



Your Washington Review

by
**Congressman
JERRY FORD**



May 3, 1961

The last issue of our REVIEW concluded with the statement that the House of Representatives during the week would have an opportunity to approve more "backdoor spending" or demand greater fiscal responsibility as it completed action on S. 1, the Area Redevelopment bill. Unfortunately, the House chose to approve more "backdoor spending."

By a vote of 223 to 193, the House accepted the final version of S. 1 including the provision added by the Senate eliminating a House requirement for annual appropriations to finance the redevelopment bill. The Congress surrendered to Administration demands that it be allowed to use all the funds authorized without having to give an annual accounting or to justify an annual appropriation to the Senate and House Committees on Appropriations.

Rep. Clarence Cannon, the Democratic Chairman of the House Committee on Appropriations in discussing this bill on the floor of the House said: "I ask any of those gentlemen who are jamming this bill through the House to give us the total amount the U. S. Government is obligated to pay. Nobody knows. There is no way for anybody to know. We have been shoveling money out through the back door at such a rate there is no way to estimate it....And mind you it is not defense money they are spending. It is non-defense money that is throwing us into the red....It is like money in this bill--taxpayers money for a few favored spots in the country--that is running up our national debt--and running down our ability to defend ourselves."

May I emphasize that these are not my words but those are the words of a Democratic House leader from Missouri who has been a member of Congress since 1923.

This vote in the House has been hailed as a victory for the Administration: "Congress has capitulated; a strong executive is in control." Truly the House buckeled under in this instance; certainly the Administration spokesman brought pressure to bear on many congressmen. This is regrettable. One would wish that Administration leaders (and I exclude the President here) would be as diligent in halting the spread of foreign ideologies around the world as they are in winning a victory over the Congress in domestic affairs. Strong, vigorous, and effective action against the perilous Communist conspiracy in Cuba, Laos, and elsewhere should be much more in evidence than an overwhelming desire to achieve domination over the Congress on domestic legislative proposals.

THE PRESIDENT'S MESSAGE ON TAXES: Today, the House Committee on Ways and Means opens hearings on the President's recommendations on tax revision outlined in his message of April 20th. Few will disagree with Mr. Kennedy's purpose of providing a "more

equitable tax structure, and a simpler tax law." While the message promises that a comprehensive tax reform program will be submitted next year, it makes recommendations for action this year on tax incentives for modernization and expansion of industry, the tax treatment of foreign income, and on taxes concerning capital gains, and on cooperatives and financial institutions. Mr. Kennedy also requested funds for additional Internal Revenue agents and suggested that Congress authorize individual "account numbers" as a means of improving collections. He further recommended a 2¢ a gallon tax on jet aviation fuel (now tax free) and the continuation of the present tax rates on corporate income and excise taxes and on alcoholic beverages, tobacco, automobiles and telephones which are scheduled to be decreased on July 1.

Of particular interest to individuals were Mr. Kennedy's recommendations that a 20% withholding tax be applied to dividend and interest income, that the \$50 dividend exemption and the 4-percent dividend credit be repealed, and that tax deductions under an "expense account" be further controlled and curtailed.

Some of the President's recommendations must be adopted; others should be given sympathetic consideration, while a few appear to be unsound. For instance, I think the Congress should take a long and careful look at his proposal to repeal the \$50 exemption presently granted on income derived from dividends. In fact, I would extend this exemption to income derived from interest.

I believe our government should encourage and assist the small investor. To exempt \$50 of dividend income from taxation serves the public interest by encouraging a broadened base of ownership in American private enterprise. Since 1954 when this exemption provision became law the number of shareholders in American Corporations has about doubled. In 1959 about 28 percent of all shareholders in publicly-held corporations in the United States had incomes under \$5,000 a year.

If we believe strongly in the American Way of Life we must encourage private savings and investments. The Communists would have the dictatorship own the major means of production. We who reject that theory ought to give all our citizens an incentive to invest in the American free enterprise system. The \$50 exemption is significant to the small investor; it means little or nothing to those of great wealth.

It is variously estimated that today it requires from \$10,000 to \$20,000 to provide a single job in industry. It seems to me that we strengthen our economy and help labor and management alike when our tax policies encourage those in the lower and middle income brackets to help supply the investment capital needed to provide jobs in industry. Rather than eliminate the \$50 tax exemption on dividends I would extend this provision to include interest. Then those who place their savings in banks or building and loan associations would also be rewarded for investing in our way of life.



Your Washington Review

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May 10, 1961

More federal spending and greater concentration of power in Washington again marked legislation approved by the House of Representatives last week. A water pollution control act was passed and the amendments to the Federal Labor Standards Act were sent to the White House for signature.

Because most of us (including your Congressman) are for pure water and good wages, it would have been convenient to vote "yes" on both issues. But following a careful analysis of the specific bills recommended to the House and the alternative proposals which were suggested, I voted "no" on the final passage of both H. R. 6441, the water pollution bill and H. R. 3935, the minimum wage amendments.

The pollution bill as passed increases the authorization for federal funds for sewage treatment plants from \$50 million a year to \$100 million and the ten-year total from \$500 million to \$1 billion. No provision is made in present law or the new bill for the states to share in financing the construction of any local sewage disposal plants. Moreover, the new bill (H. R. 6441) changes the law to cover not only pollution in "interstate" waters but in all "navigable" waters. This greatly broadens the authority of the federal government and can only result in eventual weakening of the states' anti-pollution programs. Testimony at the Committee hearings indicated that even under present law the Federal grant program has tended to slow down local effort while municipalities waited for their turn to receive a hand-out from Uncle Sam.

The alternate water pollution proposal which I supported reduced the overall cost from \$1 billion to \$750 million and required that the states match federal funds beginning in 1965. Furthermore, it retained the current provisions of law which restricts federal authority to the coverage of pollution of interstate waters endangering the health and welfare of persons in more than one state. This means that each state handles those water pollution problems which exist solely within its borders. This seemed to me to be sound as did the provision to require state financial cooperation after 1964.

If we are to maintain the authority and respect of the states and local governments we must say "no" to specific legislation which concentrates more and more power in the bureaucrats at Washington. If we are to balance the federal budget, reduce the debt and annual interest costs, and strive for tax reduction, members of Congress must say "no" to specific legislation which adds to the tax burden. Unfortunately, in many instances the specific projects in and of themselves are desirable and even laudatory. But the

the larger consideration ought to prevail.

MINIMUM WAGE LEGISLATION: In 1937 when President Franklin D. Roosevelt asked for the first federal minimum wage law, he said it should cover "those who toil in factories." FDR also said that "there are many purely local pursuits and services which no federal legislation can cover." Franklin Roosevelt was right in both instances. Factories in Michigan produce goods which compete with those made in other states. If Michigan factories are to provide jobs they must sell their products. Lower wage scales in other states can mean fewer jobs in Michigan. A federal minimum wage law for those who work in factories is justified and \$1.25 an hour today a justified minimum.

But the legislation sent to the President goes beyond raising the minimum wage for those in factories or those presently covered. It takes in "many purely local pursuits and services." Instead of regulating wages of businesses engaged in interstate commerce or which have retail establishments in more than one state, the bill to be signed by the President covers employees who handle, sell, or otherwise work on goods that have moved in commerce. To be sure there is a dollar-volume limitation such as \$1 million in annual sales for retail stores and \$250,000 for gasoline service stations. But once this authority is established, the dollar figure may be reduced so that Washington could control every corner drugstore and neighborhood grocery.

Furthermore, by setting up a dollar-volume rule the legislation creates the untenable situation wherein a few dollars fluctuation in sales makes the difference between compliance and non-compliance. And a little juggling of figures can place employees inside or outside the law.

I sincerely hope moreover that the passage of the new law will not result in loss of employment by part-time or marginal workers. If small local business can't continue to employ such help, everyone including the government loses.

FEDERAL HIGHWAY ACT: I voted in favor of the third major legislative measure passed by the House last week, the Federal Aid Highway Act (H. R. 6713). This bill increases the authorized expenditures for the interstate highway system by \$11.56 billion making a total of \$37 billion. This "largest peacetime public works program in the history of the world" was initiated by President Eisenhower in 1956 and is scheduled to be completed in 1972.

To help finance the highway spending program the bill included a revenue-producing tax program. The 4-cent a gallon tax on gasoline and diesel fuel will continue. The excise taxes on tires, tubes, and tread rubber are increased slightly as is the use tax on heavy vehicles. As you may recall President Kennedy recommended substantial excise tax increases on these items but the House in the main exercised its own judgment and rightly so. The bill is estimated to provide an additional \$9.8 billion between now and 1973 for the highway trust fund.



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May 17, 1961

Commander Shepard's recent flight into space was the culmination of years of effort on "Project Mercury" and the promise of an American in orbit possibly this year.

In March 1956 the Air Force initiated a project concerned with recovering a manned capsule to be placed in orbit and some basic studies were conducted. By January 1958 seven proposals from industry to develop an orbital vehicle were received by the Air Force. In August 1958, President Eisenhower ordered implementation of the program and transferred \$30 million to "Project Mercury" whose objective was to achieve manned orbital flight.

It is interesting to note that in 1958 the Army proposed to place a man in a recoverable capsule which would be boosted through a ballistic trajectory to a height of about 150 miles, with a recovery by parachute about 150 miles from the starting point. This was to provide a 10-minute test of man's reaction to weightlessness. In 1961 Cmdr. Shepard went 115 miles up, 302 downrange and experienced 5 minutes of weightlessness.

In 1958, Dr. Hugh Dryden, Deputy Administrator of NASA, indicated that the U. S. would achieve a manned orbital flight sometime in 1961. This also now appears as a likely achievement.

To place a man in orbit required the development of a workable and safe capsule and the modification of the Atlas missile to an absolutely reliable vehicle for supporting life.

Cmdr. Shepard's flight demonstrated that most of the capsule problems have been solved. The Redstone missile at 5,000 miles per hour apparently caused no harm to the man in the capsule. To put a man in orbit will require speed at 18,000 miles per hour and an Atlas missile booster will be used for the propulsion. Originally designed to carry a warhead and to destroy itself, the Atlas had to be modified to carry a manned capsule.

Two successful orbital shots must be completed before the U. S. orbits a man. The first will test a capsule in orbit without life to check our tracing and computing systems, the capsule's return to earth, etc. The second will carry a chimpanzee to test the missile and capsule's capacity to support life and return it safely to earth. Only when these tests are completed satisfactorily will U. S. attempt to put a man in orbit.

In the past three fiscal years the United States has put about \$293 million into Project Mercury. It is estimated that the total cost will be about \$400 million and it may go to half a billion dollars. And this is not our entire space program. The U. S.

has additional military and non-military projects in this area.

Some have raised the question of "Why?" Is this a necessary and justifiable expenditure of public funds? In answer I think there are two basic considerations and a number of practical aspects. The first basic point involves the cold war and the struggle for the minds of men by the forces of freedom and the forces of Communism. The cold war is being fought on many fronts of which the technological is of major importance. The neutral and uncommitted peoples of the world as well as others presently enjoying a life of freedom are watching our technological development and our space exploration. For many of them this area provides a test for the strength and merit of Democracy and Communism. More than our prestige is involved. The affiliations of peoples may be affected by our technological success or failure. We cannot ignore space exploration and let the Soviets man the universe.

A second basic consideration involves the natural curiosity of man and his exploring spirit which through the centuries has paid direct and indirect dividends. Columbus had to beg funds for ships and supplies to sail west to get east. To many this didn't make sense. He sailed for the Indies and found a new world. What he discovered far exceeded what he intended to find. No one knows today what benefits mankind will derive from space exploration. The final answer won't be available for decades.

But we do know now that men and machines in space will have significant and constructive effects on air and surface navigation, on weather prediction and control, on TV and other communication media, and on the military systems of man including the defense and security of our country.

SLOWDOWN ON MISSILES: While Cmdr. Shepard was receiving deserved honors in Washington, Senator McClellan's Permanent Investigating Committee was revealing that during the past 4½ years 327 strikes occurred at 22 missile bases causing a loss of 162,872 man hours of work. One-third of the walk-outs were at the Cape Canaveral test center.

Witnesses before the Committee told of walkouts called on trivial grounds to slow projects so workers could collect overtime, sometimes putting weekly wages to more than \$700 for journeyman electricians. A government contract officer at Canaveral said that when he refused to authorize overtime on a job which was on schedule, electricians on the project walked out for eight days. Jurisdictional disputes between unions resulted in slowdowns and featherbedding as well as strikes. It was reported that at Cape Canaveral the work productivity was about 40 percent of normal work output. Authorities there state that had it not been for these delays we would have been six months ahead in our space program. This may mean that Alan Shepard could have been the first man in space.

As a result of the McClellan hearings, Secretary of Defense McNamara has directed the Air Force to take steps to assure that efficient production methods are employed at missile bases. Secretary of Labor Goldberg has called conferences on the matter. We can all agree that prompt and effective action is necessary.



Your Washington Review

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May 24, 1961

Six roll call votes have developed in the House of Representatives since my last report on specific legislative action. I voted affirmatively with the majority in three instances, was paired for two measures one of which passed, and was paired against one bill which was approved.

If a member of the House knows that he will not be present when a vote is to be taken, he may arrange for a "pair" by which another member holding opposite views is matched with him. Neither actually votes and their absence does not effect the outcome, but the views of each may be shown in the Congressional Record at the time the vote is taken.

On May 11th the first B-52H intercontinental SAC bomber arrived at Wurtsmith Air Force Base at Oscoda, Michigan. As a member of the Committee on Appropriations for the Department of Defense, I was invited to the ceremonies marking this occasion. Michigan will serve as home for the first squadron of SAC's newest and most formidable bomber and I was pleased to participate in the event. I therefore was "paired" on three votes scheduled for that day.

I am recorded as being for the extension of the Mexican farm labor program for two years. The use of Mexican nationals as farm labor in Western Michigan has proved generally satisfactory, supplying a much needed demand for efficient and skilled agricultural labor.

I am recorded as opposed to a bill raising the limit on the total amount to be paid officers and staff of the President's Council of Economic Advisors from \$345,000 to \$2 million. The limitation was originally set in 1946 specifically to prevent "empire building" by this agency. While some increase undoubtedly is justified and I was "paired for" a motion to place the limit at \$700,000, there is no good reason for upping the limit to \$2 million.

Two votes came on the question of setting up an Office of International Travel and Tourism in the Department of Commerce to encourage foreign residents to visit the United States. The first vote came on a Resolution to consider the bill. I voted "yes" in order to give the House an opportunity to pass on an issue approved by the Committee on Interstate and Foreign Commerce and cleared by the Committee on Rules. While I had some reservations about the need for this new office and program, I did support the bill (H. R. 4614) on final passage because additional foreign visitors to America can help business at home and have a favorable impact on the "dollar-gap" problem.

I also endorsed House Concurrent Resolution 226 which indicates Congressional support of U. S. cooperation with the Organization of American States against Castro's Communist government in Cuba.

POSTAL RATES: For the past three weeks the House Committee on Post Office and Civil Service has been conducting hearings on Postmaster General Day's proposals to increase postal rates. President Kennedy estimates the postal deficit this year at \$827 million or over \$2.2 million a day. The basic question involves the degree to which the taxpayers are to subsidize the users of the mail. Congress gave its theoretical answer to this question in the Postal Policy Act of 1958 when it said: "Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount to be attributable to the performance of public services..."

As a practical matter the Congress has not implemented the basic principle it established. This is not to suggest that postal revenue should immediately be increased by over \$800 million annually. The Congress however, according to President Kennedy, should take steps promptly to reduce the gap between postal receipts and expenditures.

Postmaster General Day and the President want to raise the 4-cent postage on letters (first-class mail) to 5 cents and the 7-cent airmail rate to 8 cents. This would mean that first class mail would be paying 125 percent of its costs. The Postmaster General justifies a rate in excess of cost on the basis of the Postal Policy Act which holds that rates on first-class mail must be sufficient to cover costs plus the value of preferred handling. He further points out that first-class accounts for one half of all mail volume and therefore to make any real dent in the deficit, the rate on letters must go up. To demonstrate that 5¢ is still a bargain, Mr. Day reports that since 1932 when the 3-cent letter rate became effective, the Consumers Price Index has risen 118 percent and the cost of handling a first-class letter has increased 130 percent. But letter rates have gone up only 33 percent.

Postmaster General Day told the Committee that newspapers and magazines (second-class mail) will account for \$340 million of this year's postal deficit. Now paying only 23 to 25 percent of its way, third-class mail will assume 41 percent of its costs under rates proposed by Mr. Day. This means that the average general-interest magazine now paying about 2 cents per copy for postage would be charged 3.3 cents.

Third-class mail, largely advertising material, presently pays 67 percent of its way and contributes about \$250 million to the annual deficit. The proposed increases would bring in \$212 million and put the cost coverage at 94 percent. The rate on bulk advertising circulars, for instance, would go from 2½ cents each to 3½ cents.

Until hearings have been completed and the Committee on Post Office and Civil Service has made its recommendations, we cannot pass final judgement on the new Administration proposed rate increases. However, the Congress does have an obligation to weigh most carefully whether the Post Office Department annual deficit of \$827 million should be paid for by all taxpayers or whether the Department's deficit should be reduced by additional charges against the users of mailing services.



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June 7, 1961

Little activity was in evidence on the floor of the House of Representatives during the Memorial Day week. Committee work did continue and one appropriation bill was approved by the House. On Monday the Committee on Appropriations reported a bill appropriating \$751,300,050 for 1962 to operate the Departments of State and Justice, Federal Judiciary, U. S. Information Agency, and Commission on Civil Rights. The Committee cut over \$54 million from the amount requested by the Administration yet the appropriation was \$4.5 million more than was approved for fiscal year 1961. The House endorsed the Committee's recommendation on Thursday.

On Friday the full Committee on Appropriations met to ratify the work of its subcommittees concerned with the budgets of the Department of Agriculture and of the Independent Offices (agencies in the Executive Branch not under the jurisdiction of a cabinet officer). The Department of Agriculture was allocated \$5.9 billion while the Independent Offices will cost \$8.4 billion in 1962. In the bills as approved, the Committee cut a total of \$342 million from the President's request but the overall appropriation for 1962 will exceed that for 1961 by \$1.8 billion.

In the appropriating process, the initial request for funds by various offices and agencies is reviewed and revised by the Department or agency heads. Their budget requests then go to the Director of the Bureau of the Budget who, as the coordinating officer appointed by the President, decides what items and what expenditures are "in accordance with the program of the President." The President then sends his requests for funds to the Congress. In the House of Representatives subcommittees of the Committee on Appropriations (50 members) conduct hearings at which administrative officials explain and defend their requests. In subsequent executive sessions the subcommittee "marks up" a bill, deciding the dollar amounts to be allowed each item. Action by the full committee and the House of Representatives follow; the bill then goes to the Senate for further consideration.

For five hours last Wednesday my subcommittee on defense appropriations, headed by Rep. George Mahon of Texas, heard Secretary of Defense McNamara and Gen. Lemnitzer on behalf of the President's request for new spending authority for certain aspects of the big booster project related to the "moon-landing" program, some new procurement for the ground forces and additional personnel for the Marine Corps.

THE TAX BILL: The Committee on Ways and Means plans to conclude its hearings this Friday on the recommendations for tax revision made by President Kennedy. In most part

the testimony heard has been in opposition to the specific proposals which would substantially change existing law. It is too early to predict the nature of the final bill but we do know that approval has been given to an extension of the current corporate and excise taxes which are due to expire or be reduced on June 30. Republican members of the Committee attempted to effect the repeal of the taxes on transportation but were defeated.

EDUCATION AND LABOR: The Committee on Education and Labor has voted 18 to 13 to report H. R. 7300, the Kennedy Federal-Aid-to-Education bill. Pegged to cost \$2.5 billion in three years, it provides federal subsidies for school construction and teachers' salaries. Once such a bill becomes law, it means a permanent program of federal grants which will cost the taxpayers billions of dollars a year. I am 100 percent opposed to the bill as reported.

This same Committee on May 26 reported H. R. 7215, a bill authorizing grants and loans to help colleges expand academic facilities and to provide scholarships for capable students who could not otherwise go to college. The Committee bill varies considerably from that proposed by the new Administration, a development which helps to account for the fact that only five members of the 31-man committee actively opposed the bill as reported. Its cost over a five-year period will equal \$1.8 billion which is considerably less than that recommended by President Kennedy.

This committee initiated hearings Thursday on a bill (H. R. 6774) to extend the National Defense Education Act of 1958. This measure provides for loans to college students, fellowships for graduate study, and financial assistance for improving instruction in science, mathematics, and modern languages. It would continue and expand the present program at a cost which will become evident only after hearings have developed all aspects of the proposal.

It is apparent that student assistance provided under H. R. 6774 overlaps that authorized in H. R. 7215 but the subcommittee majority refused to review the operation of the present NDEA student-loan program before acting on the new scholarship plan provided in H. R. 7215.

If all three bills of this committee are passed by the House and become law, Uncle Sam will be building college facilities and elementary and secondary schools as well as paying teachers in every school district in the country. Under such programs the federal government will be sending high school graduates to college, training their teachers, and supplying graduate fellowships for advanced study. All of this--and not a word about paying the bill. Not one of these proposals includes a method of financing the cost. Many of these projects sound fine and helpful---but let's also be practical: who pays the bill?



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June 14, 1961

Because it proposes a NEW and UNCHARTED federal program costing BILLIONS of dollars, the Aid-to-Education bill presently before the House of Representatives is a most vital piece of legislation. Should this proposal be enacted into law there will be no turning back; our federal government will be committed for generations to subsidies for school construction and teachers' salaries in every state regardless of need, and the Federal bureaucracy will extend its authority and power into every primary and secondary classroom in the country. I am absolutely opposed to H. R. 7300, the "School Assistance Act of 1961" recently recommended by the House Committee on Education and Labor. I am equally opposed to a similar bill, S. 1021, passed by the Senate on May 25th.

The House bill, which is endorsed by President Kennedy and his administration as in the Senate bill, should NOT be enacted for many sound and compelling reasons:

1. Although this bill is limited to three years, any program which subsidizes thousands of school districts and hundreds of thousands of individuals throughout the country cannot be halted after three years. Secretary Ribicoff and other proponents, including Senator Wayne Morse who guided S. 1021 through the Senate, acknowledge that this legislation initiates a permanent program of federal subsidies for all public grade schools and high schools in the 50 states. We are not dealing, therefore, with a temporary emergency program to meet a special crisis in school construction.

2. Uncle Sam will hand out tax money to every state at a minimum of \$12 per pupil whether the state needs help or not. New York State will get nearly \$45 million in fiscal 1962; California is allocated over \$44.5 million, and Texas is to get over \$47 million (\$17.69 per pupil). I cannot understand why taxpayers in Michigan must contribute their substance to these and other wealthy states who are well able to meet their own educational obligations.

3. The bill authorizes a federal expenditure of \$2.4 billion in three years but neither it nor its sponsors suggest any means whatsoever of raising the revenue. With the national debt at \$290 billion, the deficit anticipated for fiscal 1962 already at \$4 billion, the interest charges in 1962 in excess of \$8.5 billion, it is only being practical and honest to inquire as to where the money is coming from. Will proponents of this bill also sponsor new or increased taxes, or will they be content to add to the deficit and pass greater interest charges on to our children and grandchildren? This vital question deserves an immediate and constructive answer. The first \$2.4 billion is just the beginning, the down payment on a perpetual federal obligation. The \$12-per-pupil minimum



will not last. Some of the bills introduced relative to school aid have called for the allocation of \$100 per pupil--this is a manifestation of things to come.

4. Federal funds are to be distributed to the states for use by the public schools basically in proportion to the school age population (5 through 17) without consideration to the number of pupils in actual attendance in the public schools. This means that those states and communities in which a relatively large number of students attend non-public schools will receive "bonus" benefits while educating fewer students. Likewise, those states and communities in which there are a relatively high number of "drop-outs" before age 18 will receive more money for doing less.

5. That there can be federal subsidies without federal control is an illusion. The bill says that no officer or employee of the United States shall exercise any direction over any operation of any school system. In other sections it provides penalties for states which do not meet certain federally determined standards of state and local support, sets forth procedures for fiscal control and fund auditing, gives the U. S. Commissioner of Education the power to require "reports," and outlines labor standards for those employed in school construction. Furthermore, every taxpayer has the right to expect that the Congress which levies a tax on him will at the same time insure that his tax money is properly spent. The Congress has a legal and moral responsibility to do so. As a minimum this will mean making sure that buildings are "properly" constructed and that only "qualified" teachers are subsidized. As the program develops and expenditures increase, those who foot the bill will demand investigations on how well these teachers teach and exactly what is being taught. Washington bureaucrats will then dictate and our locally elected school boards will have less and less to say about how the community's children are educated.

6. The states and local communities are meeting their classroom needs without federal subsidies. President Kennedy said we will need 600,000 new classrooms in the next ten years. This means 60,000 classrooms a year. Over the past ten years, average annual construction has been 62,600 classrooms per year. We have ample evidence in Kent and Ottawa Counties of this willingness of local communities to provide excellent school facilities. There is no reason to believe this highly commendable attitude and trend on the local level will not continue. However, the promise of federal aid may well weaken local effort and slow down overall school construction.

7. Teachers have been obtained and their salaries increased without federal subsidies. Since 1900 the number of pupils in public schools increased 140 percent, the number of teachers 250 percent, and the number of pupils per teacher was reduced by 11.2 percent. During the past seven years, the number of pupils increased 29 percent, the number of certified teachers 40 percent, and the number of pupils per certified teacher dropped by 2.4 percent to 26 pupils per certified teacher. Over the past 30 years (1929-59) teachers' salaries improved 106 percent while the earnings of all wage and salary workers went up 91 percent. Although the teaching profession has not been as well compensated as its educational requirements and responsibilities warrant, the evidence indicates that states and local communities have made commendable strides toward correcting this situation without federal interference.

THIS DISCUSSION WILL BE CONTINUED NEXT WEEK AND OTHER IMPLICATIONS OF THE ISSUE WILL BE CONSIDERED.



Your Washington Review

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June 21, 1961

Federal-Aid-To-Education is on the agenda for the House of Representatives. Last week I outlined seven reasons why the bill (H.R.7300) sponsored by President Kennedy and recommended by the House Committee on Education and Labor should NOT be adopted. This bill establishes a new, permanent program costing billions of dollars without indicating any new or additional source of revenue; it distributes funds for public schools to the states regardless of need basically in proportion to total school population and not according to public school attendance; the bill presently provides for some federal control and will lead to extensive dictation over all schools by Washington bureaucrats. I pointed out further that states and local communities have been meeting their school construction needs and have been obtaining and paying teachers without federal subsidies.

In addition to these seven points which were discussed last week, there are other objections to H.R. 7300, the specific Federal-Aid-To-Education proposal before the House of Representatives:

8. Michigan is scheduled to receive \$30.7 million in fiscal year 1962 under the provisions of the bill, but Michigan will PAY OUT for this project next year a total of \$32.2 million. With a net state loss of \$1.5 million, I can't understand how Michigan taxpayers or Michigan schools will benefit.

9. While Michigan is to be paid \$14.30 per pupil, Arkansas for example will get \$22.52 per pupil. At the same time the average property tax on homes in Michigan is 2.9 percent of the average owner's income. In Arkansas this percentage is only 1.6 to 1.7. Most of the states scheduled to receive the highest per pupil allotment have the lowest property tax on homes in comparison to average owner income in that state. For instance, Mississippi will receive \$24.03 but pays only 1 to 1.2 percent in local property taxes. Massachusetts, on the other hand, will receive the minimum (\$12 per pupil) while her home owners pay 4.4 to 4.5 percent of their income in property taxes. The evidence shows that some states with the greatest alleged need have been putting forth a limited and below-average effort locally to raise money for schools.

10. Five of the states to receive the highest per pupil allotment (\$19.72 to \$24.03) are among the seven states which exempt various new business from taxes. These (Alabama, Arkansas, Louisiana, Mississippi, South Carolina) are also among the states which "steal" industry from Michigan and other areas by offering great tax advantages. Michigan is a victim of this piracy and is now being asked by H.R. 7300 to help pay the pirate.

11. Nothing in this bill prevents federal funds from being used to construct segregated



schools or to pay salaries of teachers in schools refusing to comply with the decision of the Supreme Court on segregation. Anyone sincerely interested in civil rights and in support of the U. S. Constitution will have serious reservations on a bill which does not encourage compliance with the Supreme Court decision of 1954.

12. H.R.7300 contains a second part (Title II) providing for continuation for another three years of the special financial assistance for school districts in so-called "impacted areas," i.e., areas populated by families brought into the community because of federal service or employment. This is an entirely different matter than subsidies for every school district in the country and concerns a question which should be decided on its own merits. It is obvious that Title II was inserted to obtain votes for the bill from Congressmen from impacted areas. Such action borders on legislative sleight-of-hand.

To oppose H.R.7300 is not to oppose the development of the best possible system of American education. Some will accuse the opponents of H.R.7300 of "putting dollars ahead of human values" and of "denying to each American child his birthright." The question before the House of Representatives is not, "Do we favor a good education for every American child?" Rather the question is: "Should the federal taxpayers take on a new and uncharted spending program under the specific terms of H.R.7300?" As I have indicated by the above analysis of the bill, the answer to the latter question must be "NO."

We who oppose H.R.7300 do want every child to have the best possible training that school can offer. The Report of the Committee on Education and Labor pointed out "that on the average a man with a grade school education can expect to earn but \$161,000 during his lifetime, while the high school graduate can expect to earn \$231,000 during his lifetime, and a man with a bachelor's degree has a reasonable expectation of \$382,000 of lifetime earnings." Education does pay not only in monetary returns but in personal satisfaction and community service. Education is certainly essential to "good government and the happiness of mankind" as was so well stated in the Ordinance of 1787.

We who oppose H.R.7300 as reported by the Committee want each state and local community to operate good and effective elementary and secondary schools in accordance with the community's wishes and without federal bureaucratic control. Let's use our tax funds directly at home without siphoning them off to Washington where too much shrinkage occurs.

There are certain limited areas in our country which undoubtedly need financial assistance to construct adequate school facilities. These areas have children to educate but lack a sufficient tax base to build schools. If the local citizens have truly demonstrated their interest and concern by the maximum local effort, I believe some federal assistance for school construction under a tightly drawn formula is justified. I would vote to support such legislation.



Your Washington Review

by
Congressman
JERRY FORD

June 28, 1961



Since my last report on specific legislative action there have been 16 yea-and-nay votes in the House of Representatives. Four of these involved appropriations bills: \$751.3 million to operate the Departments of State and Justice, and the judiciary in fiscal 1962; \$5.9 billion for the Department of Agriculture, and \$88 million as a 1961 supplemental appropriation for a number of agencies. Except for the Agricultural appropriation, I supported these bills. Prior to final passage of the \$5.9 billion grant to the Department of Agriculture, the House refused 184 to 196 to reduce the amount by \$100 million. I supported this proposed reduction and when the \$100 million was left in the bill, I voted against the \$5.9 billion appropriation.

The \$100 million pertained to a part of the total agriculture conservation program. President Eisenhower's 1962 budget recommended \$100 million for this program. President Kennedy increased the request to \$150 million. But the Subcommittee on Appropriations for the Department of Agriculture added another \$100 million for a total of \$250 million.

Although all of us are proud of the achievements of the soil conservation service program, there was no justification presented to the House for the expenditure of \$100 million more than requested by President Kennedy for outright cash payments. Much of the \$100 million is not to go for true or typical soil conservation but primarily for short-range subsidies, such as fertilizer to expand agriculture production. With the government's current dilemma over farm surpluses, there can be no justification for an expanded subsidy program to increase productivity. Rep. John Dingell, Democrat of Michigan, said on the floor of the House, "If this House of Representatives today votes this extra \$100 million we can go home and look our taxpayers in the eye and say 'I was a party to waste; we wasted, we shot, we blew \$100 million of your money in a program which goes far beyond the needs of the country.'" I agreed and voted against both \$100 million and the overall appropriation.

Other recorded votes concerned a \$12.5 billion authorization (not appropriation) for a long-term program of procurement of aircraft, missiles, and naval vessels for the armed forces, a bill which was unanimously approved. I also voted for a technical change in the law involving the Post Office Department and the ICC, for a technical change in the agreement of the International Finance Corporation, and for a bill which would permit confessions to be accepted in District of Columbia courts even though there is a limited time lag between arrest and confession.

TAX EXTENSION: While most of us personally would welcome a substantial tax reduction, we know as responsible citizens that adequate revenue is essential to sound

~~government. We know that the present state of the federal treasury and the current~~
demands made upon it preclude any general tax cut. It was imperative, therefore, that the House vote to extend the present income tax rates on corporations and to continue those excise tax rates which are scheduled to be reduced on July 1. Prior to the final vote I did, however, favor the repeal of the 10 percent transportation tax on bus, rail, and air travel; but this proposal was defeated 189 to 196.

REORGANIZATION PLANS: The President to date has submitted seven governmental reorganization proposals which will become effective unless vetoed by one of the houses of Congress. I joined a House majority (323-77) in voting to disapprove the plan concerning the Federal Communications Commission and voted with the minority (178-221) in an attempt to disapprove the plan relative to the Security and Exchange Commission. (The Senate subsequently disapproved the SEC plan by a vote of 52-38) In essence the plans would permit these Congressionally created regulatory agencies to delegate certain of their functions to subordinates, would increase the power of the chairman, and would give the White House staff greater influence over these quasi-judicial bodies. The plans flow from the recommendations of Dean James M. Landis, Special Assistant to the President, who wants the White House to exercise more control over the Commissions to which Congress has delegated some of its authority. All of this led Rep. John Bennett, Republican of Michigan, to say, "I am sure that if Sherman Adams as a weight thrower around the White House was regarded as influential; before Dean Landis gets through, if these reorganization plans are approved, Sherman Adams will look like a shrinking violet."

THE HOUSING BILL: The House has passed a \$9 billion hodge-podge "Housing Act of 1961" containing nine titles with numerous provisions, some good, but mostly bad. While I voted against this fiscally-irresponsible bill on final passage, I voted for a Republican-sponsored substitute housing bill which would have preserved and extended the good features of present housing legislation.

FHA, for instance, has served a good and useful purpose. It has assisted almost six million citizens to acquire homes at no cost to our taxpayers and has accumulated reserves of nearly \$850 million to protect taxpayers against future losses on the \$32.6 billion of mortgage insurance liability outstanding at the close of 1960. The bill passed by the House weakens the self-interest of both the borrower and the lender in the FHA program. Its liberalized terms shift most of the risks to FHA. As reported the bill established a virtual no-money-down-40-year-payment plan but this was changed to 35 years and a 3 percent down payment. The bill authorizes millions for parks (open space), public housing, community facilities, etc.

The substitute bill which I supported eliminated the "backdoor-spending" provision which applies to 97.2 percent of the financing provided in the bill as passed. This means that \$8.8 billion of tax funds have been authorized for expenditure without an annual review by the Congress of the manner in which the money was spent during the past year nor an explanation of what will be done with your tax money in the ensuing year.



Your Washington Review

by
Congressman
JERRY FORD



July 5, 1961

The House of Representatives has approved a \$42.7 billion defense appropriation bill. Considered by the House last Tuesday and Wednesday, this approval represented the culmination of the work in which our subcommittee on military appropriations has been engaged since January. We heard over 4,430 pages of testimony from scores of top civilian and military leaders and spent about 20 hours a week for 4½ months in hearings. As the ranking minority member of the 15-member subcommittee, I assisted in explaining and defending the bill on the floor of the House last week. Our recommendations were accepted by a vote of 412 to 0 and the bill was sent to the Senate for further consideration.

I am convinced that we have in our combined services completely adequate military strength to meet any contingency, provided we have the will and the leadership to take advantage of the power at our disposal. The military forces for which the \$42.7 billion expenditure is to provide are competent to handle our worldwide responsibilities whether they be deterrence, a limited type of military action, or all-out war.

Rep. George Mahon, Democrat of Texas, the highly competent, responsible and respected chairman of our subcommittee stated that "the passage of this bill will be an indication to the people of the whole wide world that this great country has the will and determination to stand strong and firm in days of threat and challenge. We have a great defense force, the greatest in the world. We are strong. This bill will help make our country more secure."

While I have some reservations about a few specific items in the bill and do not agree 100 percent with every decision being made at the Pentagon, I believe the money programmed in the bill as passed provides the men and "hardware" to adequately meet our needs. Our greatest requirement today is to take this hardware and to utilize it in connection with a policy of firmness and action. Hardware in and of itself will not solve our current problems. To maintain American prestige we need a will, a determination, and an effective leadership.

PUBLIC DEBT LIMITATION: The Congress has approved legislation increasing the national debt limit for one year to \$298 billion. This is a \$5 billion increase over the past year's limit and a \$13 billion increase over the permanent debt limit of \$285 billion which would have become effective June 30 had Congress not approved the temporary increase.

Congress has been asked to increase the limitation before but never to the extent of \$298 billion. Some have argued that the only way to prevent excessive federal spending is to refuse to raise the debt limit. Others have said that we should abolish the limit.

entirely because it means nothing and is increased whenever the debt approaches the limit. There is merit in both positions but I voted for the bill as a means of attaining a practical solution to a given problem at the present time. I don't think any responsible citizen wants to see the U. S. government embarrassed financially, and the Treasury Department must have some leeway in debt management. This legislation will prevent the embarrassment and permits a proper flexibility in fiscal management.

The Secretary of the Treasury expects the public debt to reach \$294.9 billion on December 15th. (On June 26 it was \$288.7 billion). To stay under the permanent \$285 billion limit the Treasury would have to reduce spending to the extent of achieving a debt reduction of \$10 billion by December 15. Conceivably this could be a healthy thing but it seems to me that more basic issues are at stake here than the specific amount of the debt ceiling.

Deficit financing, an increased public debt, and greater interest costs raise grave questions of fiscal responsibility and of the moral and ethical right to enjoy benefits to be paid for with interest by our children.

The public debt limit has been raised simply because Uncle Sam is spending more money than he collects in taxes. He is doing this during a period of economic prosperity when no great national emergency exists. A certain brand of "economists" justify such deficit financing by some strange kind of "economic theory." I reject their ill-conceived and erroneous advice.

Then the Kennedy Administration comes to the Congress with the demand that Uncle Sam supply the "needs" of every special-interest group. On January 16, 1961 President Eisenhower's balanced 1961 budget called for expenditures of \$78.9 billion. Under Mr. Kennedy this has grown to \$80.7 billion. Ike's balanced 1962 budget listed expenditures at \$80.9 billion. The present estimate, based on five months of the Kennedy Administration is \$85.1 billion in fiscal 1962. This is an increase of \$4.2 billion and the Administration anticipates a deficit of \$3.7 billion in the same year. Until the President, the Congress, and the country will say NO to new and expanded federal spending programs, we will have deficits and increased debt. Of course, the Administration and the spenders could recommend new and increased taxes but there is a pronounced stillness in this area. Therefore, I am voting NO on the Kennedy spending programs except those directly related to national defense.

While there are persuasive economic and social reasons against deficit financing, I think we must give more attention to its moral and ethical aspects. It has been traditional in America for parents to work and save so their children may have a better place to live. Parents paid their way and aimed to have something good to pass on. A federal policy of deficit financing means we pass on to our children and grandchildren the cost of that which benefits us plus interest charges. I do not think this practice is morally or ethically right.

Interest charges on the national debt in 1962 will exceed \$8.2 billion or 11 percent of the budget. Those who urge additional spending without supplying necessary revenue are advocating a policy of "soak the kids." The only way to stop this unethical practice is to reduce expenditures, halt new spending, or drastically increase federal taxes. I would curtail spending on the domestic or non-defense programs.



Your Washington Review

by
Congressman
JERRY FORD



July 12, 1961

The Fourth-of-July holiday last week slowed activity in the Congress to a standstill. Pending during the legislative recess were all the regular appropriation bills for the operation of the Federal Government in the new fiscal year which began July 1st. These bills represent the minimum essential legislation which must be enacted by the Congress annually. They provide funds to operate the government. Of the 13 regular appropriation bills, the House has passed nine and the Senate has acted on four but none have gone to the President for his signature.

In order to legalize the expenditure of funds during July and August before the 1962 appropriation bills become law, the Congress adopted a joint resolution making "continuing appropriations" to carry on the functions of government.

Some of the delay on these bills stems from a slow start in January due to a change in administration and to the scrap in the House over the power of the Committee on Rules.

RULES AND LEGISLATION: You will remember that at the opening of the 1961 session, the liberal Democrats in the House demanded a change in the Committee on Rules to weaken the power of Chairman Howard Smith and other conservative Democrats on the Committee. The liberals contended that the Committee "bottled up" legislation which had been approved by a legislative committee thus preventing the House from "working its will." They insisted that measures be taken to prevent such "obstructionist tactics." As a result the Committee was enlarged from 12 to 15 (10 Democrats and 5 Republicans) by the appointment of one Republican and two liberal Democrats giving the "liberals" an 8 to 7 majority on the Committee.

It is now apparent that we have some "new obstructionists" on the Committee who steadfastly refuse to let the House "work its will." During the first six months of this session, the new liberal majority has refused to release 44 measures for House action. During the same period in the last Congress only 34 proposals were killed by the Committee on Rules. During the first six months of the 86th Congress (1959), the Committee sent 55 bills and resolutions to the House for action; the new liberal-controlled Committee has cleared only 39 measures for action in a comparable period. The evidence indicates that the liberals can be and are as obstructive as conservatives; it all depends upon the nature of the legislation under consideration.

INDEPENDENCE DAY - OUR FLAG: We have celebrated the 185th anniversary of the Declaration of Independence. Many of us remember when July 4th was primarily a day for patriotic celebration. Fortunately we have not lost all of this but we can understand the

feelings of the Congressman who remarked on the floor of the House, "It is becoming increasingly lamentable when you drive through the cities and villages and the countryside of America on the 4th of July to see the complete absence of the American flag being displayed except on public buildings." Those of us who grew up in homes which displayed the flag on every possible occasion share his view that it would be good "if the American people would go back to the old habit of displaying with pride the American flag."

Many of you know that your Congressman is able to obtain for you a new American flag accompanied by a certificate attesting that the flag has been flown over the U. S. Capitol. Prices of the flags are: 3x5 foot, \$2.91; 5x8 foot, \$6.25. They may be ordered from my office, 351 House Office Building, Washington.

The Architect of the Capitol reports that currently an average of 1100 such flags are flown over the Capitol each month. A special pole has been erected on the Capitol to handle these special flags which fly for only a few minutes. The regular flags over the east and west fronts of the building are flown 24 hours a day in accordance with law. The flags over the House and Senate Chambers are flown only when the respective body is in session.

POLISH CLAIMS PROGRAM: The Foreign Claims Settlement Commission, Washington 25, D.C. will receive until September 30 claim applications of U. S. citizens who lost property in Poland through nationalization by the government. The present Polish government has agreed to pay to the United States \$40 million in 20 years to settle these claims. Any person who was a U. S. citizen at the time his property or property rights were taken over by the Polish government is urged to contact the Settlement Commission promptly.

CON CON PRIMARY ELECTION: I cannot stress too strongly the importance of the special primary election to be held on Tuesday, July 25 for the selection of candidates for election to Michigan's Constitutional Convention. Any primary election is significant because there the official candidates for the general election are selected from among all those who have made themselves available. In the general election the voter chooses only from among the party nominees.

In a primary election for candidates to be sent to a Constitutional Convention it is doubly important that persons of broad experience, deep perception, and noble purpose be selected. They are to write the fundamental law and create the basic structure of Michigan's state government for years to come. I trust that every voter in Kent and Ottawa Counties will conscientiously analyze the qualifications of all CON CON candidates and will take time to vote on July 25th.

YEARBOOK OF AGRICULTURE: The 1961 Yearbook of Agriculture entitled "Seeds" has been released. Its 550 pages contain authoritative articles on the production, processing, testing, marketing, and the life processes of seeds. Each Congressman is allotted 400. Interested persons may have a copy upon request to my Washington office.



Your Washington Review

by
Congressman

JERRY FORD



July 19, 1961

Decisions on the Mutual Security Program are among the most significant to be made by the Congress in the remaining weeks of this session. The controversial issues involve mainly the dollar amount to be granted and the method of obtaining the funds from the Treasury. There is general agreement by most Democrats and Republicans on the basic necessity of maintaining some type of mutual security plan in the critical days ahead in order to meet the world-wide atheistic communist threat.

I am convinced that the military assistance aspects of the program are not only sound but make a valuable contribution directly to our own national security. By supplying guns, other military equipment and training to our allies on the periphery of the communist-held territory, we extend our own lines of defense close to the potential enemy's camp and far from our shores. By improving the fighting forces of our allies, we cut down on the amount of tax money needed for our own direct defense expenditures and on the demands made upon our youth by the selective service system. The President has requested \$1.8 billion for military assistance during this fiscal year.

Financial assistance in the form of loans or grants for economic development and stabilization is also an essential element in our struggle against the atheistic communist conspiracy. I do think, however, that in view of changing world conditions and certain revelations concerning the administration of some foreign aid projects, this aspect of the Mutual Security Program must be constantly reviewed and reevaluated. The Congress must insist that those who administer this program be held strictly accountable for each project and that those who make mistakes or exercise poor judgment be dealt with effectively.

The most controversial issue in the Mutual Security legislation this year involves this congressional control and review of expenditures. President Kennedy has requested a five-year authorization and funding commitment totaling \$8.8 billion for economic aid and assistance. These billions under the Kennedy plan would be available to the administrators without further appropriation by the Congress and without a bona fide annual review of the past year's expenditures nor any real justification of the next year's spending plans. This is another White House request for more "back-door spending." Instead of coming into the front door of the Treasury with a regular, annual appropriation, President Kennedy wants to take \$8.8 billion out of the back door without any further check on the administrators through the traditional appropriating process in the Congress.

I am absolutely opposed to this method of financing for either domestic or international programs. Those who spend the taxpayer's money, at the very least, should explain

and defend their activities each year to the taxpayers representatives in the Congress. While I favor justifiable funds for economic assistance, I must agree with Rep. Otto Passman (Dem., La.), Chairman of our Subcommittee on Foreign Aid appropriations who said that to adopt the plan recommended by the President for non-military aid would "be somewhat of a mockery of budgetary procedure and the orderly appropriations process."

Realizing that a long-term plan with Congressional approval is helpful in many mutual security projects, it would be wise to enact legislation authorizing funds over a term of years but to couple this with a requirement for annual appropriations by the Congress.

RECENT RECORDED VOTES: Since my last report on yea-and-nay votes, the House has voted down a resolution authorizing a special flag for its members. I joined with the majority; the proposal lost 103 to 270. I voted to recommit to committee a resolution granting congressional consent to the Delaware River Basin Compact in order to eliminate certain federal control and cost sharing in the project involving four states. I was in the minority on this one as the House voted 92 to 257 against recommital.

The House has passed H.R. 187, a bill to speed up the judicial process in cases involving the deportation of undesirable aliens. The House Committee on Judiciary in support of this bill cited the case of an alien ordered deported on February 20, 1953 for violation of the narcotics law who in June 1961 was still here having used legal technicalities for over eight years to escape deportation. I supported H.R. 187 which is designed to prevent such abuses of the American judicial process.

While I have generally supported legislation to improve our national park system, I voted against a bill to establish the Cape Cod National Seashore in Massachusetts. The bill called for an initial expenditure of \$16 million but the total cost of the project is unknown. It is estimated that land acquisition alone may amount to \$60 million. A new and different concept for park development also is involved in that the land concerned is highly developed and very valuable and the present owners are to be permitted to remain on it during their lifetime. The bill passed, however, 278 to 32.

FEDERAL EMPLOYEES: As of December 31, 1960 there were 2,372,580 civilians employed by the Federal Government in the United States. Of these 42,399 worked in Michigan, 1,361 in Kent County and 282 in Ottawa. The Post Office Department accounted for the major portion of these employees in the Fifth District: 1,013 in Kent County and 195 in Ottawa.

The Department of Defense employs 134 civilians in the District, Treasury and Housing and Home Finance 49 each, HEW 44, Agriculture 40, and the judicial branch 31.

PICTORIAL MAP: I have a limited supply of a privately printed pictorial map showing the historic shrines and battlefields of the Civil War. This is an attractive and helpful item produced in connection with the centennial celebration of the Civil War. Copies will be sent upon request as long as the supply lasts.



Your Washington Review

by

Congressman

JERRY FORD



July 26, 1961

The increased flow of Communist propaganda into the United States is being reflected by the amount of this material delivered in the Fifth District. Our correspondence indicates that individual recipients of this propaganda are deeply concerned that communist literature is being delivered to them by the U. S. Post Office Department.

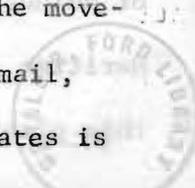
One piece being received is a pamphlet out of Communist Germany entitled, "Prevent War!" The subtitle is, "Arguments and material on the question of a peace treaty with Germany and a solution of the West Berlin Problem." It presents the Khrushchev case on West Berlin. It is addressed to individual persons or business concerns.

From 1958 until March 17, 1961 this sort of Communist propaganda could not have been delivered to individuals without their approval. Under the policy maintained by President Eisenhower and Postmaster General Summerfield, persons to whom the propaganda was addressed were asked whether they wanted the publications. Only if they replied affirmatively was this insidious material delivered to them.

All of this was changed on March 17, 1961 when President Kennedy ordered this policy discontinued. The General Counsel of the Post Office Department has issued a statement explaining this action. He points out that the screening program with limited distribution "gave rise to sharp controversy and, on June 29, 1960, a Committee of the Planning Board of the National Security Council reviewed this matter and recommended that the program be discontinued. The recommendation was accepted by the Planning Board, but was not carried forward." (By this is meant that President Eisenhower and Postmaster General Summerfield did not agree with the recommendation and refused to approve it.)

The General Counsel continued: "The Government's policies regarding this matter were carefully considered by President Kennedy, the Secretary of State, the Secretary of the Treasury, the Attorney General and the Postmaster General. They concluded that the program had no intelligence value and that it interfered with efforts to improve East-West relations. On March 17, 1961, the President ordered the program discontinued. The President's decision in no way affected the method of handling publications addressed to libraries, universities, and the like, which have been receiving them all along. The only effect of the decision is that such mail is no longer detained or the addressee asked whether he wants it."

The General Counsel also said that "figures disclosed by a recent survey of the movement of mail during one year show that this country exported 87 million pounds of mail, and imported approximately 55 million pounds. Thus it is clear that the United States is



not subsidizing mail originating in foreign countries." However, every attempt on our part to determine from the Post Office Department what portion of this exchange of mail was with countries behind the Iron Curtain was unsuccessful. We were told that figures were unavailable, that those on hand were "statistically unreliable," and that it was practically impossible to secure an accurate account of the amount of mail coming from Communist-dominated countries and the amount going into these countries. I do not believe that the U. S. Post Office Department, operating with a deficit of \$2 million per day, should be required to deliver Communist propoganda mailed from behind the Iron Curtain unless it can be demonstrated that a fairly equal amount of American material mailed in the U. S. is being freely delivered by the Communist governments to their subjects. I believe, too, that our Post Office Department should not deliver Communist propoganda to individual Americans or business concerns without their specific approval.

DOLLARS AND DEBTS: Senator Williams of Delaware has pointed out that during its first five months the Kennedy Administration has spent \$2.3 billion in excess of the Government's income. This means that every hour of the day the new frontiersmen are spending \$650,000 more than the Treasury receives in revenue. In the current fiscal year, the American taxpayers will pay almost \$10 billion in interest on the expected new high in national indebtedness. This averages more than \$26 million a day, more than a million dollars an hour, and about \$18,000 a minute. These elementary but significant facts must be kept in mind when we consider the various non-defense spending schemes recommended by the Kennedy Administration. With greater defense expenditures imminent, it is time the new frontiersmen get off the horses that are riding madly in all directions and concentrate on the essentials of national security, national solvency, and national solidarity.

THE YEAS AND NAYS: During the past week I voted for a bill to authorize the Department of Agriculture to celebrate the centennial of its establishment (passed 367-12) and for a bill (approved 285-36) concerning the payment of salaries and allowances for certain federal employees in case of emergency evacuations for military reasons.

Because there were differences in the House and Senate bills authorizing funds for the National Aeronautics and Space Administration, a Conference Committee composed of Senators and Representatives had to iron out the difference and propose a version of the bill which both Houses could accept. I joined in approving their proposal known as a "Conference Report" which calls for an authorization of \$1.78 billion. The final vote was 354 to 59.

The House disapproved the President's reorganization plan for the National Labor Relations Board by a vote of 231 to 179. I joined the majority in disapproving the plan largely because it would have diluted the power of the Board by an unwarranted delegation of authority to its trial examiners. I also opposed the reorganization plan for the Maritime Administration, but by a vote of 184 to 215 the House refused to take action on this plan.



Your Washington Review

by
Congressman
JERRY FORD



August 2, 1961

President Kennedy's address last Tuesday night was an impressive analysis of the gravest problem facing the American people. His speech reemphasized the fact that Communism is waging total war against the United States and all free nations of the world. The President clearly stated our position, explaining our rights, summarizing our convictions, and outlining our plans. I know that he will have the wholehearted support and cooperation of all Americans in his efforts to halt the Communist aggressors. The masters of the Kremlin are dedicated to world domination and to the attainment of absolute power by any means. We know that these men are engaged in day-to-day operations to destroy us and all we cherish. It is imperative that the United States and all its allies develop and maintain the military, diplomatic, economic, and moral strength necessary for the preservation of our rights and for the recovery of those lost by the captive nations. I pledge my complete support to the President of the United States in the exercise of his responsibilities in providing for the national defense. I am certain that the Congress will supply all the money needed to maintain the security of our country but the House and Senate have a responsibility to make certain that our military strategy is sound and the money will be spent wisely.

SACRIFICE AND ADJUSTMENT: The initial price tag on Mr. Kennedy's new defense measures is \$3.4 billion. He expects to add 217,000 more men to the armed forces. Personal and family adjustments will be called for. The federal budget will be further out of balance; the public debt will be increased. Mr. Kennedy said that new or additional taxes may be recommended in January.

It seems to me that rather than impose an additional tax burden on our people, Mr. Kennedy should first eliminate or curtail non-essential, non-defense expenditures in order to effect sufficient savings to meet the additional defense obligations. By executive order or by recommending legislation, he should halt all "luxury spending" until the present crisis is resolved. His administration can win overwhelming support by reversing its present policy of endorsing the pet spending schemes of so many pressure groups. It is time we pull in our belts at home in order to strengthen our forces abroad. This is not a matter of butter versus guns. It is a question of a double banana split and a powerful defense within a sound economy. I am convinced that all Americans would applaud the efforts of the President in cutting out luxuries in federal spending in order to maintain our security in this emergency without deficits, inflation, or more taxes. Let me add that the Department of Defense should not construe Congressional approval of

extra military funds as a license to spend wastefully; in fact a \$47 billion budget should warn them of the gravity of their fiscal responsibilities.

CASTRO AND THE ELECTRA: Many listeners were disappointed that in his discussion of international law and our rights, President Kennedy did not mention Communist Castro and the piracy of a \$3.5 million U. S. airliner. At this writing Dictator Castro has refused to release the plane. He ignores international law, flaunts moral obligations, and humiliates our country. Yet not a word from the President on this disturbing situation less than a hundred miles from our shores. Most Americans would have welcomed some assurance that the Kennedy Administration is as eager to recover the Electra from Castro as it was to supply Bulldozers to Castro.

A DEPRESSED AREA FIRST: The first "area redevelopment" project approved by the Secretary of Commerce under the Kennedy "depressed area" legislation was a \$129,000 gift to the town of Gassville, Arkansas (population 233) for the construction of a water system vital to a shirt plant to be located there. Gassville will also get a \$31,000 loan from Uncle Sam.

Federal taxpayers, including those from Michigan, are building Gassville's water system. But Gassville will get a \$470,000 shirt manufacturing plant employing 1,000 people from the area and providing an annual payroll of \$2.5 million. Those who are to benefit from this development in Gassville should build their own water system. But under present law it was much easier; Uncle Sam will do the job. This is one type of federal program that should be curtailed in the present emergency confronting the U. S. It is also one of the Kennedy legislative proposals that I did NOT vote for.

The two-county area around Gassville did vote a bond issue of \$535,000 to PROVIDE a NEW FACTORY for the shirt company (Mar-Bax). But these are tax-free municipal bonds. No tax is paid to Uncle Sam on the interest received from these bonds. (If you own U.S. savings bonds, you pay a tax on the interest obtained) Mar-Bax gets a new factory in Arkansas built by a municipality with tax free bonds. The Norge Division of Borg-Warner left Muskegon to go to Fort Smith, Arkansas to occupy a new plant financed with this kind of tax-exempt bonds. Michigan municipalities under state law, can bond only for a public purpose and not to build a factory to be rented to a private manufacturer.

Rep. Bob Griffin has introduced a bill to discourage pirating of industry from one state to another by this method. His bill would prohibit a company from deducting, for income tax purposes, rental paid on an industrial plant financed through tax-exempt municipal bonds. I endorse this legislation.

WHEAT, BEANS, AND CHERRIES IN THE FARM BILL: The democratic-controlled Committee on Agriculture refused to accept Secretary Freeman's farm proposals. It reported a less controversial omnibus bill containing both commendable and objectionable provisions. Michigan wheat producers and processors were opposed to the mandatory 10-percent cut in acreage at a time when the type of wheat grown in our state (soft winter) is not in surplus. Bean and cherry folks objected to other provisions of the bill. When remedial amendments failed, I opposed the bill on final passage.



Your Washington Review

by
Congressman
JERRY FORD



August 9, 1961

Several weeks ago President Kennedy in his nationwide address to the American people presented his analysis of the international crisis, including Berlin, and within the next several days submitted to Congress his legislative proposals to meet this new Communist threat. The President asked for new legislative authority for regulars and reserves in the Armed Forces plus an additional \$3.4 billion for the military budget.

Subsequently Secretary of Defense McNamara and General Lemnitzer, Chairman of the Joint Chiefs of Staff, appeared before the Defense Committee on Appropriations of which I am a member to justify these additional funds. During the course of the intensive interrogation two basic questions were fully covered. First, in the future was there to be any change in our military strategy as it related to Berlin or U. S. worldwide responsibilities. The Committee was assured there was no such change contemplated.

With the assurance that our basic military strategy was unchanged, the Committee next wanted to know what prompted the new increase in funds and personnel for the Army, Navy, and Air Force. In response Secretary McNamara stated that in the last month the Soviet Union had substantially increased its military budget and taken other specific steps to indicate a bolstering of military preparedness.

The Congress under the circumstances will give the Commander in Chief the tools (money and legislation) needed. It is my fervent hope that President Kennedy will meet this Berlin crisis with the same calm firmness that Eisenhower exhibited in a similar situation when Khrushchev challenged Ike in 1958. Eisenhower three years ago convinced the Soviet Union we meant business and that we had the military hardware, personnel and will to win. The United States can and will prevail in 1961 with similar leadership.

LEGISLATION: On Mr. Kennedy's recommendation the Congress has passed S. J. Res. 120 authorizing the President to order units and members in the Ready Reserve to active duty for twelve months and to extend for a period up to one year the obligated duty of some servicemen who would otherwise return to civilian life between now and July 1, 1962. Chairman Carl Vinson, whose Committee on Armed Services recommended the Resolution, told the House of Representatives that "this resolution signifies our willingness to make additional sacrifices in the cause of freedom. But let no Member of this House, nor any citizen of America, be lulled into a sense of complacency that this may be the end of sacrifices. This may be the first of many sacrifices yet to come...We will not retreat from Berlin...The onslaught of Communism must be met by the determination of the free world."

Rep. Les Arends, ranking minority member of the Committee, emphasized that the Committee

~~acted unanimously, that the new forces were to supplement an already powerful military~~ machine and that our country must preserve its economic strength. He told the House that "we cannot be strong on the foreign front and weak on the home front. We will support our President in his policy of firmness in dealing with the excesses of international Communism. We ask the President to support us by a policy of firmness against the excesses of government spending that enslave us with debts and taxes."

MEN UNDER ARMS: In his speech to the House, Chairman Vinson described the present and proposed personnel strength of our armed forces. On July 1 the Army had 858,000 men in 14 divisions made up of 11 combat and 3 training divisions. About half of our Army is in this country while five divisions are in Europe, two in Korea, and one is split between Okinawa and Hawaii. The present authorized strength of the Army is 875,000. The President would increase this number by 133,000 for a total Army strength of 1,008,000 men.

At present we have an air force of 825,000 men, consisting of 88 combat wings and 119 flying support squadrons. The President proposes to increase the Air Force by 63,000 to 880,000 men.

The Navy today has a strength of 628,000, operating 817 ships as well as supporting shore establishments. Under the President's program, Naval personnel would be increased by 29,000 to 657,000 men.

The Marine Corps has three combat divisions (two in the U. S.; one in the Pacific) and three air wings and is in the process of increasing its force from 175,000 to 190,000 men.

THE RESOLUTION AND THE READY RESERVE: Today the Ready Reserve Forces of the U. S. are composed of 2,440,000 members. Basically, the law imposes a Ready Reserve obligation of five years upon every person who enters the armed services. This can be met by serving on active duty or by a combination of active duty and Reserve participation. Six-month trainees acquire a 7½-year Ready Reserve obligation.

The Resolution adopted by the Congress authorizes the calling up for active duty of not more than 250,000 of the 2.4 million Ready Reservists. However, others can be ordered to spend more time training than is currently required. The tour of duty under the resolution in each instance is not more than a year, although according to President Kennedy and Secretary McNamara there is no present intention of calling Reservists to active duty for training for such a period.

PRIORITIES IN SELECTION: The Resolution also authorizes the President to extend enlistments and appointments for those currently on active duty. We have already received letters from servicemen's families desiring to know how this will affect individuals. It is too early to predict this, but Secretary McNamara has stated that the following priority would be observed as much as possible in obtaining the additional personnel for the armed services: (1) by encouraging voluntary enlistments or voluntary extension of enlistments; (2) by recruiting; (3) by the draft; (4) by involuntary extension of enlistments or by calling the Ready Reserve. Among the ready reservists, drill-paid reservists will be called normally prior to nondrill-paid reservists.



Your Washington Review

by

Congressman

JERRY FORD



August 16, 1961

The Mutual Security Act of 1961 is being considered by the House of Representatives this week. Known variously as the "foreign aid program" or the "giveaway program," our mutual security set-up is an essential element in our national defense system. Through it we have obtained the use of about 250 military or naval bases on foreign territory. This means that we have extended our line of defense far from our shores and close to the potential enemy: in some cases, 10 minutes from base to target by jet bomber.

Our military assistance helps to insure better equipped military personnel in the most economic manner. Our economic assistance helps to promote economic and political stability and to encourage certain social improvements. Our mutual security program is a basic element in our all-out effort to combat the world-wide Communist conspiracy.

Since its inception the mutual security program has been subject by-and-large to annual authorizations and an annual appropriation bill. This means that each year the Committee on Foreign Affairs and the Committee on Appropriations examine the administration of the program and decide how much of the taxpayers' money should be made available during the next year to continue the program. The issue before the House this week is whether this system of checks and balances should be maintained.

President Kennedy has requested authority to tap the U. S. Treasury for \$8.8 billion during the next five years without further bona-fide scrutiny by the Congress. This means that appointed officials in the Executive Branch of the Government could use \$8.8 billion of the taxpayers' money without further review and affirmative action by the elected representatives of these taxpayers. I am unalterably opposed to this type of "backdoor" financing for any project and especially for a program in which too many instances of waste and inefficiency have been uncovered. The proper Committees of the Congress must retain their constitutional duty of protecting the tax dollars by an annual review of past and proposed expenditures.

The Administration contends that it needs the five-year authority for effective planning purposes, for providing assurance to cooperating governments that we will meet our commitments, and to be more effective in encouraging fundamental reforms in certain countries. Yet the record will show that during the past ten years the Congress has appropriated about 92 percent of the funds authorized for foreign aid. Moreover, during that same period the Congress has appropriated (made available for use) over 88 percent of the funds requested by the President for mutual security purposes. The Executive Branch has been able to get its money by the annual appropriation process when it



presented a good program to the Congress. There is no reason to believe this condition will not continue.

Moreover, the revelation of obvious cases of poor planning and mismanagement in our economic assistance program would argue for more congressional scrutiny and supervision rather than less. Furthermore, there can be no assurance that to adopt backdoor financing at home would encourage any constructive social reforms abroad. The issues in social reforms are more fundamental than a commitment of certain American dollars.

The basic question involved in "backdoor" financing, such as demanded by President Kennedy in the Mutual Security Act, goes to the very essence of free, democratic government. The question is this: "Shall the elected representatives of the taxpayers control the expenditure of tax-collected funds or shall this responsibility be taken over by appointed bureaucrats?" The history of man's struggle for freedom has been a story of his fight to gain the right to control the expenditure of funds collected by taxation. This is a right worthy to be retained. Federal expenditures must be carefully and wholly controlled by those elected representatives who every two years must go to the voters for a public endorsement.

WORK STOPPAGE AT MISSILE SITES: Recent mail indicates a renewed interest by Fifth District citizens in the record of work stoppage at missile sites. The revelations of Senator McClellan's investigating committee (mentioned in YOUR WASHINGTON REVIEW of May 17) resulted in a great public demand that prompt action be taken to prevent strikes and walkouts at Cape Canaveral and similar establishments. It appears that the publicity generated by the Senate revelations has brought some desirable results. In June 1961 there were 312 man days of work lost at missile sites due to work stoppages. A year earlier in June, 1960 the total was 26,217 man days. June is contract renegotiation month but substantial improvement was evidenced in 1961 over 1960. It is most encouraging to note that in a time of crisis labor and management in cooperation with government officials can achieve results for the benefit of the nation as a whole.

HANFORD REACTOR POWER FACILITIES: The House of Representatives removed from the bill authorizing projects for the Atomic Energy Commission a \$95 million item designed to install electric power generating facilities at a reactor plant for the production of plutonium located at Hanford, Washington. There was no objection to the new reactor to supply additional plutonium for nuclear weapons. The House objected to the \$95 million expenditure for the production of electricity. This action was taken on the basis that additional public power was not needed; that to produce electric power was contrary to the original purpose of the Hanford plant; that it would not aid the national defense; that it could only lead to additional federal subsidies for a public power system, and that it would be used to attract industry from other regions. When the Senate included this plant in its version of the bill, the House voted 235 to 164 to instruct its conferees to insist on eliminating the Hanford electric facility. I voted with the majority.



Your Washington Review

by
Congressman
JERRY FORD



August 23, 1961

All of us are concerned about developments in Berlin. President Kennedy has announced our country's intention of maintaining its rights and position there. I believe that most of our citizens are behind the President 100 percent. Yet last week I received a copy of a letter addressed to Mr. Kennedy in which he was asked, "How many American cities would you be willing to sacrifice to maintain our access to Berlin?"

The writer of this letter recognizes in Berlin the potentialities of nuclear war. But is this the voice of appeasement, 1961 model? Of course appeasement will not be advocated under its proper name; it will be dressed up under such respectable terms as "flexibility," "realism," taking into account legitimate Soviet interests," and other appealing phrases. In discussions of this problem these questions must be considered: Have those who hold these views grasped the lessons of history we must learn about military aggressors and preservation of the peace? Do they comprehend the nature of the present controversy?

In a recent address Secretary of State Rusk pinpointed the nature of today's underlying crisis, of which Berlin is one manifestation. Secretary Rusk said: "The underlying crisis is not an ideological conflict between 19th century capitalism and 19th century Marxism. It does not result from a bilateral conflict between the Soviet Union and the United States. The central issue of the crisis is the announced determination to impose a world of coercion upon those not already subjected to it. At stake is the survival and growth of the world of free choice and of free cooperation..." This is a clear, forthright, and accurate analysis of the current international scene.

In Berlin today Dictator Khrushchev is daring the free world to take a stand. We can capitulate; we can sacrifice Berlin--but then we need only ask, "What will be our next sacrifice to the Kremlin?"

In 1948 President Truman took a courageous stand on Berlin, with the dramatic and successful air lift that supplied that city with food, coal, and the wherewithal to live for 15 months, and Stalin relented. In 1954 and again in 1958 President Eisenhower stood firm on Quemoy and Matsu and the Communists stayed on the mainland. In 1958 Ike sent **troops** to Lebanon and there was no Communist take-over. In Berlin, today's hot spot, Khrushchev challenged Eisenhower in 1958. America was calm and steadfast. The Soviets withdrew. In Korea we waivered momentarily before the Communist invasion and there was war. History tells us that firmness and strength prevent war. You don't avoid conflict

by capitulation. Strength, force, power, firmness -- these things the Kremlin understands. I hope and trust that no show of weakness on Berlin endangers the peace which we all earnestly seek.

BILLIONS OUT OF THE BACK DOOR: As explained last week, the major issue in the mutual security bill was "back-door" financing (withdrawal of tax funds from the Treasury by the Executive Branch without Congressional review and appropriation). Rep. Clarence Cannon, (Democrat of Missouri) Chairman of the Committee on Appropriations recently stated that "according to the compilation, which is the most authoritative available, the back-door provisions thus far requested (by President Kennedy) in this session in connection with 11 bills, including the pending foreign aid bill, amount to at least \$28.6 billion. That is the minimum... Even that total underestimates the situation by an amount not now authoritatively ascertainable. That is but one of the reprehensible features of the ever-growing back-door practice."

Because I agree with Chairman Cannon that back-door financing is conducive to waste and inefficiency in the use of your tax dollars, I shall continue to vigorously oppose this method of financing domestic or foreign federal projects or programs.

SURPLUS FARM COMMODITIES TO IRON CURTAIN COUNTRIES: The Congress has taken action to countermand the order of the Kennedy Administration permitting the shipment of surplus farm goods to Iron Curtain countries. The Agricultural Act of 1961 which became law on August 8th declares it to be the policy of Congress to make subsidized agricultural products available only to "friendly nations." This statement became necessary because on June 22, 1961 Secretary of Commerce Hodges issued a directive authorizing export licenses for price-supported agricultural goods to be shipped to any Communist country (Russia included) except Red China, North Korea, and North Viet-Nam. This order of the Kennedy Administration made U. S. tax-subsidized products available to nations committed to the destruction of our private and tax-supported institutions.

Fortunately the Congress rebelled and stated its policy position clearly. It wanted no surplus food and fiber sent into enemy territory. Fortunately also, not a large amount of surplus farm goods have gone behind the iron curtain recently and none since June 22.

FEDERAL EMPLOYMENT AND PUBLIC DEBT UP: During its first five months (Feb. 1 to June 30) in office the Kennedy Administration has added 66,844 persons to the federal payroll. According to Senator Harry Byrd, federal employment rose from 2,352,837 to 2,419,681 from February through June. This is at the rate of 445 additions a day for every day during the five months.

According to the Treasurer of the U. S. the national debt has increased \$2.4 billion since Feb. 1 and \$4 billion over a year ago. On August 14, 1961 the debt totaled \$292 billion; on Feb. 1 it was \$289.7 billion, and on August 14, 1960 it stood at \$288 billion,



Your Washington Review

by
**Congressman
JERRY FORD**



August 30, 1961

The primary issue in the foreign aid authorization bill this year concerned the Administration's request for over \$8 billion to be spent during a five-year period without further effective review and scrutiny by the Congress. This "backdoor financing" relegates the elected representatives of the people to a secondary position and enhances the power of appointed functionaries in the Executive Branch of the Government.

While the discussion of this issue was going on in the legislative chambers, distinguished economists were telling the Joint Economic Committee that the Executive Branch should also have the power to raise or lower federal tax rates. It was suggested, for instance, that the President be given the power to raise or lower the 20 percent tax on the first \$2000 of income by as much as 5 percent for periods up to six months. This power is proposed as a quicker and more efficient means of heading off inflationary or deflationary trends in the economy. But here again we are chipping away at the authority of the people's elected representatives. The achievement of our free, democratic way of life is the story of a struggle of all the people to gain control through their elected representatives of the power to tax and the power to spend tax money. While it may not be as fast or as efficient as dictatorship, the legislative process is basic to our freedoms.

About this same time a Washington, D. C. newspaper featured the following headline: "Kennedy Aides Frustrated by Ill-Informed Congress." The inference being that on the one hand the Executive Branch of the Federal Government has a monopoly on wisdom while on the other hand the Congress and the voters are lacking in this important attribute. The writer of the article went on to say that Congressional hearings are often wasteful, ineffective, and that they "are now frustrating eager Kennedy Administration officials." He insists that often Congressmen "fail to do their homework," and that Administration officials have to explain and defend their requests for money or administrative power and authority over and over again to different committees and congressmen. While many Congressional hearings can no doubt be improved, I am deeply concerned with the implications of this criticism of the Congress, its methods, and its members. It carries the same overtones as the requested authority for "backdoor financing" and the proposal to let the Executive set the tax rate. "Bigwig bureaucrats" aim at downgrading the Congress so the Executive can work its will in a free-wheeling manner without effective public control. Yet in the Congress we have 437 elected Representatives of the people who must

obtain popular endorsement at the polls every two years and 100 elected Senators who face the voters every six years. In the Executive Branch only one man, the President, is selected by the people. Members of the President's cabinet and thousands of other federal employees, including those who are allegedly frustrated by Congressional hearings, never face the voters. The people's control of their government through their elected representatives may sometimes lack efficiency and may frustrate eager-beaver Administration officials, but it is the price we pay to be free "from chains and slavery!" In my book it is a fair and reasonable price.

STRENGTHENING THE GAMBLING LAWS: The House last week approved three bills to strengthen the power of the federal government to assist the states in dealing with organized crime, especially gambling syndicates. One bill prohibits the use of telephone and telegraph lines for the transmission of bets or wagers and gambling information. The second bill was designed to close loopholes in existing law concerning the interstate transportation of wagering paraphernalia including tickets, slips, records, or devices used in bookmaking, wagering pools, or in any numbers game. The third bill will assist local law enforcement by making it a federal offense for any person to travel from state to state or use the means of interstate transportation or communication to carry on illegal gambling, liquor, or narcotic activities.

STRENGTHENING THE CRIMINAL CODE: The House also approved legislation making it a federal offense to flee a state to avoid prosecution or punishment for all felonies or offenses punishable by more than one year in prison. At present the Fugitive Felon Act applies only to specified major crimes.

Aircraft piracy or an attempt at hijacking was made a federal crime with the death sentence made discretionary with the judge or jury. Other illegal actions committed upon airplanes in flight were made federal offenses mainly to clarify jurisdiction over such cases.

COLLECTION OF ERRONEOUS PAYMENTS: The House has passed a bill permitting heads of departments or agencies to cancel the debt an individual may owe the U. S. Government when such debt was incurred without the knowledge of the individual and its collection would be against equity and good conscience. This is an issue in which I have been interested for some time, having introduced similar legislation in the past and present Congresses.

We have had a number of instances in which servicemen had been overpaid erroneously and without their knowledge, and years later, upon completion of an audit, were called upon to repay the Government. In some cases this unexpected indebtedness becomes a real burden. In other cases the amount involved is small but the issue aggravating. Under the act passed by the House, the Comptroller General and/or the head of the department involved may cancel such a debt if to collect it would be unjust.



Your Washington Review

by
**Congressman
JERRY FORD**



September 6, 1961

The House of Representatives by a vote of 242 to 169 resoundingly disapproved of a comprehensive federal aid to education bill that was conceived by its proponents in desperation and endorsed wholeheartedly only by a few extremists who demand eventual federalization of America's schools at any cost. Even the National Education Association, a nationwide organization of teachers and school officials that strongly supports federal aid to schools, including federal funds for teachers' salaries, could not swallow this proposal or the attempted methods used by the proponents to ram the proposal through the House. Here's what happened.

The members of the Committee on Education and Labor were notified late on Monday of a committee meeting the next morning. A copy of the bill was not available to the Committee members until the group convened at 10:00 a.m. At 10:15 a.m. a motion to have the bill read was denied by a roll-call vote--17 members of the Committee, all Democrats, voted against even reading the bill. Then by another roll call, 17 to 13, the Committee decided to limit all discussion on the new bill to 70 minutes. Approximately 50 minutes of this time was spent discussing a major amendment to the bill. At the conclusion of the time limitation the Committee voted to report the bill to the House with all minority party members voting against the hybrid proposal. After the final Committee decision, those who opposed the proposal were given one hour to submit their minority views in writing for the Committee Report that was to be printed that day. This was an unconscionable and unheard of limitation on the right of the minority to have their separate views reported.

On the following day, Wednesday, the bill was brought to the floor of the House where the Administration's efforts to ramrod this far-reaching federal aid to education was badly defeated. No one who believes in the American legislative process could defend such shocking procedural tactics on a vital issue involving controversial and uncharted areas of federal participation. I voted against the proposal for two reasons: 1) The procedure used to seek the objective was indefensible; 2) Many of the provisions in the federal aid to education bill were unsound and unnecessary.

TAX REVISION: The House Committee on Ways and Means has put off until next year any action on the Administration's recommendations for changes in the federal tax laws. On April 20th President Kennedy sent to the Congress his message on tax revision. Between May 3 and June 9 the Committee held 24 days of public hearings on the various proposals. On June 12 the Committee under the chairmanship of Rep. Wilbur Mills (Democrat of Arkansas) went into executive session to examine these proposals in light of the evidence presented.

It made some tentative decisions on certain items but on August 23rd announced that it would submit no tax legislation this year.

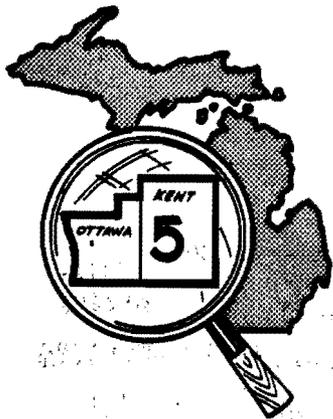
Our mail would indicate that the Kennedy proposals causing the greatest concern were those which would eliminate the present \$50 dividend credit, withhold income taxes on interest and dividends, alter the rules on "business expenses," and the method of providing additional incentives for industrial modernization.

Rep. John Byrnes, senior Republican member of the Committee stated that "almost without exception the Treasury Department proposals were disclosed to have serious and basic defects." He pointed out that the proposals to withhold a tax on dividends and interest would impose an unconscionable burden on many persons not having any tax liability whatever. He also said that the Committee's hearings revealed that the original Administration investment credit proposal involved a nightmare of tax complications and tax discriminations.

Congressman Byrnes stated that the Treasury's proposals were not "based on thorough study" and were "not thought out in sufficient detail." As a result Chairman Mills announced that the Committee on Ways and Means would wait until next year to decide what, if any, tax changes to make. Personally, I would like to see greater restraint exercised by both the Administration and the Congress in appropriating public funds before any tax increase.

APPROPRIATIONS, 1962: Essential legislation which must be adopted annually by the Congress includes the appropriation bills for the fiscal year beginning July 1. By the end of August only seven of the 13 regular appropriations bills for this fiscal year, now two months along, had received final approval. Over \$68.4 billion had been allocated, but six more bills must be enacted to provide funds for governmental operations through June 30, 1962. At this writing two of these bills are in conference to iron out differences between the House and Senate versions, two have passed the House but not the Senate, and two must still receive original approval in the House.

No appropriation bills have been reported for "Public Works" or "Mutual Security" because necessary legislation authorizing these expenditures has not been approved. As Chairman Cannon of the Committee on Appropriations told the House, "We cannot under the rules (of the House) appropriate a single dollar until it has been authorized by law." The difference between an "authorization" and an "appropriation" is often misunderstood. Before any appropriation of funds can be authorized by Congress or expenditure made by the Executive Branch of the federal government, a law to approve such spending must be enacted by the House and Senate. Once such legislation is enacted then Congress has authority to appropriate the funds up to the authorized ceilings. The Committees on Appropriations for both the House and Senate have the responsibility to review the budget requests submitted by the President under the authorizing law. In most instances the amount appropriated is less than the authorized ceiling principally because the facts presented by witnesses do not justify a larger expenditure. At times the Committee on Appropriations is severely criticized for limiting appropriations below the authorized ceilings, but I can assure you this check rein on expenditures has saved many hundreds of millions in tax dollars over the years without any serious curtailment of progress or policies.



Your Washington Review

by
Congressman

JERRY FORD



September 13, 1961

The resumption of atmospheric nuclear testing by the Soviet Union underlines the belief of many authorities in Washington that Russia has been testing nuclear devices clandestinely for many months. These authorities feel that underground and other tests had been completed and the Kremlin decided that atmospheric experiments were necessary. The devices being tested are undoubtedly tactical nuclear weapons of a type which the United States has had a decided advantage and superiority. Khrushchev apparently needed to carry out atmospheric testing, with all its dangers from fall-out, in order to overcome his disadvantage in this area.

This decision emphasizes Khrushchev's complete disregard for his own pronouncements, for the health of people everywhere, and for any so-called "world opinion."

As you will recall I had recommended several months ago that the United States undertake limited nuclear testing if no decision could be reached at Geneva. Consequently, I do not object to President Kennedy's decision to resume underground testing under present circumstances. However, it might have been to our advantage to hold off the announcement of our intentions for a few weeks while preparing for the test in order to capitalize fully on the propaganda advantage which flowed from the unilateral action of the Soviet Union.

Some authorities here believe that after Khrushchev gets what he wants from the current series of tests, he will make another big propaganda push by proposing a new ban on nuclear testing. This only emphasizes the basic problem in dealing with the Communists a complete lack of faith and trust in their word or any of their commitments.

MUTUAL SECURITY: The Congress rejected the "backdoor financing" aspect of the mutual security authorization bill. We will have an annual appropriation giving the Congress an opportunity to review the administration of the foreign aid program and to scrutinize all proposed spending. With this major issue satisfactorily resolved, I supported the \$4.2 billion authorization bill which included \$1.7 billion for military assistance. When the Democratic-controlled Committee on Appropriations, against the wishes of President Kennedy, cut the military assistance grant to \$1.3 billion, I made the motion which the House approved to raise this amount by \$300 million to \$1.6 billion. In my judgment the Administration justified its request for the larger amount for military assistance which goes to improve the fighting capabilities of our allies. President Kennedy had requested \$1.885 billion for this purpose, an amount slightly more than that

recommended by President Eisenhower before he left office.

COMMUNIST PROPAGANDA IN THE MAILS: In YOUR WASHINGTON REVIEW for July 26 I discussed the March 17th Executive Order of President Kennedy calling upon the Post Office Department to deliver Communist propaganda sent from behind the iron curtain to American citizens whether they wanted this insidious material or not. Prior to March 17, 1961 under the regulations maintained by President Eisenhower this sort of propaganda could only be delivered to Post Office patrons who said they wanted to receive it. Rep. Glenn Cunningham (Republican of Nebraska) has introduced a bill, H. R. 9004, which would "deny the use of the United States Postal Service for the carriage of Communist political propaganda." Mr. Cunningham is a member of the Committee on Post Office and Civil Service to which this bill has been referred. He is confident that the Committee will hold extensive hearings on this vital subject in the near future. I am certain that legislation of this nature to override the Executive Order of March 17th issued by the Kennedy Administration will be widely supported.

ORPHAN ADOPTIONS: The House approved an immigration bill last Wednesday containing provisions in which many persons in the Fifth District were deeply interested. For some years proxy adoptions of orphans residing abroad were authorized by special legislation which expired on June 30th. Under this legislation a large number of Korean orphans were adopted by American families through the Holt Adoption Program.

The bill reported last week by the Committee carries out the recommendations of Secretary of Health, Education, and Welfare Abraham Ribicoff, and alters the procedure under which these adoptions may take place. The bill as passed provides that the prospective parents must see and observe the child before he leaves his native country or that the adoption procedure be completed in accordance with the law of the state in which the prospective parents reside. This procedure suggested by Secretary Ribicoff and the Committee on the Judiciary will not eliminate the Holt Program, but it will require quite a change in its method of operation. It will mean as a practical matter that Korean orphans must be brought to this country and adopted under the laws of the state in which they are to live. There will be no "proxy adoptions."

REFLECTORS ON RAILROAD CARS: A renewed interest has been shown lately in a bill which I introduced in the present and in the past two Congresses. It would require that railroad cars be equipped with reflectors or luminous material so they can be readily seen at night. Serious accidents at unprotected grade crossings have prompted this interest. The bill is presently with the House Committee on Interstate and Foreign Commerce which has requested the views and recommendations of the Interstate Commerce Commission and the Department of Commerce.

The ICC, the special agency established to regulate interstate transportation, stated that it is "our opinion that provision for this type of protection at unguarded grade crossings would be worth the expense involved." The Department of Commerce said that it "does not feel that the benefits derived from the use of these reflectors would be commensurate with the expenditure required for their installation and maintenance."

So the matter rests with the Committee where I am hoping affirmative action will be taken.



Your Washington Review

by
Congressman
JERRY FORD



September 20, 1961

A quick review of the record of this session of the Congress reveals certain accomplishments. The Congress (1) provided a sound defense program for the country substantially as recommended by Presidents Eisenhower and Kennedy; (2) supported an adequate mutual security program without the "backdoor financing" provisions; (3) continued its opposition to any diplomatic recognition of Red China or its admission to the UN; (4) indicated its disapproval of Secretary Hodge's order authorizing the disposition of surplus agricultural products to communist-dominated countries; (5) approved the temporary program to provide 13 weeks' additional unemployment compensation for those who had exhausted their regular benefits at a time when economic situations seemed to show a need for this, and (6) amended the Social Security Act to increase minimum benefits and payments to widows, and giving men the option to retire at 62 with reduced benefits.

Some of the things the Congress refused to do are equally significant. The Congress did not (1) endorse the "Bulldozers for Castro" deal supported by President Kennedy; (2) accept the Kennedy-Freeman farm bill with its illegal transfer of power and unworkable provisions which could only mean higher prices for consumers, greater control by the bureaucrats, and more restriction on our farmers; (3) put the federal government into the position of subsidizing teachers' salaries and school construction in every school district in the country. However, neither did the Congress do all it could to eliminate or reduce federal expenditures for numerous non-essential spending schemes which are a factor in increasing this year's deficit to over \$6 billion.

SOCIAL SECURITY EARNING LIMITATION: Since 1956 I have introduced legislation to increase from \$1200 to \$3600 per year the amount a widow with minor children may earn without losing her benefits under social security. It has always seemed unfair to me that a widowed mother with minor children who sought employment to support her family should be penalized if she earned more than \$1200 a year. Under present law while payments for the children may continue, benefits which would come to her based upon her deceased husband's earning record are reduced or eliminated when she earns over that limit. My bill (H. R. 356 in this Congress) would raise the limit to \$3600, an amount which appears to be more realistic in view of current living costs and more equitable in view of the mother's additional responsibilities and her willingness to work outside the home to support her family.

It was surprising, therefore, to learn recently that the Kennedy Administration opposes this bill and has recommended to the Committee on Ways and Means that H. R. 356

not be enacted. The Department of Health, Education, and Welfare stated that "payments to a widow with young children are based on the presumption that she will have to stay at home to care for the children." True, but with the breadwinner removed, few families with growing children can live on social security benefits, and we should not penalize those who show a commendable degree of self-reliance by going to work.

HEW also argues that if the earning limit is raised for widows with growing children, it should be increased for all beneficiaries. This may be true but many will not accept HEW's conclusion that "in general, the economic situation of aged beneficiaries who work is no better than that of younger widows, and there is no basis for making the terms upon which benefits are payable more advantageous for young widows than for older people." Furthermore and most significant, Mr. Kennedy's HEW also objects to an increase in the earning limitation for these retired older persons. Is this another indication that the "New Frontier" is off limits for any expression of individual initiative or self-reliance?

INTERPARLIAMENTARY UNION: As one of 11 official delegates of the House of Representatives to the Interparliamentary Union, I left for Brussels on September 13 to attend the 50th annual conference of the Union. Organized in 1889 and composed of representatives of the national legislative bodies of 59 nations, the Interparliamentary Union brings together legislators from all over the world for discussions of mutual problems and for the improvement of international relations. Among the items to be considered at Brussels are the current effect of world trade on various countries, the problems of new and developing nations, methods of enforcing UN decisions, and the parliamentary control of international organizations.

MOBILE OFFICE TOUR OF FIFTH DISTRICT: I am planning to bring our Congressional office to 24 Fifth District communities between October 2 and November 11 when we undertake our seventh annual mobile office tour of Kent and Ottawa Counties. Opening at Standale on Monday, October 2, at 2:30 p.m., I will be at each community for the afternoon and evening until at least 8:00. In the past many of you have come in for a visit, and I hope to meet more of you this year. You will soon be seeing announcements giving the specific time and place for each stop.

DISTRICT OFFICE IN GRAND RAPIDS: My district office at 425 Cherry Street, S. E., Grand Rapids, is open every working day during the year with Mrs. Eleanor Todish in charge. Her telephone number is GL 6-9747. During October and November staff members from Washington will also be in the district office. I will be there mornings and any afternoon on which no mobile office stop is scheduled. We welcome your personal visits and telephone calls.

"YOUR WASHINGTON REVIEW" SUSPENDS: The Congress is expected to adjourn this week or next. Therefore, this will be our final weekly report until the second session of the 87th Congress convenes in January. If you know of others who would like to be on our mailing list, please send me their names and addresses. If the address on the envelope in which this letter arrived is incorrect, please let me know. Thanks!