EXTENSIONS OF REMARKS

American Jewish Committee Honors Dr. Louis L. Mann

EXTENSION OF REMARKS
OF
HON. BARRATT O'HARA
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Monday, September 23, 1963

Mr. O'HARA of Illinois. Mr. Speaker, in the autumn of 1960, one of the Nation's outstanding spiritual leaders wrote:

> God has no stepchildren. Both humanity and freedom are one and indivisible. The artificial, arbitrary, manmade distinctions between men must not be allowed to obliterate the God-made resemblances between them.

The words were written for the special brochure which marked the centennial of Chicago Sinai Congregation. They were written by Dr. Louis L. Mann, now honorary rabbi of the temple and the man who held its pulpit from 1923 until his retirement in 1962.

The philosophy expressed in that paragraph epitomizes, too, the human relations appeal of the American Jewish Committee: "One purpose pervades our entire program—to advance man's understanding of his fellow man."

AWARD TO DR. MANN

The American Jewish Committee has selected Dr. Mann as the honoree of the dinner it will sponsor on Wednesday evening, September 25, in the Pick-Congress Hotel in Chicago. On that occasion he will receive the committee's first Human Rights Award for his work, both in the pulpit and in the community-at-large, to combat bigotry.

Among his colleagues, Dr. Mann is looked upon as a courageous preacher in line with the tradition of the Hebrew prophets. He was known to accept the challenge of unpopular causes or, as he preferred to put it, the not-yet popular causes which had to struggle against the forces of superstition, ignorance, cowardice, and timidity.

Both the scholarly Dr. Mann and the American Jewish Committee believe that research and education are the most powerful tools at man's command to achieve the goal of security and dignity for all peoples.

In the centennial brochure, Dr. Mann also wrote: "Every generation has been called upon to reinterpret, to modify and qualify, and to enrich our faith." This recognition of contemporaneousness in religion, combined with respect for an honored heritage, is the foundation, too, of one of the continuing programs of the American Jewish Committee, that of helping Jews to preserve and enrich their heritage while participating fully in the life of America.

The American Jewish Committee and its honoree are virtually contemporaries themselves. The organization was established in 1906, about the time that the future Dr. Mann was a studious teenager.

SCHOLAR AND SPIRITUAL LEADER

Louis L. Mann was born in Louisville, Ky., the son of David and Frieda Mann, on January 25, 1890. His education at Johns Hopkins University, the University of Cincinnati, Ohio, the Hebrew Union College, Cincinnati, and Yale University brought him two bachelor's degrees, a master's, a doctor of philosophy and, in 1914, his ordination as a rabbi.

That year he became rabbi of Congregation Mishkan Israel in New Haven, Conn., where he was to hold the pulpit until his call to Chicago Sinai Congregation in 1923.

A year after he was ordained, he went to Cincinnati to claim a bride, the former Ruth Cohen, daughter of Senator and Mrs. Alfred M. Cohen. The Manns' daughter, Mary Louise, now is herself the wife of a rabbi, Dr. Richard C. Hertz, of Temple Beth El in Detroit, Mich. Their son, Arthur H. Mann, a stockbroker, resides in Highland Park.

LECTURER AT TWO UNIVERSITIES

The intellectual energies of Dr. Mann have extended beyond the pulpit for many years, beginning in 1920, when he began a 3-year term as a lecturer in comparative ethics at Yale University. From 1924 to 1955, he was a professorial lecturer in the Department of Oriental Literature at the University of Chicago.

In the course of his career, Dr. Mann has received a number of honorary degrees, including a doctorate of divinity from Hebrew Union College in 1944; the doctorate of sacred literature, Northwestern University, 1949; the doctorate of literature, Ripon College, 1952; and the LL.D., Chicago Medical College, 1963.

Academic and other honors have been heaped on Dr. Mann through the years. Northwestern University, at the time of its centennial in 1951, bestowed on him the Distinguished Service Award. The Hillel Foundation, campus organization for Jewish students of which he was a founder, conferred its Distinguished Service Cup in 1953. Phi Beta Kappa in the Chicago area, whose president he became, awarded him the Distinguished Service Medal in 1954.

HIGHEST HONOR OF BOY SCOUTS

The highest honor of the Boy Scout organization, the "Silver Antelope," was granted to Dr. Mann in 1960. And the National Conference of Christians and Jews, which he founded in 1928 with Charles Evans Hughes, Newton D. Baker and Dr. S. Parkes Cadman, in 1960 honored Dr. Mann with a silver plaque.

The French Government decorated Dr. Mann with the title, "Member of the French Academy," in 1931 for his academic achievements.

The breadth of Dr. Mann's interests in his world are reflected in the organizations, institutes, committees, conferences and other bodies of which he has been an active part.

In 1947, he was one of the conferees for the Rollins College Institute on World Government and the Atom Bomb. He also has been a member of the board of trustees of the Church Peace Union, established by Andrew Carnegie, since 1926.

During World War II, Dr. Mann served as an arbitrator for the U.S. Labor Board, wage-and-hour division, for the textile industry. Also, during this period, he served in the department of psychological reconditioning at Gardner Hospital in Chicago.

Dr. Mann has also been a member of the executive committee of the Eugenics Commission of the United States and was one of the founders of the American Birth Control League, now known as Planned Parenthood. He also has been a member of the executive committee of the National Crime Prevention Institute.

A former vice president of the National Big Brothers and Sisters Association, Dr. Mann also was president of the Chicago Big Brothers Association.

APPOINTMENTS BY TWO PRESIDENTS

Herbert Hoover, when President, appointed him to the National Conference of Child Welfare, and Dwight D. Eisenhowever, during his Presidency, named Dr. Mann to the Traffic Safety Commission of the United States.

The National Association of Manufacturers selected him as a member of its ethics committee and the American Library Foundation named him a member of its advisory council. He is a former vice chancellor of the Jewish Chautauqua Society.

Dr. Mann also has been a member of the executive committee of the Chicago Commission on Reconstruction.

Dr. Mann is as well recognized for his ability as a writer as he is for his sermons and his spiritual leadership. He is a contributing editor to the World Book Encyclopedia and a collaborator for the New Thorndike Dictionary.

He was a contributor to "The Greatest Sermons on Peace" and "World's Best Sermons," published in 1944, as well as to "Message of Israel Sermons." He also is editor of the department of ethics of the Universal Jewish Encyclopedia and the author of "In Quest of the Bluebird."

Arkansas: The Gamblers' Paradise

EXTENSION OF REMARKS
OF
HON. PAUL A. FINO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, September 23, 1963

Mr. FINO. Mr. Speaker, today, I would like to bring to the attention of the Members of this House, more particularly the congressional delegation from the State of Arkansas, the extent to which organized crime benefits from gambling in that State—thanks to bluenose morality.

Arkansas is one of the many States which allows parimutual betting and the turnover last year came to over $24 million with the State collecting almost $1.4 million in revenue. However, the bookies handle the lion's share of Arkansas gambling boom. This lucrative tax-free industry has made Little Rock and Hot Springs well-known gambling centers on a national scale

According to the estimates of nationwide off-track betting that were presented before the McClellan committee, almost $500 million was gambled illicitly on the horses in Arkansas in 1962. Of course, as revealed before that committee, off-track betting represents only one-half of the illegal betting in the Nation. So on that basis, total gambling in Arkansas may well approach a billion dollars a year. A neat tax-free monopoly.

No wonder the crime syndicates are prosperous. They take 10 percent of this gross turnover—$100 million as profit—and use this money to finance a lot of narcotics, prostitution, and other illegal activities. But in order to stay in business, organized crime spends about 15 percent of these profits to corrupt public officials and the processes of law enforcement.

Because of its failure and refusal to control and regulate gambling, the State of Arkansas is guilty of subsidizing the forces of organized crime and permitting the crime syndicates to continue to fatten its criminal treasuries and expand its nationwide web of dirt.

The simple solution, Mr. Speaker, is the establishment of a national government-run lottery which would not only clean out the crime syndicates and wipe out corruption in law enforcement but pump into our own treasury billions of dollars in additional much needed revenue.

Foreign Currency Loans to Private Business

EXTENSION OF REMARKS

OF

HON. HAROLD D. COOLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. COOLEY. Mr. Speaker, in 1957 I sponsored an amendment to Public Law 480 providing that not to exceed 25 percent of the local currencies received from the sale of agricultural commodities under title I of that act should be reserved for loans to private American business firms or their affiliates for commercial development in the purchasing country and for loans to any private firm, foreign or domestic, for the construction in such country of facilities which would assist in the sale of American agricultural commodities.

I am happy to say, Mr. Speaker, that this has been one of the most popular and, I believe, one of the most constructive uses being made of the local currencies generated by the sale of our agricultural surpluses.

The authority for making these loans was originally placed by the committee in the Export-Import Bank and this organization did an excellent job of administering the program. In January 1962, the responsibility for administering the program was transferred to the Agency for International Development and the report I am submitting herewith is a listing, by countries, of the loans which have been made by AID since that time. I think it shows an excellent record of utilization of these funds and I commend both the agency and the private firms which have borrowed the money for their combined initiative in developing economic opportunity in these countries which have purchased our surplus agricultural commodities:

AGENCY FOR INTERNATIONAL DEVELOPMENT—REPORT ON LOCAL CURRENCY LENDING ACTIVITIES, COOLEY LOANS, JANUARY 1, 1962 THROUGH JUNE 30, 1963

Local currency (Cooley) loans stimulate economic activity by providing long-term capital to private enterprise in friendly less-developed countries through the lending of U.S.-owned foreign currency received in payment for surplus agricultural commodities. Under title I of Public Law 480, loans may be made to (a) qualified U.S. firms to develop business and expand trade or (b) U.S. or foreign companies if the loan will result in expanded markets for, and consumption of, U.S. agricultural products. These loans are available only in countries where local currencies have been allocated for this purpose under Public Law 480 sales agreements. The loans are made and are repayable in local currency without maintenance of value. Interest is usually comparable to that charged by local development banks and maturities are related to the purpose of the financing.

The uses for which Cooley loans have been made are extremely varied. The local currency loan proceeds may be used by the borrower to finance local costs such as expansion of plant and equipment, land acquisition, and other normal costs of operation, including working capital. The loan must be acceptable to the host country government. Cooley loans may not be made for the manufacture of products which would be exported to the United States in competition with U.S.-made products or for the manufacture or production of commodities or the products thereof.

The Cooley loan program is one of the principal points of AID's contact with the American business community. In the year and a half since the inception of AID's administration of the program, AID has approved 68 Cooley loans (including 31 in the last 6 months) totaling the equivalent of $61,239,000.

These loans, broken down by region, are as follows:

AID

	Number of loans	Percent of loans	Dollar equivalent	Percent of dollar equivalent
			Thousands	
Latin America	10	15	$4,270	7
Far East	8	12	3,563	6
Africa and Europe				
Near East and South Asia	50	73	53,406	87
Total	68	100	61,239	100

During the first 4½ years of the Cooley program, the Export-Import Bank of Washington (which administered the program during that period) approved 162 loans totaling the equivalent of $95,168,000 as follows:

Export-Import Bank

	Number of loans	Percent of loans	Dollar equivalent	Percent of dollar equivalent
			Thousands	
Near East and south Asia	82	51	$64,085	67
Latin America	49	30	15,488	16
Far East	15	9	3,766	4
Europe	16	10	11,829	13
Total	162	100	95,168	100

In many cases AID has sought to make the Cooley loan program more attractive to potential American investors by not requiring a guaranty from the U.S. investor or a local bank. For example, of the 50 loans made by AID in the Near East-South Asia region, only 17, or 34 percent, have been guaranteed by either a U.S. firm or local bank or made directly to a U.S. firm. Of the loans previously approved by the Export-Import Bank in the NESA Region, 83 percent were guaranteed by either a U.S. firm or a local bank or made directly to a U.S. firm.

Attached is a list of the Cooley loans approved by AID from the inception of the AID administration of the program on January 1, 1962, to June 30, 1963.

Cooley loans approved by AID, Jan. 1, 1962, through June 30, 1963

Region and country	Number of loans	Percent of total	Dollar equivalent	Percent of total	Region and country	Number of loans	Percent of total	Dollar equivalent	Percent of total
Latin America:			*Thousands*		Near East and south Asia:			*Thousands*	
Colombia	7		$2,790		Greece	5		$2,846	
Ecuador	2		650		Egypt (UAR)	1		244	
Paraguay	1		830		Iran	2		429	
Subtotal	10	15	4,270	7	Israel	7		1,846	
Far East:					Turkey	7		14,633	
China	5		1,463		Pakistan	9		6,788	
Korea	1		150		India	19		26,620	
Philippines	1		1,410		Subtotal	50	73	53,406	87
Vietnam	1		540		Total	68	100	61,239	100
Subtotal	8	12	3,563	6					
Africa and Europe									

Cooley loans approved by AID, Jan. 1, 1962, through June 30, 1963

Country and loan No.	Borrower	U.S. affiliate	Purpose	Amount of loan contract	Dollar equivalent	Interest rate	Repayment terms		Authorized or approved	Loan agreement signed
							Years	Grace		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
LATIN AMERICA										
Colombia:				*Thousands*	*Thousands*	*Percent*				
C-14-11/A	Hogares Colombianos, S.A.	World Homes	Housing	$5,000	570	4	15	1	Apr. 12, 1962	Apr. 17, 1962
C-14-12/A	Productora de Papelas, S.A.	W. R. Grace	Pulp, paper	6,000	540	9	5	1½	do	Nov. 29, 1962
C-14-13/A	Goodyear de Colombia, S.A.	Goodyear Rubber	Tires, tubes	2,000	180	9	5	1½	do	Apr. 26, 1963
C-14-14/A	Gillette de Colombia, S.A.	Gillette Razor	Razors, blades	4,000	360	9	5	1½	do	Jan. 6, 1963
C-14-15/A	Owens-Illinois International, S.A.	Owens-Illinois	Glass manufacturing	4,500	410	9	5	1½	do	Jan. 2, 1963
514-E-023	General Electric de Colombia, S.A.	General Electric	Electrical products	5,000	450	9	5	1½	Nov. 16, 1962	May 15, 1963
514-E-208	Productos Quaker, S.A.	Quaker Oats	Foodstuffs	2,800	280	9	7	1	June 26, 1963	
Ecuador:										
518-E-018	Industria Cartonera	W. R. Grace and International Paper.	Cardboard box manufacturing.	5,754	260	9	6	½	Apr. 8, 1963	
518-E-020	Automatic Electric Co. of Colombia, S.A.	General Telephone and Electronics International.	Telephone systems	8,500	390	9	10	1	Apr. 26, 1963	
Paraguay:										
526-E-010	Pan-Western Enterprises, Inc.	Pan-Western Enterprises, Inc.	Cattle, quebracho black palm.	104,000	830	9	10	3	May 10, 1963	May 8, 1963
Latin America subtotal (10 loans).					4,270					
FAR EAST										
China:										
484-E-033	Atlas Taiwan	Atlas Chemical	Explosives	24,000	600	12	9	2	June 29, 1962	Dec. 28, 1962
484-E-032	China Manmade Fibre Corp.	None	Cellophane	5,940	150	12	4	1	July 9, 1962	Apr. 11, 1963
484-E-031	Procter & Gamble Taiwan.	Procter & Gamble	Detergents	3,400	85	12	5	1	May 7, 1962	Oct. 9, 1962
484-E-037	Joys Inter-Associates	None	Popcorn	300	8	12	3½	1	June 11, 1963	
484-E-038	Procter & Gamble Taiwan.	Procter & Gamble	Working capital; purchase assets of local firms.	24,800	620	12	6	2½	June 21, 1963	
Korea: 489-E-017	Shinhan Flour	None	Foodstuffs	20,000	150	8	6	1	Sept. 7, 1962	Dec. 13, 1962
Philippines: 492-E-015.	White Rose Packing Corp.	Francis H. Leggett	Fish canning	5,500	1,410	7½	10	1½	Feb. 26, 1963	Apr. 15, 1962
Vietnam: 430-E-007.	Foremost Dairies Vietnam, S.A.R.L.	Foremost Dairies, Inc.	Dairy manufacturing	40,000	540	6	5½	½	June 10, 1963	
Far East subtotal (8 loans).					3,563					
AFRICA AND EUROPE [1]										
NEAR EAST AND SOUTH ASIA										
Greece:										
C-40-9	Wood Industry Xelopan.	Pappas & Skouras	Construction of fiber board plant.	18,000	600	6	6½	1½	May 7, 1962	Sept. 19, 1962
240-E-023	Dow Hellenic	Dow Chemical	Construction of plastic plant.	20,000	667	6	8½	3	June 27, 1962	Feb. 28, 1963
240-E-025	Mobil Oil Hellas	Socony Mobil	Construction of service stations and bulk fuel oil terminal.	17,500	580	6	9	2	June 25, 1962	Dec. 5, 1962
240-E-027	Isola, S.A.	Rheem Manufacturing	Working capital for home appliance manufacturing.	20,000	666	6	7	2½	Oct. 31, 1962	
240-E-026	Voktas Feeds	None	Expansion of poultry raising facilities.	10,000	333	6	5½	1½	Dec. 6, 1962	Jan. 17, 1963

See footnotes at end of table.

Cooley loans approved by AID, Jan. 1, 1962, through June 30, 1963—Continued

Country and loan No.	Borrower	U.S. affiliate	Purpose	Amount of loan contract	Dollar equivalent	Interest rate	Repayment terms		Authorized or approved	Loan agreement signed
							Years	Grace		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Egypt (United Arab Republic):				*Thousands*	*Thousands*	*Percent*				
C-62-2	Pfizer Egypt	Pfizer Co	Construction of pharmaceutical plant.	$107	244	5	10½	1	Apr. 20, 1962	Aug. 17, 1962
Iran:										
C-65-1	International Dairy	Foremost Dairy	Working capital for dairy products.	7,500	100	8	5	1½	May 7, 1962	Aug. 29, 1962
265-E-018	Pars Cotton Ginning & Oil Mill Corp.	None	Construction of bulk storage terminal.	25,000	329	5	5¾	¾	June 27, 1963	
Israel:										
C-71-23	Haifa Silos, Ltd	do	Expansion of grain storage facilities.	[2] 175	58	10	8	1	Feb. 21, 1963	Mar. 22, 1963
271-E-078	Samson Tire & Rubber Co.	General Tire & Rubber Co.	Expansion of rubber tire and tube plant.	900	300				May 3, 1963	
271-E-075	Dagon-Batey-Mamguroth/Le Israel Ltd.	None	Expansion of grain storage facilities.	800	267				do	
271-E-077	Sefen	American Israel Corp	Expansion of plastics plant.	710	237	8	8	2	do	June 18, 1963
271-E-076	Gadot Chemical tankers & Terminals.	Stanalchem, Inc	Expansion of bulk storage terminals.	500	167	8	8	2	do	
271-E-079	Israel Alabama Wire Corp., Ltd.	Alabama Wire	Construction of aluminum wire and cable plant.	450	150	8	8	2	do	June 10, 1963
271-E-085	KLIL Non Ferrous Metals, Ltd.	Rusco Industries	Construction of integrated aluminum extrusion and fabrication plant.	2,000	667	10	10	2	June 27, 1963	
Turkey:										
C-77-11	U.S. Royal Lastik	U.S. Rubber Co	Construction of rubber tire and tube plant.	48,350	5,372	7	9½	1	May 29, 1962	Apr. 6, 1963
277-E-038	Turk Maadin Sirketti	Metallurg	Working capital for chrome ore mine.	7,000	775	7	6½	1½	June 25, 1962	Feb. 26, 1963
277-E-034	Wyeth Laboratuvartori.	American Home Products.	Construction of pharmaceutical plant.	10,600	1,178	7	9½	2	July 23, 1962	Oct. 22, 1962
C-77-10	Goodyear Lastik	Goodyear	Construction of rubber tire and tube plant.	[2] 14,000	1,550	7	9½	1½	Oct. 23, 1962	Feb. 5, 1963
277-E-039	Chrysler Sanyani	Chrysler	Construction of truck assembly plant.	35,000	3,875	7	12	3	Nov. 2, 1962	June 18, 1963
277-E-040	Yarimca Starch & Glucose.	None	Working capital for starch and glucose producer.	3,000	633	7	6	2	Jan. 11, 1963	June 5, 1963
C-77-12	U.S. Royal Lastik	U.S. Rubber Co	Construction of rubber tire and tube plant.	11,250	1,250	8	9½	1	Jan. 24, 1963	Apr. 6, 1963
Pakistan:										
C-91-10	General Tire & Rubber Co. of Pakistan.	General Tire & Rubber Co.	do	7,113	1,503	6	15	1½	Feb. 27, 1962	Apr. 18, 1963
C-91-12	Pakistan Fabric Co	Belton Bagging	Construction of jute warehouse and milling facilities.	1,000	211	6	5½	1	May 17, 1963	Aug. 14, 1962
C-91-9	Pakistan Services	Intercontinental Hotels	Construction of hotel in Karachi.	2,759	583	6½	20	2	June 25, 1962	([3])
391-E-076	Pakistan American Liberty Tank Terminals.	American Liberty Tank Terminals.	Construction of bulk storage terminal.	476	100	6½	12	2	Nov. 26, 1962	
391-E-075	Pakistan Services	Intercontinental Hotels Corp., Dacca.	Construction of hotel in Dacca.	4,477	940	6	17½	3	Mar. 6, 1963	
391-E-064	Merck Sharp & Dohme of Pakistan.	Merck Sharp & Dohme	Construction of pharmaceutical plant.	1,500	317	6½	12	2	Apr. 24, 1963	
391-E-063	Phelps Dodge, Ltd	Phelps Dodge	Construction of copper and aluminum wire and cable manufacturing facilities.	7,140	1,500	6½	10	4	May 15, 1963	
391-E-074	Intercontinental Hotels Corp.		Financing IHC'sequity in Dacca hotels.	2,740	579	6½	18	3	May 29, 1963	
391-E-050	Singer Sewing Machine Co.	Singer Manufacturing	Working capital for distribution of locally manufactured sewing machines.	5,000	1,055	6	9½	4	May 17, 1962	Sept. 29, 1962
India:										
C-86-16	Madras Rubber	Mansfield Tire & Rubber Co.	Construction of rubber tire and tube plant.	2,500	528	6½	7	2	([4])	May 23, 1962
C-86-17	Synthetics & Chemicals.	Firestone Tire & Rubber Co.	Expansion of synthetics rubber plant.	15,000	3,162	6½	3½	1	Feb. 20, 1962	Aug. 20, 1962
386-E-074	Wyman-Gordon Chemicals.	do	Construction of steel forge plant.	2,500	527	6½	9½	3	May 7, 1962	Feb. 5, 1963
386-E-075	Precision Bearings India.	Norman-Hoffman	Construction of ball bearing plant.	3,000	633	6½	10	5	June 25, 1962	May 17, 1963
386-E-072	Victor Gasket	Victor Manufacturing	Construction of auto gasket manufacturing plant.	750	158	6½	7	1	do	Dec. 6, 1962
386-E-078	Harig-Malik	Harig Manufacturing	Construction of machine tool plant.	285	60	6½	10	1	Sept. 17, 1962	Do.
386-E-085	Arbor Acres India	Arbor Acres	Establishment of poultry-breeding farms.	2,500	527	7	6½	1½	Oct. 23, 1962	Aug. 7, 1963
386-E-080	McNally-Bird	McNally Pittsburgh	Construction of coal washery plant.	5,000	1,054	6½	11½	5	do	Dec. 4, 1962
386-E-079	Mysore Cement	Kaiser Corp	Expansion of cement plant.	4,500	949	7	10	3	Nov. 2, 1962	
386-E-083	Union Carbide India	Union Carbide	Expansion of chemical and plastic manufacturing facilities.	21,600	4,557	7	10	3½	Nov. 26, 1962	
386-E-088	Mandya Paper	Parsons & Whittemore	Refinancing of debt and expansion of paper plant.	15,000	3,150	7	10	3	Jan. 24, 1963	
C-86-17	Synthetics & Chemicals.	Firestone Tire & Rubber Co.	Expansion of synthetics and rubber plant.	[3] 18,000	2,160	7	10	6	do	Mar. 19, 1963
386-E-089	Kirloskar Cummins	Cummins	Construction of diesel engine plant.	12,500	2,630	7	12½	2½	May 15, 1963	
386-E-090	Napco Bevel Gear	Napco Industries, Minneapolis.	Construction of bevel gear plant.	4,000	2,300	7	3	2½	May 14, 1963	

See footnotes at end of table.

Cooley loans approved by AID, Jan. 1, 1962, through June 30, 1963—Continued

Country and loan No.	Borrower	U.S. affiliate	Purpose	Amount of loan contract	Dollar equivalent	Interest rate	Repayment terms		Authorized or approved	Loan agreement signed
							Years	Grace		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
India—Continued				*Thousands*	*Thousands*	*Percent*				
386-E-095	Chochin Pvt., Ltd	Atalanta Trading Corp	Expansion of shrimp processing facilities.	$2,365	500	7	10	2	June 21, 1963	
386-E-096	Frick India, Ltd	Frick Co	Construction of refrigeration equipment plant.	2,500	520	7	8	2	do	
386-E-093	Hindustan Aluminum Corp., Ltd.	Kaiser Corp	Construction of aluminum fabricating facility.	10,000	2,080	7	10	3	do	
386-E-092	Elpro International, Ltd.	General Electric	Construction of electrical equipment plant.	4,000	833	7	9	1	June 27, 1963	
386-E-094	Gabriel India, Ltd	Gabriel	Expansion of automatic shock absorber plant.	1,400	292	7	8	1	do	
Near East and south Asia subtotal (50 loans).					53,406					

[1] None.
[2] Increase.
[3] To be administered by Export-Import Bank.
[4] Approved by Export-Import Bank in November 1961. Loan agreement drafted and executed by AID.

Refutation of Charges of Illegal Gambling in New Mexico

EXTENSION OF REMARKS

OF

HON. JOSEPH M. MONTOYA

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. MONTOYA. Mr. Speaker, it was with a great deal of interest that I read the remarks on widespread illegal gambling in New Mexico as they appeared in the CONGRESSIONAL RECORD of Monday, September 16, 1963. I, too, have been very interested in the findings of the McClellan committee upon which the remarks were ostensibly based.

However, I have been unable to find any mention of New Mexico in either the testimony or the detailed committee report. I have, therefore, been forced to draw my facts and conclusions from other accurate sources and based upon these and an unbiased interpretation of the committee report I wish to present my findings, lest there be some confusion on the matter, as I expect there may very well be.

Now, Mr. Speaker, it is quite correct, as asserted, that $37 million were involved in legal parimutuel betting in New Mexico during 1962, and from this the State treasury did indeed receive approximately half a million dollars in revenue. With these facts I am in total agreement.

It was estimated by an expert committee witness, Mr. John Scarne of Fairview, N.J., that on a national average, about $16.50 is wagered offtrack for every dollar legally placed in parimutuel betting. However, the figure placed in the CONGRESSIONAL RECORD, apparently based on this ratio, set New Mexico's illegal offtrack betting at $265 million for last year. By my calculations, using the same ratio, should such conditions exist, the amount spent on illegal offtrack wagering would equal $610,500,000, not the quoted $265 million.

Moreover, Representative FINO in his remarks applied this $16.50-to-$1 ratio to all forms of gambling. This, in spite of the fact that the source of this figure, Mr. Scarne, in his testimony said, "$16.50 is bet off track for every dollar bet legally at the track." This ratio is an estimate quite clearly related then to horse racing alone. Additionally, the witness intended only this interpretation since such a ratio could not be applied to any other form of gambling because New Mexico, like most States, permits only parimutuel betting; thus, in no other form of gambling is there a corresponding $1 legal sum bet.

Obviously, Mr. Speaker, the foregoing are but technical and mathematical errors made in the assertion. As far as fundamental inaccuracies are concerned, suffice it to say that no such conditions as those described by Mr. FINO exist in New Mexico. Had the gentleman meant to refer to New York rather than New Mexico, as I suspect he did since New York was frequently referred to in the committee report, I might have some basis for agreeing with him. But, as the error was made and New Mexico was most improperly characterized, I must vigorously disagree.

In order to approach the astronomical sum of $610,500,000, it would be necessary for every man, woman, child, and baby in New Mexico to illegally gamble approximately $650,000 annually. The incongruity of this increases when we recognize that, unfortunately, there are many New Mexicans who have an annual income of less than $1,000. Surely, we are not to believe that these people are betting 65 percent of their annual income on horses or anything else.

Mr. Speaker, I will gladly compare any county in New Mexico against any county in this great Nation. This is not imprudent. This is not a rash gesture for I can guarantee that in New Mexico there exist no such gross conditions. There is no flaunting of the law; there is no coddling of transgressors. Illegal gambling is not to be found. As further demonstration of my accuracy in this regard, I urge that any individual having evidence of illegal gambling or the sale of lottery tickets in New Mexico immediately notify the attorney general of that State and/or district attorney in any county concerned.

I am proud of my State. It ranks among our finest States. Its contributions to the wholesome American way of life, which we want all men to enjoy, are myriad. Let there be no mistake about it; I deeply resent anyone terming New Mexico as "a vice-ridden gamblers' fiesta land." It is a land of enjoyment, a land of health, and a land of productivity. It is a celebrated example of all that is good and legal.

Walter G. Pratt, Stoughton, Mass., 90 Years Young

EXTENSION OF REMARKS

OF

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. BURKE. Mr. Speaker, on September 7, 1963, I visited the Stoughton post office in my congressional district, and also visited the Stoughton townhall. It was my pleasure to attend an impromptu birthday party for Stoughton's Town Assessor Walter G. Pratt, who was celebrating his 90th birthday. Walter was born September 7, 1873. He married Emma A. Lowe. Walter is the father of two children, grandfather of three children, and great-grandfather of one child. He has had a career as a shoeworker from 1889 to 1931, fence viewer—town of Stoughton—part time from 1915 to 1956, private surveyor—part time from 1915 to 1956, served on the board of assessors from May 1, 1931, and as chairman of the board of assessors from 1945 to the present.

Walter is 90 years of age but very young at heart. He enjoys the love and respect of all the townspeople. Dedicated to his work he has set an example for the young folks in the town. I know I echo the sentiments of all who know him when I say: "Walter Pratt represents all the fine things that can be expected of a public official."

Robert Smales, Stoughton's town manager, was high in his praise for the great work done by Walter Pratt in behalf of the town of Stoughton. Employees at the townhall were warm in their praise of Walter and it is very evident that Walter has a special place in their hearts.

I told Walter that I will want to be one of those who will be present when he celebrates his 100th birthday. I hope he continues having the same bright sunny outlook on life. It is like a breath of spring.

Independence Day of the Federal Republic of Germany

EXTENSION OF REMARKS

OF

HON. ADAM C. POWELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. POWELL. Mr. Speaker, on September 21, the Federal Republic of Germany celebrated the 14th anniversary of her independence, and we wish to take this opportunity to send warm felicitations to His Excellency, the President of the Republic, Dr. Heinrich Luebke; His Excellency, the Chancellor, Dr. Konrad Adenauer; and His Excellency, the Republic's Ambassador to the United States, Mr. Heinrich Knaptstein, on this memorable occasion.

It was on September 21, 1949, that the United States, France, and the United Kingdom brought the new Republic into being. The journey to independence had begun just a year earlier when a West German Parliamentary Council, which was, in fact, a constituent assembly, met in Bonn to draft a constitution for Germany. Since Soviet-occupied eastern and central Germany were not represented, the council limited itself to drafting a basic law for the German Federal Republic, until such time as an all-German Constituent Assembly could replace it with a constitution agreed on by the entire German people. By the end of May 1949, this basic law had been drawn up by the Parliamentary Council, adopted by most of the 11 land parliaments, and formally promulgated.

After a general election in September, followed by the choice by the Bundestag—the popularly elected chamber—of Dr. Theodor Heuss as Federal President and of Dr. Konrad Adenauer as Chancellor, the Western Allies were willing to see the Federal Republic actually launched. The Allies had in the meantime worked out three related instruments: First, an occupation statute, which defined the residual powers of the Allies in the Federal Republic; second, a Trizonal Fusion Agreement, which set up an Allied High Commission for Germany; and third, a charter for this Commission defining its organization and procedure. After the acceptance of these Allied instruments by the President and Chancellor of the German Federal Republic at Petersberg on September 21, the German Federal Republic came formally to existence.

During the first years of the Republic, its sovereignty was considerably limited under the Occupation Statute of 1949. Step by step, these limitations were reduced until the Paris Agreements of 1955 made the Federal Republic a sovereign nation, limited only by a few remaining restrictions on nuclear and other special armaments. The Republic also became a member of the North Atlantic Treaty Organization and the Western European Union. Even before gaining complete independence, West Germany had taken part in establishing the European Coal and Steel Community and had joined the Organization for European Economic Cooperation, the Council of Europe, and three specialized agencies of the United Nations.

The most startling development in postwar West Germany was the Wirtschaftswunder, or economic miracle. Industry was rapidly reconstructed and the country began to experience prosperity after 1949. By 1955, the net national income was 179 percent of that of 1936. A good part—20 to 25 percent—of this income went into new investments, but per capita consumption, too, by 1953 had reached 114 percent of the 1936 level. It was not surprising, therefore, that West Germany, by then the leading economic power of Europe, became a charter member of the European Economic Community in 1957. She has played a major role in the success of that great experiment in economic integration.

During the postwar period the German Federal Republic regained for the German people something that many Germans had always deeply desired—a respected and honored place in the family of nations. It is for this outstanding achievement above all that we salute the West German people and their government on the 14th anniversary of the Republic's establishment.

Washington Report

EXTENSION OF REMARKS

OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. ALGER. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following Newsletter of September 21, 1963:

THE TAX BILL—H.R. 8363

(By Congressman BRUCE ALGER, 5th District, Texas, Sept. 21, 1963)

Tax cuts would amount to $11.1 billion over a 2-year period; $8.8 billion in individual and $2.3 billion corporate. Corporate taxes will be cut from 52 percent to 48 percent. Individual rate changes, lowest bracket 20 percent drops to 14 percent, top 91 percent to 70 percent, changes equaling 30 percent and 20 percent, respectively, while middle income brackets average 15 percent. Twenty-three structural changes in the bill increase taxes selectively by $1.1 billion, although the minimum standard deduction at the taxpayers' choice, alleviates further the taxload of the lowest brackets and eliminates 1.5 million taxpayers in the lowest brackets from paying taxes.

Everyone wants a tax cut. Though some Members of Congress, like the President, will only depict the blessings of a tax cut, which everyone wants, others will sensibly ask, "Then where do we get the money to pay Government bills we continue to run up?"

REPUBLICAN POSITION

The Republicans, unlike the Democrat leadership, will demand a limitation on spending so that the tax bill will not become effective unless current fiscal year 1964 expenditures are held to $97 billion and fiscal 1965 budget will not exceed $98 billion. True, these figures are high since they represent the culmination reached after the 1962 spending level exceeded 1961 by $6 billion; 1963 exceeded 1962 by $4.8 billion; 1964 exceeded 1963 by $5.5 billion. However, the Republican position draws the line against further increases. Surely this is not asking too much. And yet, the big spenders, including the President, though always talking economy, will continue to increase spending even as we cut taxes. This course leads to inflation, the worst tax of all, a hidden tax on savings, pensions, and buying power, the devaluation of the dollar, increasing outflow of gold, and destruction of our competitive position in world markets and financial leadership of the free world. Indeed, any such weakening of the United States economically would make us extremely vulnerable to a final Communist takeover. Our greatest defense against the Communist world conspiracy is a strong, healthy, growing economy which is not possible through planned deficits.

The glowing predictions of the feedback, or increasing Government revenues because of the stimulating effect of a tax cut does not obscure the horrible truth, that the President and his congressional leaders are asking Congress to approve deficit spending and so secure the money to pay our bills by borrowing and charging it all to our children and later generations.

My conviction is that we should balance the budget, as we have done before in two Republican Congresses, cut the debt, and then cut taxes—in that order. Further, it seems to me we should move steadily toward a flat percent tax, the same percent for everyone regardless of income level. Finally, the best kept secret of our day is that it isn't someone else who pays—it's each of us. As taxpayers we pay, particularly the low and middle income groups who necessarily bear the cost—84 percent of the total tax comes from the tax brackets under $10,000 liability. We also pay when Government deficit finances and charges the cost to us through reducing the buying power of the dollar. Forgotten, for the average wage earner (1) tax cut at best will be $1 to $2 per week, (2) social security taxes go up next January.

WEEK'S ACTIONS

The civil defense bomb shelter amendment to the existing act, embarks us on another great Federal subsidy of $2.3 billion over 5 years, beyond existing civil defense programs. Simultaneously we cut back our offense, the development of the antimissile missile, because of the test ban treaty, which ultimately may invite enemy attack. We seem to forget the best defense is a good offense. (2) The CAB examiner conducted Washington hearings on Love Field. I testified on the need of the southwest area for all present aviation facilities and all those to be made available in the future. (3) I asked the President for his views on the status of the Dallas Federal Building and the removal of the VA office, suggesting corrective action emphasizing (1) merit not politics, and (2) a spending priority.

The Tragedy at Babi Yar and the Continued Oppression of the Jews by the Soviet Government

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include an address I made before the Association To Perpetuate the Memory of Ukrainian Jews at the memorial services for the victims of Babi Yar, at the Hotel Commodore, New York, N.Y., and broadcast over radio station WEVD, Sunday, September 22, 1963. My remarks follow:

"Over Babi Yar
There are no memorials"—

Says the young Russian poet, Yevgeny Alexandrovich Yevtushenko—

"Over Babi Yar
Rustle of the wild grass.
The trees look threatening, look like judges.
And everything is one silent cry.
Taking my hat off
I feel myself slowly going gray.
And I am one silent cry
Over the many thousands of the buried;
Am every old man killed here,
Every child killed here."

What happened at Babi Yar that makes the poet weep and rage? On the eve of Yom Kippur, in 1943, the Nazis murdered 100,000 Ukrainian Jews. Though not of the Jewish faith, Yevtushenko identified himself with the victims of the Nazis. Twenty years have passed and let it not be said that we have forgotten. The young Russian poet spoke for the dead.

In World War I, the American poet, Alan Seeger, speaking for all the dead, of wars and massacres and terrorisms, cried out "to you we throw the torch." And so the 100,000 in the mass grave at Babi Yar, over which no memorial rises, cry out to us, "to you we throw the torch." We will carry the torch in which burn the flames of liberty, enlightenment, and equality for all people regardless of race, religion, or national creed. How can we loosen our grasp when hatred still stalks the world and casts its ominous shadow on the future? It is the cruelest of ironies that the young Russian poet, Yevtushenko, should have written "Babi Yar" in a land where today the Jews are singled out, as a religious group, for oppression and denial. He was brave to have written that poem but not brave enough, for while he did, in his poem, depict the antisemitism in the Soviet Union, he, under official pressure, subsequently changed the text when Shostakovitch set the words of "Babi Yar" to music.

Today, the Soviet Union boasts that its Constitution guarantees religious freedom and explicitly forbids "any restriction of the rights of citizens on account of their race or nationality" as well as "any advocacy of racial or national hatred and contempt." But the words are not worth the paper upon which they are written for the Soviet Union has committed itself, in practice, to wiping out the religious and cultural rights of the Jews and singling them out, as Jews, for special cruel and unusual punishment.

In May of 1961, the Soviet Union enacted decrees which set forth the death penalty for such economic offenses as pilfering public or state property, counterfeiting, currency speculation, and bribery. The world was shocked by such uncivilized, excessive, and inhumane punishment, but the Soviet Union has proven itself, again and again, immune to world opinion. Within 2 years, from May 1961 to April 1963, 141 persons were sentenced to death for such offenses. Of those sentenced to death, nearly 60 percent were Jews. If one examines the record carefully, it becomes dismayingly clear that this is a part of a systemic plan, not only to incite the Russian people against the Jews, as a minority group, but also to deny, to the Jews, their religious heritage and to put them outside the pale of the Soviet Union society. When we realize that almost two million Jews reside in the Soviet Union, we are then aware of the extent of this tragic campaign. For example, in one of the trials, 24 defendants were accused of manipulating the price of apples. Though the majority of defendants were not Jewish, only the Jews received the death sentence. In another trial, a Jew was sentenced to death though he was only an employee of some trade organizations involved; the top officials received only short prison terms.

In all of this campaign, the Soviet press makes certain to implicate the synagogues and rabbis in the alleged offenses. Beyond that, we find the arrest of congregation leaders, the ousting of congregation Jewish officials, and the closing of synagogues. While we cannot deny that all religions are subjected to restrictions in the Soviet Union, only Judaism is singled out for very special denials. While other religions can form national or regional associations, Jewish congregations may not. Religious leaders cannot receive permission to leave the country or to study abroad or to make pilgrimages as other religious leaders make. The Jews are forbidden to manufacture any religious articles such as prayer shawls and phylacteries. Only a very few are permitted to print religious calendars. Training for rabbis has been curtailed until now, in Moscow, only three or four are permitted to attend a rabbinical academy. No Hebrew can be taught nor can any prayer book or Bible be printed in Hebrew. However, the Moslems may use their Arabic for religious purposes as may other ethnic and religious groups use their respective languages. The baking of matzah is forbidden. Without the matzah, no Passover can be properly observed. All Yiddish journals are forbidden; no expression of cultural interest in the Jewish language is allowed. Thus the theaters and the dramatic schools and the publishing houses which use the Jewish language are closed. The old Jewish songs are forbidden. The Soviet encyclopedia, which had devoted 116 pages to the cultural achievement of the Jews, now gives only 2 pages to the Jews. The Jews have been eliminated from the Soviet Union political life. They are excluded from the diplomatic service and from the armed services. A study of the status of Jews in the Soviet Union concludes that the Jews are "deprived of their national and religious rights as a group, and of full equality as individuals."

Soviet oppression and denial of equal rights to its Jewish population has been called "spiritual strangulation."

Yet, withal, the Jews are not permitted to leave the Soviet Union to seek freedom from religious persecution. They are forced to remain while the Soviet Union seeks every way of denuding them of their tradition, of their culture, of their faith in God.

We are gathered today in memorial to the 100,000 who perished at the hands of the Nazis 20 years ago. But it is not enough to mourn the dead; our responsibility now, today, is for the living. Indifferent as the Soviet Union may appear to be to world opinion, such indifference cannot remain if the protests are large and loud enough. Let it not be said that the world condones by silence. The Jews of the Soviet Union will not relinquish their religion, their heritage, their culture. Hence, the Soviet Union has placed itself directly on the road that leads to genocide.

The Russians make much of their fear of the Germans. In what degree are they different? The Russians have sought to pervert history and, in so doing, have paid service to it because what one seeks to pervert, one cannot forget. History has proven, and proven again, that tyranny bears within itself the seeds of its own destruction for the heart and mind of man, once awakened, finds the bans of oppression intolerable. From Pharoah, to Hitler, to Khrushchev, the lessons of history loom large. The consequences of tyranny Khrushchev should know will bury him.

We offer prayers for the dead, but we do not forget the living. Let no one forget—whatever his race, his religion, his creed—oppression is a way of life; it feeds on itself yet remains insatiable. When it is aimed at one group, it reaches out to embrace another and yet another. This, too, is a lesson of history none of us can ignore, and I mean, none of us.

Let the religions of the world take note that, in the march of oppression, it is only a matter of on whom it feeds first. There are always the second, and the third, and the fourth, and the fifth until all are engaged. Then it may be too late.

Together we vow there shall be no more "Babi Yars."

The Tax Reduction Bill

EXTENSION OF REMARKS

OF

HON. VICTOR A. KNOX

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, September 23, 1963

Mr. KNOX. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the speech that was presented to the Nation on Saturday evening, September 21, 1963 by the Honorable THOMAS B. CURTIS, of Missouri. Mr. CURTIS has adequately and effectively given a sound viewpoint on the question of tax reduction which will be before the House tomorrow.

I hereby include this address by my worthy colleague Mr. CURTIS:

REMARKS OF HON. THOMAS B. CURTIS, OF MISSOURI, SEPTEMBER 21, 1963

Good evening, fellow citizens. In one sense I want to apologize for displacing the regular program you were looking forward to enjoying this evening. In another sense I really have no right to apologize. I am here serving the very basic and vital function in our system of representative government of presenting to you the other side of one of the great issues now facing our country. President Kennedy on Wednesday night presented one side of this issue for your consideration.

Just as President Kennedy spoke to you without regard to narrow political partisanship, so shall I. This great issue of our country's basic fiscal and economic policies, which was brought to a head by the tax cut bill now approved by the Ways and Means Committee, transcends this kind of narrowness. I have the responsibility of presenting as fairly, and yet as forcefully as I can, a point of view in which I deeply believe. Although this viewpoint is almost unanimously held by Republicans in the Congress, in fairness I must say that it is shared by many Democrats as well. Certainly the vast majority of our people, whether Democrats, Republicans, or Independents, want to hear the reason for a position, not simply what political party or what individual person is for or against it.

The President stated that this tax bill, H.R. 8363, is the most important domestic measure to be considered by the Congress in 15 years. I cannot share this view, as important as I think the tax bill is, unless it is intended to change the basic fiscal and economic policy which our country has adhered to since its foundation. If this basic change is intended, then the tax bill is probably among the most important bills which the Congress has ever considered in its 174 years of history.

The President presented his arguments for the tax bill as if the opposition were opposed to cutting taxes. This is not the case. Those who are leading the opposition to H.R. 8363, as presently written, have been arguing the urgent need to reduce Federal taxes long before President Kennedy decided last August to promote a tax cut. He proposed a tax cut as a solution to the problem of unemployment and the flow of gold from our country—the problems which he has not yet been able to solve by any other means. He has been unable to solve these problems in spite of the normal cyclical upturn which our economy took a few days after he was inaugurated and months before the Congress was able to take action on any of his legislative proposals which were supposed to pep up the economy.

Many of the leading opponents of the proposed Federal Revenue Act of 1963 have been long-time promoters of what many of you probably have heard of as the Baker-Herlong tax cut bill, bearing the name of Congressman BAKER of Tennessee, a Republican, and Congressman HERLONG of Florida, a Democrat, both of them respected colleagues of mine on the Ways and Means Committee. In contrast to the administration approach, the Baker-Herlong bill ties tax cutting to expenditure reform.

The question then, is whether there is agreement between the people who think as I do, and the President on the great need for a tax cut to help our economy grow, to ease the unemployment problem, and to provide jobs for the increasing number of young people who are and will be looking for jobs. What is the fuss?

The President should have told you what the fuss was all about instead of evading the central issue. Actually much of the fuss is unfounded. Certainly it is not over any disagreement about wanting our country to be better and stronger and our people to have a better and more abundant and more peaceful life.

All of us want these things just as deeply as the President does. The fuss is over whether we move toward these goals by cutting taxes while increasing spending. Can we really move toward these goals if we cut taxes and if, at the same time, we do not reduce our increasing Federal expenditures? The Kennedy administration is spending more money than it is taking in from Federal taxes. It has been doing so ever since 1960 when the Nation last had a balanced budget. But lest my statistics convey erroneous impressions, as I believe those used by the President did in his address Wednesday night, let me add that we have had unbalanced budgets more often than not under both the Truman and Eisenhower administrations. These deficits were not good then—and I said so at the time. They are not good now.

Spending more money than is being taken in at the Federal level is becoming a serious and dangerous habit. And, mind you, the Federal taxes have been doing a manful job of getting money out of the pockets of our people. We collected $39.7 billion in 1946; $67.9 billion in 1956; $77.7 billion in 1961; $81.4 billion in 1962; $86.4 billion in 1963; and it is estimated that the amount will be $88.8 in 1964.

Now even President Kennedy agrees that this tax system is taking too much from the pockets of the people and businesses, even when it is proving inadequate to meet the cost of our ever-increasing Federal Government.

But the Ways and Means Committee, on which I serve, has more than the distasteful task of writing the tax laws. When we find that the taxes do not bring in enough revenue to take care of our bills, we have to figure out how to sell Government bonds to make up the difference. We have to determine what the impact on our economy and on the purchasing power of the dollar will be from selling these bonds and to whom. These are the problems involved in what we call debt management.

It was in the field of debt management that I directed my questions to Dr. Heller, the Chairman of the President's Council of Economic Advisers, when he testified before the Joint Economic Committee last July regarding the possibility of the President's asking for a "quickie" tax cut. The idea then was to cut Federal taxes by $10 billion. I said, Dr. Heller, to whom will we sell these bonds that will result from our budget deficits and what will be the economic consequences of these sales? Dr. Heller stated that he agreed with me that, if we asked the people and the businesses to buy the bonds, it would take away the benefits sought from the tax cut. Of course this was so. The purpose of the tax cut, according to the President, is to give the people more money to spend. This will stimulate the economy. But what happens if we go right back to the people and say, "Give us back this money we gave you and take these bonds instead?" Of course then they wouldn't have any additional money to spend. There would be no stimulus. Dr. Heller said he thought most of these bonds should be taken up by the system charged with keeping our money supply and the purchasing power of the dollar in good order, the Federal Reserve System. I asked Mr. William McChesney Martin, the Chairman of the Federal Reserve Board, when he appeared before the committee a few days later, "Well, what about the Federal Reserve System taking up these bonds?" Mr. Martin replied that if that were done it would let loose inflationary forces which could not be controlled.

Now if Mr. Martin's appraisal is correct, and I believe it is, this would diminish the purchasing power of the dollar. Not just the purchasing power of those who are fortunate enough to make enough money to be required to pay Federal income taxes but of everyone from the lowest pensioned widow on up.

Inflation is more unfair than any tax ever devised by government. In effect it is a tax on the consumer's dollar and, therefore, it taxes those who can afford it the least at the highest possible rate, 100 percent. It taxes those who can afford it the most at the lowest rate. Indeed, if one is fortunate enough to have money to invest, he can make more money through inflation by buying real estate and common stocks, which go up in dollar value as the real dollar, the purchasing dollar, goes down in value.

Aside from this fact, inflation, contrary to some diehard believers, does not produce prosperity. Quite the contrary, it produces misery and greater unemployment and, if carried far enough, the ruin of the Nation.

Let me illustrate what would happen. President Kennedy talked about the person making $6,000 a year. He estimated that this family would be paying about $600 a year in Federal taxes. He said the proposed tax bill would give him a tax cut of about 20 percent. This is $120. However, suppose the Consumer Price Index, which is one way to estimate inflation or how much the dollar will buy, goes up 6 points that same year, or in the 2 years during which the full effect of the tax cut is to be felt. Then that family would lose $360 in purchasing power—every dollar buys 6 cents less than it did before. Apply this loss of purchasing power to all consumers in the Nation and there is a loss of $27 billion in overall purchasing power. This is a strange way to increase purchasing power to stimulate the economy. Give back $11 billion in tax cuts and take away $27 billion through inflation.

I am not just picking a number out of the air when I suggest that the Consumer Price Index might go up 6 points. In the last month for which we have the figures, July of this year, the index went up one-half a point; the greatest 1-month rise in nearly 4 years. If the next 12 months were to continue at this rate, the total would be 6 points in a year. I don't think the rise will be this great, particularly if we reduce our spending and budget deficits, but let me point out that the index has risen 4 points since President Kennedy took office 32 months ago. This has already cut consumer purchasing power by $18 billion.

President Kennedy boasted about what he called great price stability in the last few years, but did you catch it when to prove his point he said—the wholesale price index has remained almost constant? He tripped over the word wholesale a little bit and well he might have. Who buys wholesale? Almost all of us have to buy retail, and the Consumer Price Index about which I am speaking is the retail price index.

Why has the retail price index gone up so much when the wholesale price index has remained steady? Primarily because items like insurance and medical bills and what are called services are included in the Consumer Price Index but have little to do with the wholesale price index. You don't get hospital service wholesale.

Now the President and his advisers advocate this novel fiscal and economic theory of planned deficit financing. That theory is to deliberately overspend your income in the hope of promoting economic growth and jobs from which the Government will derive more revenue to eventually catch up with the increased spending. Those who advocate this theory have to answer the contention which I have advanced that tax cutting without expenditure control will cut in on the purchasing power of the dollar and destroy any stimulus to the economy. They claim that this will not increase prices. Or put another way, they claim it will not cheapen the purchasing power of the dollar because inflation comes only when there are more dollars than there are goods and services available to be bought. Too many dollars chasing too few goods is the way some economists like to put it. They say that these new printing press dollars which they plan to give our people will put our idle plants back into production and that this, in turn, will put the unemployed back to work to produce the goods that the new dollars are anxious to buy.

It is a shame the President didn't tell you about this theory Wednesday night so you could evaluate it and better understand the arguments against it. The arguments against it point out that most of this so-called idle plant is unwanted, obsolete, and inefficient plant. The biggest unused plant are our farms. We surely don't want to put more land into agriculture production. Furthermore, the unemployed are largely among the unskilled and semiskilled, or those whose skills have been rendered obsolete by automation. The decline in agricultural employment has been 42 percent in the past 10 years. These unemployed people would not be put back to work unless they had been trained in the needed skills first. This takes time and locating the new jobs among other things. Furthermore, the price increases are not occurring primarily in the area of goods, but rather in services where there already is a shortage of workers and where jobs are going begging. Employment in services increased almost 42 percent during the 10 years in which agricultural employment declined. More dollars will shoot the prices for services up even higher.

You are hearing some of the fact and arguments that we in the Congress who have been digging into this serious matter for the past 12 months have to weigh and consider in reaching a conclusion as to what is the best course of action for our Nation.

The issue is now sharply drawn. Both sides want to reduce taxes because both have concluded that taxes are so high that they are damaging our economy. One side, my side, says we must earn a tax reduction before it will do any good. An unearned tax cut, we believe, could do serious harm.

What do we mean by "earn" a tax reduction? By that we mean that we must cut back our expenditures so that our Government doesn't have to print and sell bonds to make up the difference between its income and its expenses.

Incidentally, a Government bond is really a deferred tax. It is something the taxpayers of a later day will have to pay. In a sense, deficit financing is tax evasion. It is passing on to future taxpayers the cost of things the present generation wants to have but is not willing to pay for. We're paying interest on it, but nothing toward paying off the principal.

President Kennedy and his advisers have tried to allay the fears of our people about the tremendous Federal debt we have today. It amounts to over $305 billion in bonded indebtedness, but the Federal Government has over a trillion dollars in potential obligations to pay. The President said, among other things, that the debt is a smaller percentage of our economic output than it was in 1946.

Well, I should hope it would be; 1946 is the year right after World War II. Everybody agreed we had to spend vast sums of money over and above our income to win the war. We said then that we should pay this money back as soon as the Nation got back to peacetime operation. Now here it is 17 years later, and the Federal debt is still not down to anywhere near the ratios of any one of our peacetime periods, whether in the thirties, the twenties, the nonwar teens or in the 1900's or in the entire 19th century. The main way the debt was reduced as a ratio of our economic output was through juggling the value of the dollar. The heavy inflation right after the war cut the purchasing power of everyone's dollar in half—bread which once sold for 10 cents a loaf went up to 20 cents a loaf or more. A home which cost $4,000 in 1940 cost $10,000 in 1950. The debt remains fixed in the same dollar amount while the economic output doubled when measured in the inflated dollar. Yes, people who bought war bonds for $18.75 to help the war effort got $25 back in 10 years, but these new dollars bought less than $12.50 of groceries. Who got the difference? The Government and a cagy investor here and there.

We have moved ahead alright but not because of inflation. We have moved ahead in spite of it. But we have done so at the sacrifice of the standard of living and the dignity of millions of our low-income people, including those on retirement and pensions and on other fixed incomes. The cutting of the ratio of the Federal debt to gross national product by inflation instead of by honest taxation and reductions in expenditures is nothing to boast about.

The President seeks to allay our fears about the national debt by pointing out that businesses go into debt and so do individuals. That is true, but when businesses or individuals go into debt, they usually have assets to show for it, a plant and machinery, or a home and a car. The Federal Government spends, however—as it should—most of its money for military goods which have no book value. A fighter plane or a rocket must go on the books at $1, not at the millions of dollars it costs. It is an expendable item, not a productive asset. It is wrong to compare government debt, particularly Federal debt, with private debt.

It costs us today over $10 billion in taxes each year just to pay the interest on this debt. This is more than the entire Federal budget in the 1930's.

In his address Wednesday night, the President had two sentences on the subject of expenditures. He said he would maintain "an even tighter control over expenditures." Well, this has little meaning to those of us in Congress who look at his record and see no tight control to start with. President Kennedy has been spending around $6 billion more during each year that he has been in office. This is twice the rate of increase which occurred in the preceding years. In fiscal year 1961, which was partly under President Eisenhower, we spent $81 billion. In fiscal 1962, we spent $87 billion; in 1963 $93.6 billion. For the current fiscal year, the President says he intends to spend $98.8 billion, although he is asking in this budget for $108 billion additional authority to spend. At this rate, unless Congress does something to check it, he will spend $105 or $106 billion the next year. Incidentally, at the peak of World War II, in 1946, we spent $98.6 billion, the greatest sum in history up to that point. Hence, President Kennedy's expenditure estimate this year will break all our spending records. And this is during a period of peace and during a normal economic upturn.

The tax bill has written in it that it is the sense of the Congress that the President exercise expenditure control. But there are no teeth in this statement. It is a pious hope. The Republican proposal would require the President to exercise expenditure reform. We insist on deeds not words. If the requirement that the President must cut Federal expenditures in the 2 years during which the tax cut goes into effect is incorporated into the tax bill as an amendment on the floor of the House, then many Republicans and Democrats, who will vote against the bill as it now stands without effective expenditure reform, will vote for the bill and it will pass.

I do not wish to mislead anyone. I myself would not vote for the bill even with the amendment. I think that holding expenditures to $97 billion in fiscal 1964 and to $98 billion in fiscal 1965—which is what the amendment proposes—would still create too large a deficit and so create hazards that would overbalance any stimulative effect of the tax cut. It will require the selling of too many additional billions of bonds, not to create a serious loss in the dollar's purchasing power.

In writing the Republican views on the President's economic report to the Congress of January this year, my colleagues and I suggested that in order to make a tax cut meaningful and to really stimulate our economy's growth and to create more jobs we should hold the expenditure level to the level of fiscal 1963—the year ending last June 30—which then was estimated to be about $94 billion—still $13 billion more than fiscal year 1961. We suggested that this level of $94 billion be held not just for 1 year, but for 3 years. Then, indeed, economic growth would increase our tax revenues so that the budget would balance out in about 2 years.

Under the President's own theory the budget would not balance until 1967 or 1968. But this theory is predicated upon many questionable assumptions. Many economists and fiscal experts think 1972 is a more realistic estimate. Secretary of the Treasury Dillon refused to estimate what the additional Federal debt would be by then—let alone its consequence on the purchasing power of the dollar.

It is clear that the President does not intend to exercise expenditure reductions. He has carefully hedged his words every time he mentions expenditures. He talks not in terms of dollars but in terms of essentiality. But the level of spending which he believes is essential turns out to be much more than what any other President believed necessary. It certainly turns out to be much more than our anticipated revenues. Indeed, Dr. Heller and his economic advisers have stated that as far as their new theory is concerned, a reduction in Federal expenditures would take away the desired impact of the tax reduction. These men believe this theory. But they will not publicly argue for it. Dr. Heller has been put under wraps for the time being. The President himself would not argue for it last Wednesday night. He left the impression that he, too, agreed with the Puritan ethic that we should not cut taxes unless we exercised expenditure reform. Yet he balks at the modest control which Republicans seek to place in the tax bill.

The President's actions, if not his words, demonstrate beyond doubt that he is advancing a new and untried fiscal theory for the United States, the theory of deficit financing, the theory of planned deficits. The President, with all his talk, has not submitted a revised budget to the Congress for this fiscal year. He is still asking for $108 billion in new authority to spend money, and he is putting all the pressure on Congress possible to get it. His budget estimate for the current year—$98.8 billion in spending with only $88.8 billion in revenues—remains unchanged.

The people surely remember how just a couple of weeks ago the President chastised the Congress, particularly the Republicans, although we can do nothing in this Congress without being able to persuade many Democrats of the wisdom of our point of view, for cutting the foreign aid bill a mere $300 million below the sizable $3.9 billion expenditure of last year.

Next week the President is forcing onto the floor of the House the costly area redevelopment bill, which the House rejected a couple of months ago as wasteful and ineffective in coping with the problem of unemployment. He is continuing to place pressure on the Congress to pass all of his expenditure requests. There is little question that the President intends to increase expenditures, not reduce them if permitted. He has bought the new planned deficit theory of Dr. Heller and his Council of Economic Advisers which claims that we must spend ourselves into prosperity by, in effect, printing more money. This is all the deficit financing proposal really means when it is stripped of all its fancy economic terminology.

Why else does the President fight the very modest expenditure control that will be presented for consideration by the House next Tuesday and Wednesday? All that is asked is that expenditures for this year be held to $97 billion, instead of the $98.8 he says he will spend, and to $98 billion for the next year, instead of the $104 to $105 billion, which many of us are afraid he intends to try to spend.

I think the most difficult thing for the people of this country to understand, myself included, is why the President doesn't forthrightly argue for his new theory of deficit financing, if he really believes that it is for the benefit of our country. Then let us who disagree with him present our arguments as to why we believe that balanced budgets and lower expenditures and lower taxes are in the best interests of our country, as well as in line with our noble traditions. I believe our country became great through following the Puritan ethic, which is no more than saying that we should spend less than we take in so we can pass on greater assets to our children than we received from our forebears. Let us debate the issue and out of this debate can come firm policy. But there can be no debate when the President shies away from supporting his theories.

We all want a tax cut. We badly need it. But, my fellow citizens, we must earn it. The process of expenditure control is not just cutting out wasteful programs, as the President said. This is really the easiest part of expenditure control. The tough part is when you get into the business of assigning priorities to good programs. It is tough for a person, particularly one in politics, to say "no" to a desirable program because we can't afford it and all the other desirable programs this year. We must have the courage and integrity to say: "Let's keep it on the list of desirable projects for the day when we have earned the right to have it, by paying for it ourselves." Perhaps if we start this business of self-discipline with our tax moneys, just as we all must exercise this discipline in running our families, we can be certain that the Government our children will be paying for will be their own Government, not part of ours.

Mr. Speaker, during the television broadcast, Congressman CURTIS referred to a memorandum from the U.S. Department of Commerce, Business and Defense Services, addressed to assistant administrators, office directors, division directors, and staff officials. I think it would be helpful if this were included in the RECORD and under unanimous consent, I include it in the RECORD:

U.S. DEPARTMENT OF COMMERCE, BUSINESS AND DEFENSE SERVICES ADMINISTRATION,
Washington, D.C., September 6, 1963.

To: Assistant Administrators, Office Directors, Division Directors, Staff Officials.

From: Paul W. McCann, Assistant Administrator, Industrial Analysis.

Subject: The Tax Reduction and Reform in 1963.

It is essential for sustaining an adequate economic growth in the United States that there be a reduction in personal income tax rates and corporate income tax rates this year. The House Ways and Means Committee has completed many months of careful review of the administration's proposal for tax reduction and tax reform. Customarily the House as a whole does not analyze and debate in detail such a conclusion of the committee. The most that the House does is accept, reject, or send back for further study. To send this bill back for further study would simply be a subterfuge for rejection. It is essential that this bill not be rejected either directly or surreptitiously. The reasons for acceptance of the bill were spelled out in several pages of the President's report to the Congress (January 1963), and may be summarized as being essential for the maintenance of a growth rate sufficient to permit positive growth of profits and to reduce U.S. unemployment.

A major reduction of Federal expenditures would almost eliminate the stimulus effects of the bill. Nothing would be gained except a significant reduction of defense and space expenditures; that is, at best, consumer expenditures would be substituted for most of our reduction of defense posture. Other major Government expenditures are either tied and provide very little scope for reduction, such as interest expenditure, or cannot be effectively separated from individual Congressman support, such as public works. It is evident that Congress will not reduce expenditures materially, and proposals to reconsider on these grounds means that such supporters do not want the economy stimulated.

The need to stimulate the U.S. economy is a lesson which can be learned now while there is still time to extend the present recovery or the Nation can go through one more unnecessary recession which will hurt business more than any other sector of the economy. If the gross national product does not grow rapidly, profits do not grow at all. This has been the unfortunate experience of the U.S. economy (in constant dollar terms) since 1958. It would be remarkable if the business community would want this condition continued indefinitely with the share of profits steadily falling. There is great urgency that the tax reduction be achieved now because the recovery is already 30 months long and very few recoveries have gone beyond 30 months under their own power. If Congress passes the tax reduction bill, the results will be to extend greatly the length of the recovery and to place the economy on a more rapid growth rate for some years to come. The personal income tax has a tendency to become increasingly progressive as real incomes per capita increase and as price levels increase. That is why this tax reduction is necessary at this time to correct the accumulated stagnating effect of the structure of U.S. taxes. Every business has a keen personal interest in maintaining a high rate of growth. The only way to be assured of sustained growth at this time is to have a reduction in tax rates now.

SENATE

TUESDAY, SEPTEMBER 24, 1963

The Senate met in executive session at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Father of all, whose righteous laws condemn and will at last break whatsoever bars Thy children from abundant life: In these days freighted with destiny, for whose decisions the future will judge us, by Thine enabling might may Thy servants here in the ministry of public affairs maintain their integrity unsullied by personal animosities, prejudices, or selfish ambitions.

And now as there looms the hour when for men and nations comes the moment to decide, to whatever decision come those who here speak for this free land, this day in a choice between frowning risks on either side, may those who give their consent and those who withhold it alike be sustained by the supreme satisfaction that, in a grave crisis, they have done their full duty, and that in the face of trembling and fearful humanity their vote represents their patriotic judgment deserving well of the Republic.

We ask it in the Redeemer's name. Amen.

TRANSACTION OF ROUTINE LEGISLATIVE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, as in legislative session, there be a morning hour for 5 minutes, at the end of which time I should like to suggest the absence of a quorum.

The VICE PRESIDENT. Without objection, it is so ordered.

THE JOURNAL

On the request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, September 20, 1963, and Monday, September 23, 1963, was dispensed with.

DEATH OF TILLMAN B. HUSKEY, CHIEF CABINETMAKER IN THE SENATE

Mr. DIRKSEN. Mr. President, on August 24, just 1 day before his birthday, Tillman B. Huskey, Sr., who was the chief cabinetmaker on the Senate side, passed away.

Mr. Huskey served this body for nearly 30 years. I wish to take note of his passing, because he was among those whom the public never sees, but who so faithfully serve the Senate.

QUESTIONS AND ANSWERS ON THE TEST BAN TREATY

Mr. SYMINGTON. Mr. President, last week, after the completion of my remarks on the test ban treaty, the distinguished Senator from South Carolina [Mr. THURMOND] placed in the RECORD 36 questions he would have asked me with respect to this treaty if he had been on the floor when I concluded.

Inasmuch as it was necessary for me to leave, to go back to Missouri for the remainder of the week, in order to fulfill several longstanding engagements, I was not in a position to answer.

Upon my return to town yesterday, however, I worked on answers to these questions; and I ask unanimous consent that they be printed, together with the questions, at this point in the RECORD.

I take this opportunity to commend the Senator from South Carolina for the many long hours he has spent in studying this matter. We agree on many points; on others, we do not. I wish we could agree on all, especially inasmuch as I know of the complete sincerity of his position.

Mr. President, the distinguished Senator from South Carolina also put in the RECORD the transcript of a television program of April 28 in which I participated. That program was conducted at a time when the Preparedness Subcommittee was giving consideration to the so-called