additional \$28 worth. Under the pilot programs presently in operation the average participant pays \$6 in cash to get \$10 worth of stamps. But there is a range from \$3 to \$8 for \$10 worth of stamps depending on family income.

When a family has been certified for participating in the food stamp plan it is given an identification card. The family is listed with the local agency authorized to sell stamps. This may be the state welfare office, a county office, or a bank. Stamps in the amount authorized may be purchased once or twice a month. When the stamps have been obtained they may be spent at authorized stores (approved by the Secretary of Agriculture) at any time for any food products except those prohibited by the Act.

Retailers who receive stamps (coupons) use these as cash, paying the wholesaler (if he is a participant) or depositing them in their commercial bank. The bank treats the coupons as checks forwarding them to its Federal Reserve Bank for credit. The FRB draws on the U. S. Treasury to redeem the coupons. The money received from the sale of coupons is deposited in the Treasury and the cost of the free coupons is met from tax revenues.

The question of who should pay for the free stamps is involved in the major amendment to the plan. The Committee voted to require the states to finance 50 percent of the free coupons. The Chairman of the Committee says, "This provision would make the program inoperative." He will move to eliminate this provision from the bill. If he is successful, the federal treasury will bear 100 percent of the cost of the free stamps. Those who support the amendment argue that the food-stamp plan is basically a welfare proposal and that it is a well-established practice in our country for the state and local governments to share in both the benefits and the responsibilities of federally sponsored welfare programs. I accept this premise and will support the amendment.

The majority report of the Committee on Agriculture explaining and defending the stamp plan contains 17 pages while the minority report in opposition runs to 32 pages. The opponents contend that a nationwide food stamp plan is not needed; that it would be extremely expensive and inefficient, would add hundreds of new employees in the Department of Agriculture, would grant to the Secretary of Agriculture new broad and sweeping powers, would aggravate rather than alleviate the problem of farm surplus, and would have an adverse effect on the needy people it is designed to help. In its 32-page report the minority presented much evidence to support its conclusions.

It seems to me that there are far better and much less complicated and costly means of helping the needy and distributing our farm surpluses. I believe that surpluses should be used to help those in need and that all our people should have an adequate diet. But I don't think this bureaucrat's delight is the way to do it.



Your Washington Review

by
Congressman
JERRY FORD



April 15, 1964

In a session lasting from 11:00 a.m. on Wednesday until 12:44 the next morning, the House of Representatives last week approved both the Food Stamp Act and the Cotton-Wheat bill. Interrupted by two recesses, one to permit members to participate in the lying-in-state ceremonies for the late General MacArthur and another to permit the preparation of the engrossed (final) copy of the Food Stamp bill, the session was marked by the most vigorous parliamentary maneuvering, political wheeling and dealing, and some of the sharpest language of the year. The scheme was to first pass the Food Stamp plan, a welfare program favored by the big-city Democrats who were then expected to vote for the cotton-wheat bill demanded by the Johnson Administration. The scheme worked but it took a "gag rule," some "raw and bloody power politics," and a midnight session to do it.

The cotton-wheat bill (March 18 newsletter) was approved 211 to 203 under a procedure which allowed members to vote only "yes" or "no" on the bill as passed by the Senate. Despite this "gag rule," and despite the fact that Michigan farmers voted 4 to 1 against a similar wheat plan last May, and despite the fact that the programs will cost the taxpayers \$287 million a year and will cost the consumers at least \$350 million a year, all the Democratic congressmen from Michigan including our Congressman-at-large Neil Staebler voted "yes." (Mr. Lesinski was absent; Mrs. Griffiths was paired for the bill.) All Michigan Republicans voted against the bill.

The Food Stamp Act, described last week, was passed 229 to 189. Prior to final passage the House voted 195 to 223 to require Uncle Sam to pay for all the free stamps rather than sharing this cost 50-50 with the states. Even though the potential cost of the food stamp program is \$2.5 billion a year (the record shows that the 43 pilot programs cost \$51.5 million a year), and will come from borrowed funds, every Michigan Democrat including Rep. Staebler voted for the plan and to have Uncle Sam pay the entire cost of free stamps. (Mrs. Griffiths was absent.) All Michigan Republicans voted for the 50-50 state sharing provisions and on final passage all except Mr. Bennett opposed this bureaucrat's drama.

LEGISLATIVE APPROPRIATION BILL: The fourth of the 12 regular appropriation bills which must be enacted each year was reported last week. Providing \$173.9 million for the legislative branch of the government, the bill includes funds for the House, the Library of Congress, the Government Printing Office, and the General Accounting Office. The Senate will add funds for its operation when it considers the bill. Each body generally permits the other to vote its own expenses. The items in the bill

considered by the House for 1965 showed a reduction under 1964 appropriations of \$9.7 million and a cut of \$48.6 million from the requests.

LIBRARY SERVICES: Although the Library of Congress does not keep a copy of every book or publication produced, its current rate of growth creates a demand for about 43,000 additional square feet of space each year. Something like 40 pieces of material come to the Library every minute of an 8-hour day; about 8 pieces are added to the permanent collection.

The Library next year is planning to spend about \$2.4 million on its "books for the blind" program. Through 31 regional libraries of which the Michigan State Library at Lansing is one, the Library has been making available to 75,000 blind persons its braille and talking books. About 3,500 persons in Michigan are now using the talking books with about 1,000 borrowing the volumes in braille. Approximately 400 different books on all subjects are prepared by the Library each year. Blind persons can obtain these books by application through their local libraries.

To make governmental publications more readily available to the public, depository libraries have been designated throughout the country. These libraries may select and receive documents published by the Government Printing Office. The Grand Rapids Public Library has been a depository library since March 1, 1876 while the Library at Grand Valley State College was so designated on July 9, 1963.

CONSTITUTIONAL AMENDMENT ON BIBLE READING: Next Wednesday, April 22, the House Committee on the Judiciary is scheduled to open hearings on resolutions proposing an amendment to override the Supreme Court decision relative to the use of the Bible and the Lord's Prayer in the public schools. Over 100 members of the House have introduced 144 resolutions in 35 different forms. H.J.Res. 693 is receiving the most attention.

INSTANT COFFEE: Among a group of minor bills on trade and tariff scheduled for consideration by the House is one (H.R. 4198) providing for the free importation of instant coffee. Under current law there is a tax of 3¢ a pound on instant coffee imported primarily from El Salvador, Mexico, Guatemala, and Nicaragua. But in 1962 we exported 8.8 million more pounds of instant coffee than we imported. Our total production in that year exceeded 155 million pounds or about twice the amount manufactured in 1954.

The Committee on Ways and Means, which recommended the removal of the 3¢ tax with full Administration support, pointed out that the repeal of the tax "should not adversely affect domestic employment" and "should prove of particular benefit to the U. S. internationally." The committee also explained that "soluble (instant) coffee is produced by percolating roasted coffee to obtain a concentrated liquid coffee. The liquid is evaporated, leaving only dry, water-soluble coffee."



Your Washington Review

by
Congressman
JERRY FORD



April 22, 1964

The adoption of a \$6.9 billion appropriation bill for the Departments of Labor and Health, Education, and Welfare and related agencies constituted the major business of the House of Representatives last week. The cost of these departments of government is up for next year by \$1.1 billion. This year's appropriation is \$5.8 billion compared with \$6.9 billion for fiscal 1965. The increases were caused largely by the recent passage of legislation calling for new expenditures. There was about \$300 million for the manpower development and training programs, \$150 million for vocational education, \$464 million for higher educational facilities construction, \$37 million for defense educational activities, \$85 million for health professions educational assistance, and \$35 million for construction of community mental health centers. It was so easy to advocate and support these "good programs," which they are, but now the bills are beginning to come in, or to put it another way the additional costs are now being reflected in government expenditures. And we must pay with borrowed money. The latest report of the U. S. Treasury shows an increase in the public debt from \$302.5 billion to \$311.3 billion in the past 12 months.

The Committee on Appropriations nevertheless did cut \$653.9 million from the Presidential request. However, the chairman of the subcommittee handling the bill (Rep. Fogarty, D-R. I.) told the House that "the disallowance of requests for supplemental appropriations accounts for 70 percent of the total reduction recommended by the committee. In the most part, the reductions recommended in the 1965 budget are only token reductions." The chairman went on to say that \$100 million was cut from "grants to states for public assistance" (welfare) on which accurate estimates for the year's needs cannot be given, and that \$83 million was eliminated from the request for "manpower development and training activities" because the Committee didn't think all requested funds could be spent in one year. Then he said, "the Department almost has an invitation to come back with a request for a supplemental appropriation." It can be argued, therefore, that the cut in the Presidential request is more fancied than real, and that the 1965 expenditures for these departments will exceed the \$6.9 billion figure of the House-approved bill.

NATIONAL INSTITUTES OF HEALTH: For the first time the House has appropriated \$1 billion for a year's work by the National Institutes of Health which are primarily agencies for medical research. The exact amount is \$1.04 billion which is \$70.7 million more than for the current year and \$4.2 million less than requested. This

latter fact is a departure from the usual; more often than not in the past decade NIH was given by the Congress more funds than were requested.

But the Institute of Allergy and Infectious Diseases was granted \$1.5 million more than requested. This is the net increase resulting from an additional \$2 million added by the Committee "to start a real program in the study of immunological defense mechanisms as they relate to the rejection, by one person's body, of transplanted tissues from the body of another person." Surgical techniques for transplanting kidneys, lungs, livers, and even hearts have been developed. But, except for identical twins, the biological-chemical differences in human bodies won't permit the organ to work in the new body. If means can be found to reduce the normal immunity mechanism of the body (reduce the antibody level), then the new body can be made to accept the new part. Progress is being made in this area and the Institute was granted \$2 million specifically to increase research activity.

TO OPEN THE BOOKS: When the House approved the "legislative appropriation" bill recently it adopted an amendment requiring that the spending records of congressional committees and those of the Architect of the Capitol (Superintendent of Buildings and Grounds) should be open for public inspection. The Architect has, for instance, the detailed records relative to the cost of construction of the new Rayburn House Office Building. It is significant that the amendment was opposed by 131 members of the House although 188 voted to open the books to the public.

Nine Republicans and only one Democrat (Mr. O'Hara) from Michigan voted for the amendment. Three Democrats from our state voted to keep the records secret. Six members of the Michigan delegation were absent. Of these, two Republicans were paired for the amendment and two Democrats, including our Congressman-at-large Neil Staebler, were recorded as opposed to opening the records. Two other absent Democrats did not indicate their position in the Congressional Record.

It is basic to democratic government that the people have access to the spending records of its government, except possibly when the national security is involved. It is difficult to understand why our Democratic colleagues object to making the spending records of the Architect of the Capitol open to the public.

EXTRACURRICULAR: From a Texas and a New Jersey colleague, respectively, each congressman received last week a bag of onions and a bottle of aspirin tablets. With the onions came a note in support of "The Case of the Elegant Onion," from which we learn that the onion is one of the earliest of cultivated plants and takes its name from the city built by Onios (B.C. 173) near the Gulf of Suez. The aspirin were taken from the same production run as the 100 billionth tablet made by the manufacturer. Laid in a line, we were told, this number of tablets will "circle the earth 28 times and treat 50 billion headaches."



Your Washington Review

by
Congressman
JERRY FORD



April 29, 1964

By a unanimous vote after the adoption of only two minor amendments the House of Representatives last Wednesday approved the \$46.7 billion defense appropriation bill for 1965 recommended by the subcommittee headed by Rep. George Mahon of Texas and on which I serve as the senior minority member. Accounting for nearly one-half of the federal budget, this is the largest of the 12 regular appropriations bills to be considered by the House. The total amount was \$711.7 million less than requested by the President and \$460.7 million below the appropriation for this year. With a reduction of only 1½ percent in the request, the committee and the House took no action which would in any way reduce our military strength.

For instance, the committee cut out a request of \$19 million to purchase the "Redeye" guided missile. This is a shoulder-fired anti-aircraft missile on which it appears more research and development work is needed. The committee did not feel that "Redeye" was ready for production in large quantities.

For a different reason the Committee reduced by \$38.5 million the \$1.1 billion procurement program of F-4 "Phantom" aircraft. Here the committee felt that a greater amount of competitive buying of the parts of the aircraft would result in savings to the government. Also, there is a need to review the role and mission of the F-4 in relation to newer aircraft. To encourage efforts in these directions, the cuts were made.

On the other hand, our committee added \$47 million to the \$5 million item for research and development on a new manned strategic bomber. It is our feeling that Secretary McNamara and the Department of Defense have not stressed sufficiently the need for an improved manned bomber in the future. With our B-52's and B-58's we have a powerful bomber strike-force at the moment. The research on improved models must go forward so that in the 1970's we will have the very best manned bombers, essential strategic forces for the deterrence of war or in the alternative, the destruction of any enemy targets. Strategic bombers and missiles must complement one another in our arsenal of defense.

ON THE AMENDMENTS: The House made only two minor changes in the bill as reported by the committee which opposed neither change. One prohibits expenditure of funds in foreign shipyards for construction of the hull or superstructure of vessels to be completed or altered in the United States. The other amendment prevents any Department of Defense funds from being used to support a domestic peace corps.

The proposed amendment which precipitated extended debate concerned the

committee's recommendation that the work on the repair, alteration, and conversion of naval vessels should be allocated on the basis of 65 percent to the navy shipyards and 35 percent to the privately owned shipyards. The committee provided further that if the Secretary of Defense found that the public interest would be better served by a change in the formula, he could order such a change. Those who favored more consideration for the navy yards moved to strike the committee's recommendation from the bill. The effect could have been more work for the navy yards. These proponents argued that "a navy yard is an insurance policy; it is a fire department; it is a luxury which we have to have in this country so that America may survive."

Those of us supporting the 65-35 division which is fully endorsed by the Secretary of Defense, pointed out that Navy Department figures and an independent survey show that there is a 5 to 15 percent saving if the repair and alteration work is done in private yards. Under our formula the navy yards are guaranteed \$411,820,000 for next year with \$221,750,000 earmarked for work in private yards. This seems to me to be a reasonable arrangement. The committee was upheld when on a teller vote the motion to eliminate the 65-35 formula was defeated 82 to 130.

FROM A PERSONAL STANDPOINT: While I supported the bill as reported by our committee and voted for it on final passage, there are three areas especially in which I personally would have made changes. It seems to me that we should have included an additional \$126 million to provide nuclear power for our newest aircraft carrier. Since funds for the carrier were approved two years ago there have been great technological advancements in nuclear propulsion. With atomic power the vessel could go seven years without refueling. The Joint Committee on Atomic Energy and the Joint Chiefs-of-Staff are unanimous in support of a nuclear powered carrier. But Secretary McNamara is opposed. Unfortunately we did not have the votes in the subcommittee to add the \$126 million. Although the initial cost of a nuclear powered carrier is greater, the total cost during the life of the ship is approximately the same because the operating costs of a nuclear ship are significantly less. Furthermore, we were restricted in the House by the authorization limit on ship building funds. This is one instance in which I hope the Senate will increase a House appropriation.

I would have cut \$18 million included in the bill for a new Comet ship. This is a type of the "roll on, roll off" ship in which trucks, tanks, etc. can be driven on and off. From the point of view of federal funds it is about three times as expensive as a newly designed, high performance cargo ship and there is no evidence that it is more efficient overall.

Finally, I would have prohibited the use of defense funds for the development of disarmament plans, especially of a unilateral nature. There is evidence that this is being done. I have supported the U.S. Disarmament Agency but believe that defense funds should be used for our military security and not diluted by programs for future disarmament.



Your Washington Review

by
Congressman
JERRY FORD



May 6, 1964

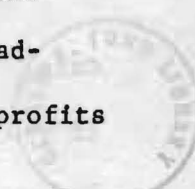
The life of the Renegotiation Act of 1951 will be extended for two years if the bill (H.R. 10669) passed by the House of Representatives last Wednesday becomes law. This would mean that the Renegotiation Board of five members will continue to exercise its authority until June 30, 1966. This Board is responsible for determining whether profits realized from certain defense contracts and subcontracts are excessive.

Contractors who sell to the Department of Defense, NASA, the Atomic Energy Commission, the Maritime Commission, and the Federal Maritime Board are already covered by the Act. In its action on Wednesday the House added the Federal Aviation Agency which currently enters into prime contracts at the rate of \$165 million a year.

At the end of his fiscal year each contractor must file with the Renegotiation Board a financial statement including a report on his receipts, expenditures, and profit or loss on specific contracts. Currently only those contractors whose renegotiable sales exceed \$1 million during the year are expected to submit a report. Many sales to the government are not "renegotiable" sales. Standard items in general commercial use are exempt as is certain equipment used in production (tools, dies); also exempt is the value of certain raw material and agricultural products. In fiscal year 1963 the Board received reports from 3,913 contractors whose renegotiable sales exceeded \$1 million. These involved prime contracts, subcontracts, and agreements for management fees in an aggregate of more than \$31 billion. Cost-plus-a-fixed-fee sales represented 35.4 percent of the total amount involved.

In his report the contractor segregates the renegotiable items from those not subject to the law. Examiners for the Board go over the accounting and eliminate those cases in which there has been a loss. Contracts showing a profit are screened by experienced examiners. When there is no evidence of "excess profits" the case is closed. Last year over 85 percent of the reports fell in these categories: loss or fair profits.

When further examination seems necessary it is done through the Eastern Regional Board in Washington and the Western Board in Los Angeles. In fiscal 1963 a total of 551 new cases involving substantial questions were assigned to the regional boards for extensive examination and analysis. In that year 464 cases were processed. Of these 265 were completed by refund agreement or clearance while 199 were transferred to the Headquarters Board for further action. In 1963 action of the Headquarters Board and Regional Boards resulted in 48 determinations of excessive profits



totaling \$10,069,536. About 80 percent of these determinations were accepted by the contractor; in 10 of the 48 cases the Board issued an order requiring payment to the U. S. Treasury. In the latter instance the contractor may appeal to the U. S. Tax Court; three of the 10 did so last year in cases totaling \$569,173.

A DIVISION OF OPINION: The Committee on Ways and Means was not unanimous in its recommendation that the Renegotiation Act be extended. The minority felt that "steps should be taken to bring renegotiation to an orderly termination." They insisted that the procurement agencies of the government have had enough time and experience, and have sufficient authority to develop effective practices to prevent excessive profits by their suppliers. Pointing out that this is the seventh extension of the Act and that promises for better purchasing practices have been made at each request for an extension, the minority said, "Yet the day never comes when the procurement agencies are willing to throw away the renegotiation 'crutch,' and learn to walk again." The minority also stated that "Renegotiation penalizes the efficient and rewards the inefficient" and that "Renegotiation is no substitute for competition."

As a first step toward bringing "renegotiation" to an end, the minority recommended an increase in the \$1 million minimum for reporting to \$3 million in 1965 and \$5 million in 1966. An increase to \$5 million would mean that contractors required to file reports would be reduced by two-thirds while the sales subject to renegotiation would be reduced by less than 15 percent. In other words, many small contractors would be removed from the renegotiation process.

The majority recommended keeping the \$1 million minimum. They felt that profiteering can be practiced by smaller contractors as well as larger ones, and that to raise the minimum would also remove some larger contractors from scrutiny because of use of the exemptions mentioned above. A motion to raise the \$1 million minimum was defeated by a voice vote.

The majority which recommended an extension and expansion (to include FAA) of the Renegotiation Act pointed out that demands of the military and NASA are often for new goods and services with many unknowns. Although sound estimates may be made in good faith, the nature of the situation demands reexamination of costs and profits following completion of the work. They also pointed to the fact that often there is no real competition especially when only one company is asked to supply the goods or services. Proponents of the bill contended that in general the possibility of renegotiation has a salutary effect on contractors and protects the taxpayers. They stated it is significant that in 1963 contractors reported to the Board voluntary refunds and price reductions in the amount of \$28,047,146.

"YOUR CHILD FROM 1 TO 6": This booklet, a companion to the well-known "Infant Care," and another publication of the Children's Bureau is available through my office. If you desire a copy, please let me know at 351 House Office Building, Washington, D.C.



Your Washington Review

by
Congressman
JERRY FORD



May 13, 1964

Legislation authorizing over \$2.6 billion in 1965 appropriations for the Atomic Energy Commission was approved by the House of Representatives last Thursday. The final dollar amount will be included in the Public Works appropriation bill scheduled for consideration early next month.

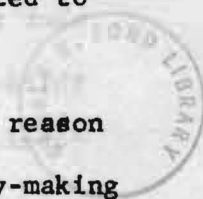
The bill authorized the entire request of \$582.8 million for the development, production, and storage of nuclear weapons. This was done, according to the Committee Report, to assure "that the United States has a nuclear weapons program second to none." The bill also contained \$186.2 million for nuclear weapons testing "to provide for the program of underground weapons testing, as well as preparation for, and maintenance of, a readiness capability for the resumption of atmospheric testing in the event of an abrogation of the test ban treaty."

Vast funds were authorized for research in both the military and peaceful uses of atomic energy. Over \$16 million is included for education and training to broaden the base of nuclear knowledge and technology especially in our colleges and universities. It is of interest to note that \$7 million was allocated to meet the cost of operating the security investigation program of the Atomic Energy Commission. This covers security investigations of persons seeking employment with the Commission and its contractors, and the selective reinvestigation of previously cleared personnel.

Because of the cutbacks in the production of enriched uranium and plutonium, the AEC requested \$74 million less than was allocated this year for its special nuclear materials program. The total is still \$401.5 million, but some of us in the Congress are seriously concerned about the implications in this cutback in production. It results from an announcement by President Johnson on January 8, 1964 that he and Khrushchev had agreed to reduce the production of plutonium and enriched uranium. It infers that the U. S. has given up in its attempt to obtain a treaty (which must be discussed publicly and ratified by the Senate) on nuclear control; it implies that the Soviets continue to refuse permission for proper inspection of their installations.

The U. S. is closing four of its 14 producing reactors to cut back its production of plutonium by 20 percent. It seems that Russia has agreed not to complete ~~two~~ reactors it was building. The U. S. cut back uranium production by 40 to 50 percent while being told that the Soviets were making "a substantial cutback," estimated to be about 15 percent.

All of us favor a reduction in international tensions but we have good reason to fear personal, secret diplomacy. We are especially fearful when the treaty-making



procedure with Senate ratification is by-passed, and when the agreement is based on the assumption that Communist leaders can be trusted. What assurance do we have that the Soviets will live up to commitments? Their record in this respect is poor. Will they change? I doubt it.

ON OBSCENE MAIL AND COMMUNIST PROPAGANDA: The Committee on Post Office and Civil Service is scheduled to consider in executive session this week a bill (H.R. 319) to protect postal patrons from obscene mail and communist propaganda. Public hearings on the bill were held last summer.

Under the bill as introduced a person may return to the post office any third-class mail (advertisements, circulars, etc.) addressed to him or his minor child which is obscene or constitutes communist propaganda. The individual may request the Post Office to notify the sender to remove his name or the child's name from the mailing list being used. The Post Office Department is to do this and to set a time by which the name must be removed. If the individual continues to receive mailings after the order is issued, the Postmaster-General may cancel or suspend any permits granted to the sender to use low-rate, third-class mailing privileges. New permits may be issued only when the Postmaster-General is satisfied that the sender will abide by the rules.

The sponsors of the bill state that this legislation "will afford postal patrons a protection that they have long needed--the right of privacy of the home." They insist that "the recipient of a piece of unsolicited mail of an objectionable nature should have the right and means of not only refusing the mail but of assuring that he will not continue to be deluged by it."

The legislation is opposed by the Administration (Post Office Department) on the basis that it is "unnecessary" and that it would result in a "very substantial increase in workload." It is opposed by the American Civil Liberties Union as "a virulent species of precensorship." It is opposed by the Direct Mail Advertising Association for a number of reasons including the technical difficulty of removing names from mailing lists purchased, rented, or compiled.

I am particularly interested in this matter because of constant complaints from folks at home who receive advertisements for obscene material. In many instances because of court decisions the Post Office Department is prohibited from stopping the flow of this annoying mail into our homes. Recognizing that H.R. 319 may create certain problems for the Post Office and for the users of third-class mailing privileges, it will nevertheless, as a sponsor pointed out, "get away from all these decisions and court hearings and examinations about what is obscene and what is Communist propaganda and let the individual himself decide whether or not he wants to be on third-class mailing lists." This seems to be a reasonable approach to the problem. Those who want to send questionable material through the mail as low-rate, tax-subsidized, third-class matter may at least be expected and required to select names and addresses carefully and in accordance with the proposed procedure.



Your Washington Review

by
Congressman
JERRY FORD



May 20, 1964

The House of Representatives last Wednesday approved legislation which had been recommitted on February 26th to the Committee on Banking and Currency for further consideration. Involved in this controversial issue were additional funds for the International Development Association (IDA), an affiliate of the World Bank. Provided with funds by 18 of the more prosperous nations, the Association supplies development capital in the form of loans for under-developed countries whose balance-of-payment position make it impossible for them to meet the cost of private capital or World Bank loans. No interest is charged but there is a service fee of $\frac{3}{4}$ of 1 percent per year.

By June of this year the IDA will have committed all of its initial 1960 funds exceeding \$700 million, of which the United States contributed 43.1 percent. The Congress was asked to provide an additional \$312 million which is 41.6 percent of the total of the new funds requested from the cooperating nations.

The bill passed by the House (S.2214, already approved by the Senate) varied slightly from the bill (H.R.9022) recommitted by the House on February 26th. In recommending adoption of the Senate bill, the Committee emphasized the strong endorsement of President Johnson and answered the points raised by the opposition in February. The Committee insisted that IDA will lend only to countries undertaking "self-help measures," will not assist nations which take over foreign-owned property without compensation, will not assist any government-owned industrial enterprise, and that no IDA funds will be used to benefit Communist bloc countries.

I voted against recommitment in February (in effect, a vote for the bill) and supported S.2214 last Wednesday. From my experience on the Appropriations Subcommittees for Defense and Foreign Operations, I believe that the international cooperation represented by IDA is sound and in the best interests of the United States. Loans, not outright grants, are made to developing countries by a group of the more prosperous nations, not just by the U.S. alone.

DEFICIENCY APPROPRIATION BILL FOR 1964: Additional appropriations in the amount of \$1.26 billion for the current fiscal year (ending June 30th) were approved last Monday when the House passed the Deficiency Appropriation Bill. The largest single item was \$1 billion for the Department of Defense. After the current budget was sent to the Congress about 15 months ago, Congress approved a pay increase for military personnel. Additional funds for the higher salaries were not included in the

regular Defense Appropriation Bill. Consequently, simple arithmetic demanded that the Defense Department be provided more money to meet its payroll for the present fiscal year.

The second largest single item in the bill was \$159.6 million for payment of grants to states for public assistance (welfare). The amount needed for public assistance cannot be accurately estimated months in advance. The Congress had appropriated \$2.72 billion for "public assistance" grants in 1964; the addition will raise the amount to \$2.88 billion compared with \$2.73 billion a year ago. In its report the Committee said, "While it is distressing to the Committee to see this program costing more every year, there is practically no control that can be exercised via appropriations. It is obvious that the additional funds, and perhaps more, will be required to make payments authorized by the basic legislation." This is only one of a number of programs which were already in operation long before the current "war on poverty" was launched.

"JOB CORPS" OR EDUCATION: Among the President's "anti-poverty" proposals is the "Job Corps," a system of conservation camps in which men from 16 to 21 can work and learn. The cost for the first year is estimated at \$190 million for about 40,000 young men. This means an average expenditure of \$4700 per year per man.

We can agree that life in a work camp may be a valuable experience for these young men. But I'm sure we can also agree that an education, a skilled trade, a salable personal service, are things most needed by our young people today. For \$4700 a year two or three young men could be sent to the finest high school, trade-school, or college in their area. Here they could get training which would enable them to be productive members of modern society for a lifetime.

If we are to spend \$4700 per man per year to alleviate poverty through training, let this training be constructive, practical, and worthwhile. Trade-schools, vocational schools, and on-the-job training seem more in line with modern-day needs than improvised work camps.

WITH THE COMMITTEES: The Committee on Ways and Means has been meeting in executive session to consider H.R. 3920, Rep. King's bill on medical care for the aged, often referred to as the "medicare" bill.....The Committee on the Judiciary is continuing the public hearings on proposals to make constitutional the voluntary use of prayer and the scriptures in the public schools. At least 170 witnesses representing all shades of opinion are expected to be heard by the end of the month..... After excluding its Republican members from Committee meetings for two weeks (a most extraordinary procedure) the Committee on Education and Labor is now meeting in executive session on the "anti-poverty" bill. After two sessions last week, it had adopted 10 of 26 amendments suggested by both Democrats and Republicans but had not completed action on the first of seven titles (parts) in the bill.



Your Washington Review

by
Congressman
JERRY FORD



May 27, 1964

By a vote of 187 to 186 the House of Representatives last Wednesday rejected a proposal which would have stopped the payment of export subsidies on farm products sold to Communist countries. I favored the proposal, an amendment to the appropriation bill for the Department of Agriculture, because I see little or no justification for saddling the American taxpayer with subsidy payments on wheat or other commodities shipped to Russia.

According to facts supplied by the Department of Agriculture (Hearings: Part III, page 641), 63 million bushels of wheat have been registered for export to Russia so far in 1964. The export subsidy, ranging from 51¢ to 84¢ per bushel, would amount to \$42.9 million. The Department noted: "The export subsidy is in the form of payment-in-kind certificates which must be used to purchase U.S. wheat from the Commodity Credit Corporation which must then be exported."

Furthermore, the Department stated that during 1964 sales of U.S. wheat to the Soviet Union amounted to \$133.7 million. Had this same amount of grain been sold domestically, the U.S. purchaser would have paid \$152.2 million for it. This means that the Communists got the wheat for \$18.5 million LESS than Americans would have been charged. I voted to stop this sort of thing.

Had the proposal, which lost by one vote, become law, the Communist nations would be required to pay the same price for U.S. wheat as that charged to American consumers. All Republicans from Michigan (except Mr. Meader, absent) voted to eliminate the subsidy payments on wheat sold to the Soviets as did Rep. John Lesinski, Democrat. But seven Democrats from Michigan, including our Congressman-at-Large Neil Staebler, voted to continue the tax-supported subsidy on farm products sold to the Communists.

DEPARTMENT OF AGRICULTURE FUNDS: In fiscal 1954 the actual expenditures in the Department of Agriculture under Secretary Benson totaled \$2.9 billion. Ten years later in 1964 under Secretary Freeman the agricultural appropriation amounted to \$6.2 billion and President Johnson requested an additional \$6.6 million as a supplemental appropriation to finish out the year.

In adopting the 1965 Department of Agriculture Appropriation Bill last week the House turned down the entire supplemental request and cut the 1965 request by \$406 million leaving a total of \$5.1 billion to be spent. The President's 1965 request as submitted was already \$653 million less than the 1964 appropriations. So the 1965 total is about \$1 billion less than the funds for 1964. But this is not the whole

story; there is no such real economy in the President's program.

First of all, the President proposed reductions in popular and valuable programs which he knew would be restored by the Committee. The Democratic-controlled Committee on Appropriations saw through this attempt to "pass the buck" from the White House to the Capitol. In its Report it said, "The Committee is convinced that these activities are extremely valuable, particularly to the consumers of the country, and should be continued." "These activities" referred to the Agricultural Conservation Program, the Extension Service, Watershed Protection, Flood Prevention, assistance to districts by the Soil Conservation, Agricultural research stations, marketing research, and market news service, for which the Committee added \$8.8 million. But the Department was ordered to provide the funds for "these activities" by cutting an equivalent amount from the \$12 million requested by the Johnson Administration to provide agricultural assistance abroad through AID. The Committee stated that in its opinion, "it is far better to use taxpayers' money to improve American agriculture and protect the American consumer than to provide training and technical assistance to our competitors in world agricultural markets through the Agency for International Development."

A second factor in the apparent \$1 billion reduction has to do with a change in bookkeeping for the Commodity Credit Corporation (CCC) which handles surplus farm products. As a Republican member of the Committee stated on the floor of the House, "If we were to balance the books of the CCC today through this bill, we would have to include an additional \$975 million." This would about wipe out the alleged \$1 billion saving for 1965. The Democratic-controlled Committee agreed that "the provision of further funds might become necessary" if there is a major change in weather conditions, commodity production, prices or sales. Regrettably, therefore, we cannot be optimistic that 1965 expenditures will actually be less than those for 1964.

FARMER-CONSUMER PROBLEMS: In its Report the Committee on Appropriations listed what it considered the "two pressing problems currently facing American agriculture and the American consumer which must be given immediate attention." The first involves the production, processing, and consumption of tobacco, "an \$8 billion industry with growers receiving about \$1.2 billion per year." To protect both producers and consumers, the Committee said that through research we must "determine the properties of tobacco which may affect the health of smokers and...develop means to eliminate any harmful substances found." Funds for this research were provided.

The second problem has to do with the use of pesticides and insecticides and the effects of residues. The widespread use of these chemicals has caused concern with their effect on public health and the welfare of fish and wildlife. The bill provides \$250,000 for use in developing rules and regulations and possible changes in the law to insure both crop protection and health protection.