

Your Washington Review

by
Congressman
JERRY FORD



June 3, 1964

President Johnson has asked the Congress to raise the national debt limit to \$324 billion from the current ceiling of \$315 billion. The debt today stands at \$308.7 billion, up by \$5.7 billion over one year ago. The President has announced that the deficit for this fiscal year ending June 30 will be \$8.8 billion while the estimated deficit for next year is set at \$5.8 billion. We can't forget that an increase of \$1 billion in the public debt means an increase of \$33.3 million in the annual interest charges, payable each year from federal revenues.

Despite all the "economy talk" by Mr. Johnson, the "spending activities" go on and on. During his first three months in office (December-February) President Johnson spent more money than any President in history during a comparable period, a total of \$24.3 billion. This is \$2 billion more than the late President Kennedy's peak December-February quarter of 1962-63. In fact, the spending rate under Mr. Johnson was \$22 million more per day than during Mr. Kennedy's comparable peak quarter and \$48 million more per day than during President Eisenhower's most expensive December through February period of 1958-59.

MILITARY CONSTRUCTION APPROPRIATIONS: In adopting the tenth of the twelve regular appropriation bills which must be approved annually, the House of Representatives cut President Johnson's request for money for military construction by \$279.9 million. This bill provides funds for housing, administrative and medical facilities, shipyards, maintenance shops, communications stations, and the like for the armed forces. The appropriation for this year (1964) amounted to \$1.58 billion; the President requested \$1.87 billion for 1965. The House allowed \$1.59 billion which is \$13 million over this year's allocation but \$279.9 million under the President's request. Despite President Johnson's so-called economy drive, in this bill as in others the Congress found legitimate and effective ways to save the taxpayer's money. Furthermore, it will be noted that Mr. Johnson's request for 1965 funds in this specific bill was \$294 million more than the 1964 appropriation.

The Committee on Appropriations eliminated or reduced funds where costs appeared excessive or plans were too elaborate, where plans and designs were inadequate, where existing facilities were not being fully used, and where the project was not clearly essential to the strengthening of our military position. It was this Committee's work which exposed the waste of funds on elaborate quarters for the commanding officer at the Ordnance-Tank and Automotive Command at Warren, Michigan.

All of this reemphasizes the need for a strong, independent legislative branch of government to check on the executive. While the President may prefer a "rubber stamp" Congress, our citizens and taxpayers benefit when their representatives act in accordance with their own best judgment.

Four Air Force bases in Michigan were provided with funds by this bill: K. I. Sawyer at Marquette (\$499,000); Kincheloe at Sault Ste. Marie (\$1.4 million); Selfridge at Mt. Clemens (\$299,000), and Wurtsmith at Oscoda (\$392,000).

HOSPITAL AND MEDICAL FACILITIES: The Hill-Burton Act under which federal funds are supplied for hospitals and related facilities is to be extended for five years under legislation (H.R. 10041) passed by the House last Monday. Initially enacted in 1946, the program is due to expire on June 30th. If H.R.10041 becomes law, \$252 to \$285 million will be authorized annually for five years to continue grants for the construction of public or non-profit hospitals, nursing homes, and health centers in cooperation with states and local communities.

From its inception in 1946 through June 30, 1963, a total of 6,810 Hill-Burton projects involving \$6.1 billion were approved. The federal government's share of the cost amounted to \$1.9 billion. These projects created 290,000 beds in various types of hospitals and nursing homes. According to the Committee Report, "In 1948 we had only 59 percent of the general hospital beds we needed, whereas 83 percent of the general hospital beds needed are in existence today. At the same time, however, State agencies report that we still need 133,000 additional new general hospital beds...."

The extension of the Hill-Burton program was unanimously recommended by the Committee on Interstate and Foreign Commerce and was passed in the House of Representatives by a voice vote without opposition.

INSURANCE COVERAGE ON DEPOSITS IN BANKS AND IN SAVINGS AND LOAN ASSOCIATIONS: A proposal to increase from \$10,000 to \$20,000 the insurance coverage on deposits in banks and in savings and loan associations was referred back to the Committee on Banking and Currency by a roll call vote in the House last Wednesday. This was done primarily because a majority of House members felt that the Committee had not given sufficient attention to the recommendations of the Treasury Department and the Federal Deposit Insurance Corporation. These agencies have no objection to increasing coverage for each depositor beyond \$10,000. But both the Treasury and the FDIC suggest that the increase in insurance coverage be combined with legislation to strengthen the supervision exercised by federal authorities over the insured institutions in order to better protect the insurance fund and the depositors. Unfortunately the Committee never had any hearings on this aspect of the proposed legislation.

The bill under consideration (H.R. 5130) would have only increased coverage. By a vote of 197 to 142 the House recommitted the bill to Committee for further study of the Administration's recommendations. I voted with the majority on this issue.



Your Washington Review

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June 10, 1964

When last week's newsletter was written our national debt stood at \$308.7 billion. The latest report of the Treasury Department received in my office (dated May 27) lists the public debt at \$310.7 billion. This is an increase in the debt of \$7.1 billion over the same date a year ago. This much growth in indebtedness means an increase of \$233 million in annual interest charges, payable each year from federal revenues. In his budget message, President Johnson predicted a public debt of \$317 billion by June 30, 1965 and said that interest charges during the next fiscal year would total \$11.1 billion. Here is a tabulation of our interest payments per year and the national debt starting with 1953:

<u>Fiscal Year</u>	<u>Interest</u>	<u>National Debt (June 30)</u>
1953	\$ 6.5 billion	\$266 billion
1954	6.4	271
1955	6.4	274
1956	6.8	273
1957	7.3	271
1958	7.6	276
1959	7.6	285
1960	9.2	286
1961	9.0	289
1962	9.1	298
1963	9.9	306
1964	10.7 (est.)	312 (est.)
1965	11.1 (est.)	317 (est.)

WHO ARE THE CREDITORS? Often we are asked, especially by students, to explain to whom the government owes these billions. The Treasury Department tells us that the \$310.4 billion indebtedness as of March 31, 1964 was distributed as follows among those who owned bonds, treasury notes, etc.: the federal social security and other trust funds, federal agencies, and the Federal Reserve Banks 29.5%; individual citizens 21.8%; commercial banks 19.7%; state and local governments 7.1%; corporations (except banks and insurance companies) 7.1%; foreign and international owners 5%; insurance companies 3.5%; savings and loan associations 2.2%; mutual savings banks 2%, and miscellaneous 2.2 percent.

FOREIGN ASSISTANCE AUTHORIZATION: Scheduled for consideration by the House of Representatives early this week is the bill authorizing appropriations for our mutual security or foreign aid program. The Committee on Foreign Affairs recommended \$2.04 billion, the full amount requested by the President. This amount plus authorizations

previously enacted, provide the basis for appropriations of \$3.5 billion for foreign aid during fiscal year 1965.

It is well to point out, however, that in addition to the \$3.5 billion in this bill there are other funds available to the Johnson Administration for foreign aid. During 1964 the Administration requested \$2.2 billion for the "Food for Peace" program, \$1.1 billion for the Inter-American Development Bank, \$373 million for the International Development Association, \$115 million for the Peace Corps, and \$60 million for its tax credit proposal. Including the \$3.5 billion in the foreign assistance bill we have a total of about \$7.4 billion to be spent on "foreign aid" under President Johnson. In a true analysis of our mutual security program we must include all these items and possibly also our expenditures in excess of \$2 billion to maintain U. S. troops overseas and the trade and tariff concessions which benefit other nations.

Over the years I have supported the basic objectives of our mutual security programs under both Democratic and Republican presidents. But I have differed with each from time to time on specific items in the program and in the dollar amounts to be spent. It has seemed to me that as the Congress reduced the amount of money available, it has forced the administration to be more selective and efficient, and we have had a better program overall.

The military assistance aspect of the program is vital to our own national defense. I would not reduce the \$1.05 billion request of the President and recommendation of the Committee. This money goes to strengthen the military forces of countries on the periphery of the Communist bloc of nations. Two-thirds of all military assistance funds requested for next year are earmarked for Greece, Turkey, Iran, Pakistan, India, Thailand, Vietnam, Laos, the Philippines, the Republic of China, and Korea. Together, these nations maintain 3½ million men under arms, not Americans but manpower from other nations for our common defense. Secretary McNamara has said that "it makes no sense whatsoever to spend \$50 billion a year on our own military forces and refuse to spend a mere 2 percent of that amount to provide that critical margin of assistance required to insure the military effectiveness of the forces of our allies who stand behind us in the collective defense of the free world."

However, based on the testimony received by our Subcommittee on Appropriations for Foreign Operations, I am convinced that substantial reductions can be made in our expenditures for "economic assistance." A cut in the \$1 billion requested and recommended in this bill would not weaken substantially those programs in foreign lands which really serve to promote our interest and the welfare of the local populations. In fact there is a wealth of evidence to show that the impact of our assistance fails to reach the grassroots level and that we are trying to do too much for too many too soon. To put it another way, the U. S. should make available what our nation can afford and the recipient nations can absorb.



Your Washington Review

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June 17, 1964



The latest report from the Treasury Department (June 5) puts the national debt at \$312.8 billion. You will remember that last week it was \$310.7 billion and that two weeks ago it stood at \$308.7 billion. The debt goes "up and up" as the current philosophy of "borrow and spend" supplements the tottering philosophy of "tax and spend." With economic conditions as they are today, a responsible fiscal policy demands a "pay as you go" policy. This could be achieved by higher taxes but far more appropriately, I believe, by a reduction in federal spending. A true determination on the part of the Johnson Administration to promote "economy" could bring about a balanced budget. The Administration expects to collect in taxes next year \$91.5 billion which is an average of \$1,946 for every family in the United States.

DEBT LIMIT TO GO TO \$324 BILLION: The Democratic majority on the Committee on Ways and Means has recommended legislation (H.R. 11375) to raise the public debt limit from \$315 billion to \$324 billion. In opposing the enactment of this legislation the Republican minority on the Committee pointed out in its Report that such a limit will represent an increase of \$31 billion over the size of the debt (\$293 billion) when this Administration took office. The Republicans asked for defeat of the bill "in order that the Administration will be compelled to absorb at least a part of the revenue loss resulting from the Revenue Act of 1964 through a reduction in Federal expenditures."

They showed further that "the level of Federal spending by the Johnson Administration during the months of May and June 1964 will reach the highest point in our history, an annual rate of \$105 billion." During this month of June Mr. Johnson will spend \$1.1 billion more than did Mr. Kennedy during the same month a year ago.

The Report emphasized that while the Administration has adopted a "ceiling" of about 2.5 million Federal employees for this year, this so-called ceiling provides for 140,000 more employees than there were when President Eisenhower left office.

The Republicans on the Committee concluded by saying, "We reaffirm our belief that it is fiscally irresponsible to continue the excessive rate of Government spending in the face of an \$11 billion tax reduction, a \$9 billion deficit for 1964, a further deficit of \$6 billion for fiscal 1965, and an increase of \$15 billion in the public debt."

SALARY INCREASES FOR FEDERAL OFFICIALS AND EMPLOYEES: For the second time this year the House of Representatives considered legislation (H.R. 11049), strongly supported by President Johnson, to raise federal salaries. This bill which was approved last Thursday differed only slightly from that defeated on March 12. For

99 percent of the almost 2 million employees covered by the bill the salary rates are identical to those in the bill the House rejected.

Instead of raising salaries of top Administration officials by about \$10,000 a year, the new bill ups the pay by about \$7,500 a year. Judges now paid \$25,500 will get \$33,000 instead of \$35,500 a year proposed in the defeated bill. Under the rejected bill members of Congress were to get \$32,500 annually effective when the bill became law. Under the new bill congressmen will be paid \$30,000 a year beginning in January with the new 89th Congress. This deferred effective date was added to answer the argument that members of Congress were voting themselves a salary increase; the new salary would not be paid until after the November election.

The new bill will cost the taxpayers as a minimum an additional \$533 million per year. Even though I could benefit personally from the enactment of this legislation, I could not in good conscience vote for it when it contributes to the annual federal deficit and the growing public debt. In effect I would be voting myself and others a higher salary to be paid out of borrowed money. This is inconsistent with fiscal responsibility and I opposed this bill as I did the one in March.

FOREIGN AID AUTHORIZATION APPROVED: By a vote of 230 to 175 the House approved the foreign aid authorization bill which I discussed in last week's newsletter. The full amount of \$2.04 billion in new money as recommended by the Committee was accepted. This amount plus authorizations previously approved provide a basis for the appropriation of \$3.5 billion for foreign aid during fiscal 1965.

A motion to cut \$222 million from the "economic assistance" program was defeated 211 to 193. I supported this reduction in line with my comments of last week. On final passage, I voted for the bill. The House will have another opportunity to reduce the expenditure for foreign aid when it acts on the appropriation bill scheduled for consideration this month.

WORKSHIP IN WASHINGTON: For the second season four college students from the Fifth District will be in my Washington office from two to four weeks this summer. Selected by their college officials these students will participate in the work of the office and will have an opportunity to observe many aspects of the federal government in operation.

Mr. Paul Bierens of 906 Maryland Avenue, N.E., Grand Rapids, and Mr. Glenn Litton, Jr. of 1203 Edna Street, N.E., Grand Rapids will be with us in June. Paul just graduated from Calvin where he was a political science major. He expects to enlist in the Army in July. Glenn has completed his work at Grand Rapids Junior College and will be continuing his education this fall.

During August we will have with us Mr. Frank D'Amico, 1934 Woodcliff Avenue, Grand Rapids, and Miss Mary Alice Klute of 1666 Belden Avenue, Wyoming. Frank has completed his junior year at Aquinas College. Mary finished her sophomore year at Hope College and expects to enter nursing school in September.



Your Washington Review

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June 24, 1964

When the House of Representatives voted last Wednesday to extend certain federal excise taxes for another year, the major issue involved the retailers tax on cosmetics and toilet articles, jewelry, furs, and on luggage and ladies' handbags. The Republican members of the Committee on Ways and Means recommended that the 10 percent tax on these items be reduced to 5 percent for fiscal year 1965 and that the entire tax be removed on July 1, 1965. President Johnson and the Democrats on the Committee urged a continuation of the 10 percent tax on these items.

The Republicans pointed out that these taxes were originally adopted in 1941 to produce revenue but also to discourage the purchase of cosmetics, jewelry, furs, and handbags, so-called "luxury items" during war time. They argued that many of these articles are not luxuries and that there is now no good reason to restrict consumption of them; in fact, to remove the tax would benefit the industry and the ladies of our country who make most of the purchases. The Republicans insisted further that the tax is discriminatory against these items, their manufacturers and those who use them, and creates serious administrative problems. For instance, if a shampoo is advertised simply to wash your hair, it is not taxed. But if the manufacturer claims that it adds a glint of some kind then it becomes taxable. Or take a cloth coat, a simple one or a fashion model, if there is no fur there is no tax. But add some fur, on goes the tax. This confusion and the collection of the tax adds to the burdens of the retail merchant.

There is one more basic objection to these retailers excise taxes; they should be reserved for the use of the state. Local communities have the property tax as a major source of revenue; the federal government has the income tax; we should in general reserve the retailers excise tax to the states.

For these reasons I voted for the reduction in these taxes. I did vote against the income tax reduction last September and in February. But as long as the Administration argues that tax reduction is good for the country, I believe that it is better to start with the retailers excise tax rather than the general income tax. Under the Republican proposal the revenue loss for next year would be only \$226 million compared with \$11 billion under the Administration's cut.

The proposal was defeated, however, by a vote of 207 to 185. All Michigan Republicans voted for the reduction except Mr. Bennett who was absent. They were joined by Rep. Ryan of Detroit. All other Michigan Democrats (except Mr. Lesinski, absent) opposed this tax cut.

PUBLIC WORKS APPROPRIATION BILL: With House approval of the \$4.3 billion public works appropriation bill last Tuesday, only one regular appropriation bill (foreign operations) remains to be sent to the Senate. But at this writing the Senate has acted on none of the 11 bills passed by the House. These bills supply the funds for the operation of the government and should be enacted by the beginning of the fiscal year, July 1.

The House cut \$46.4 million from President Johnson's request for funds for rivers, harbors, and flood control, for the Atomic Energy Commission, the TVA, and other public works projects. It is significant also that the funds for fiscal 1965 are \$75.5 million under the appropriations for the current year.

Included in the bill are funds in the amount of \$175,000 to continue the comprehensive survey of the Grand River Basin designed to obtain information on water use problems, water needs, flood damages, need for drainage, and desired water and related land resource for the Grand River and surrounding area.

THE POVERTY PACKAGE: A new anti-poverty bill, H.R. 11377, to replace President Johnson's bill (H.R. 10440) has been recommended by the Democratic majority on the House Committee on Education and Labor. The bill was considered by the Committee on Rules last week. The new legislation makes about 100 changes, some of major significance, in the President's bill. Most of the amendments were submitted by the Democrats on the Committee. Every major amendment offered by Republicans was rejected.

Rep. Frelinghuysen (R-N.J.), senior minority member of the Committee, told the House recently that "this is a bill which will inevitably create great expectations but without the substance to satisfy such hopes." He pointed out that the \$1 billion expenditure proposed for the first year is "roughly the same amount as the city of New York spends in a 12-month period to alleviate the poverty of its citizens. The State of California alone spends more than \$800 million annually to alleviate poverty in various forms."

Yet Sargent Shriver who is to command the war against poverty said that the Administration's program would eliminate the problem in ten years. On a radio-TV program on May 17, Mr. Shriver said, "I would say that if Congress gave us what we are asking for and did not reduce it in future years, that we could look forward in the foreseeable future, let's say ten years or so, to the elimination of poverty in the United States."

If that statement is true, we are about to witness greater magic than the original Houdini was ever able to perform, in fact the greatest marvel in the history of mankind.



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July 1, 1964

A new multi-billion dollar spending program, urged by President Johnson, was approved by the House of Representatives last Thursday. In adopting the Urban Mass Transportation Act (H.R. 3881), the House committed the American taxpayers to at least a \$20 billion program for federal subsidies for bus and rail transportation, primarily in the major metropolitan areas. However, with urban areas of 2,500 population or more eligible for federal aid, it is obvious that any amount authorized will be inadequate to satisfy all potential demands for subsidies.

The bill as passed authorizes \$375 million for a three-year program of federal grants to states and local public bodies to assist public and private transit systems. The money could be used to supply terminal facilities, rights-of-way, buses and other rolling stock, as well as other property needed to operate the transportation system. The grants will go only to a public body which could operate the system itself or could provide for private operation under a lease or other arrangement. The federal government would bear two-thirds of the net cost.

Proponents of this new spending scheme point to the need for rapid, inexpensive transportation in urban centers. They stress the loss of local bus service in many areas and insist that the problem can't be solved by the construction of more highways and parking lots. The sponsors of the bill conclude that because local bus transportation is weak in many communities throughout the nation, we have here a "federal problem" which must be solved from Washington. Their solution consists of federal subsidies from the U. S. Treasury (deficit this year \$8 billion; national debt \$312 billion).

The opponents of the legislation stressed the enormous cost over a long period of years of a program designed primarily to help a few large metropolitan areas which have the wealth, and should solve their own transportation problems. They insisted that this is a local problem for New York City, San Francisco, New Orleans, and similar cities and is not one which should be foisted upon all the nation's taxpayers. Over 96 percent of the nation's transit systems consist wholly of buses and involve problems of routes and schedules, one-way streets, reservations of lanes for bus travel, property and franchise taxes -- all questions to be decided locally.

The opposition pointed out that in most urban areas over 85 percent of the total daily travel is by private automobile. It also showed that 95 percent of all transit companies today are privately owned and operated. But under President Johnson's proposal federal subsidies would go only to state and public agencies, a

fact which could lead to more and more public ownership of local bus lines. This will mean a loss in local tax revenues and a tendency to continue unprofitable bus routes at the expense of federal subsidies paid by all taxpayers.

I opposed H.R. 3381 on the strength of the opposition's logical arguments and because the federal government should not take on new and extensive spending programs while the annual deficits for the federal treasury go on and on and the national debt increases without abatement. All Republicans from Michigan (except Mr. Bennett, absent) voted against the bill. They were joined by Rep. O'Hara but all the other Michigan Democrats, including our Congressman-at-Large Neil Staebler, supported the new spending scheme.

APPORTIONMENT OF STATE LEGISLATURES: The House Committee on the Judiciary will commence hearings on July 22 on a number of proposals relative to representation in state legislatures. The U. S. Supreme Court has ruled that both houses of a state legislature must be apportioned according to population, even though a majority of voters in the state themselves in an election have approved a different plan. Traditionally, in most states one house in the legislature has been elected on a basis of population while in the other, different factors, including area, were considered.

The Judiciary Committee will consider proposals to amend the Constitution to overrule the Supreme Court. Generally the proposals would legalize the composition of the state legislature if one house is apportioned according to population. The senior minority member of the Committee has stated "it is correct to say, as the Supreme Court does, that legislatures represent people, not trees or acres. But, the people who reside in States are not mere numbers. They are people with dissimilar and sometimes conflicting needs, with conflicting hopes and aspirations, with ever changing problems that sometimes fail to yield to computer logic."

I hope the Committee recommends a constitutional amendment which I have joined others in sponsoring to overrule the Court and to enable the people of each state, if they so desire, to have at least one house of their legislature based on factors other than population.

CONGRESSIONAL REDISTRICTING: A subcommittee of the Committee on the Judiciary has recommended legislation relative to congressional districts. This action was inspired also by recent decisions of the Supreme Court. The bill would require congressional districts to be compact in form, composed of contiguous territory, and as far as practicable vary in population not more than 15 percent either way from the norm or average for the state. The 15 percent deviation permitted in the bill is significant. It presents congressional guidelines for the "one man, one vote" theory espoused by the Court. The bill is sponsored by Chairman Celler (Dem.-N.Y.) who said, "it is far better to permit the States rather than the courts to draw the district lines."



Your Washington Review

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July 8, 1964

A \$3.7 billion foreign aid appropriation bill was adopted by the House of Representatives last Wednesday. After two days of debate, the House accepted the bill as recommended by the Committee on Appropriations. I have been a member of the subcommittee on foreign aid appropriations for twelve years and participated in the hearings and in the subcommittee and committee action. This year I could not go along with the dollar amount recommended by the subcommittee and full committee, and therefore worked with the minority (both Democrats and Republicans) to reduce the appropriation. Our motion to cut an additional \$247.8 million from the bill was defeated by a vote of 198 to 208. I did support the bill on final passage because I believe that the overall program, and especially the military assistance aspect, contributes to our own security and to the defense of the free world.

In January President Johnson announced that he was cutting the request for foreign aid funds and that he was presenting a "bare bones" mutual security budget. But an analysis of his request reveals that in every one of the individual programs he asked for more new funds for 1965 than were made available for fiscal 1964. For example, the new obligational authority (right to spend funds) in 1964 for development loans was \$687.3 million. For next year President Johnson requested \$922.2 million or an increase of \$234.9 million. Taking the foreign assistance items as a whole, President Johnson requested \$694 million MORE in new spending authority for the coming year than the Congress granted for the past year. The respective totals are \$3.2 billion in 1964 and \$3.9 billion in 1965. This is not budget cutting nor is it economizing. It must also be remembered that when the expenditures of all the agencies handling "foreign aid" are totaled we find Uncle Sam spending over \$7 billion a year in this area.

The Committee majority did cut the President's request by \$219 million. We of the minority suggested further reductions for a total cut of \$510 million. This still would have left the Administration with an amount \$200 million greater than the 1964 appropriation. We were suggesting no reckless, unreasonable reductions. Our cuts as well as those of the majority were entirely in the area of "economic assistance." No reduction at all was made in the "military assistance" request of \$1.05 billion. I have always supported a sound military assistance program to help our allies strengthen their military position and thus contribute more effectively to the defense of the free world.

But there have been sufficient examples of poor planning and mismanagement to warrant a careful evaluation of our "economic assistance" (public works, technical advice, educational projects, etc.). Many results have not been as encouraging as they should be. And in any program of this nature, the American taxpayer must receive consideration. Too often he is the forgotten man in our desire to be helpful throughout the world. Likewise, we must consider the recipient country's ability to use effectively the help we offer. Too often U.S. funds have been wasted because the recipient was not ready to use our help. We must strive for that happy medium between what they can absorb and we can afford. While I supported the bill on final passage, I did everything I could to affect savings of an additional \$247.8 million.

COFFEE PRICES UP - CONSUMER PROTECTION DOWN: With more coffee available for the world market than a year ago, housewives may legitimately ask why coffee prices at the grocery store are going up. The Department of Agriculture has reported that world coffee stocks today are greater than they were a year ago when 70.6 million bags were on hand, enough to meet world requirements for 18 months. Yet a year ago a pound of coffee in a Washington retail store sold for 70¢. Now it costs 90¢, an increase of 28 percent.

Rep. Derwinski of Illinois in an address to the House of Representatives last week pointed out that this increase in consumer costs stems from the Administration's position at the International Coffee Agreement meetings in London. When President Kennedy asked the Congress to approve legislation relative to the International Coffee Agreement he said, "The purpose of the agreement is to check the disastrous decline in coffee prices...and to bring stability to coffee markets." He went on to say that "there are adequate safeguards in the agreement to protect fully the interests of the American consumer;...export quotas will not be set below the level of estimated demand!"

Rep. Derwinski reported that "the State Department has approved the setting of export quotas below estimated demand, and has made it clear to the producing countries that it will not use its voting power to 'stabilize prices' in the manner that the President had pledged to the Congress." Mr. Derwinski stated that this action of the Johnson Administration is costing the U.S. consumers a minimum of \$600 million a year.

The Coffee Agreement permits member countries to fix export quotas. The total quotas established have been below the known demand. The result has been the price increase presently being reflected at the retail level. The Democratic Administration has an advisor on "consumer problems" but she has done nothing, and I repeat nothing, to protect the consumer against the Administration's aid to coffee producing countries at the expense of the American coffee drinker.

NEXT ISSUE JULY 29: Because of the recess called by the House of Representatives for the Republican National Convention, there will be no "Washington Review" during the following two weeks. The next issue will be dated July 29.



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July 29, 1964

The federal government closed its books for the fiscal year on June 30th and some in the White House spoke as though Uncle Sam's finances for the previous twelve months had been all to the good. The facts are there was a deficit of \$8.3 billion. This is a greater deficit than in any one of the three previous years under former President Kennedy. The last surplus was in 1960.

Here are the figures:	1960 - surplus	\$1.2 billion
	1961 - deficit	\$3.8 billion
	1962 - "	\$6.3 billion
	1963 - "	\$6.2 billion
	1964 - "	\$8.3 billion

The four consecutive federal deficits have necessarily increased the national debt. If Uncle Sam on an annual basis operates in the "red" (spending more money than it takes in) the federal debt goes up and up.

Here are the figures from the U. S. Treasury:

National debt June 30, 1960	-	\$286 billion
" " 1961	-	\$288 billion
" " 1962	-	\$298 billion
" " 1963	-	\$306 billion
June 30, 1964	-	\$312 billion

President Johnson himself estimates the national debt by next June 30th will be approximately \$318 billion.

The recent increases in the debt and the annual deficit result solely from an increase in federal expenditures recommended by President Johnson's administration. This Administration, despite its economy propaganda, is spending federal funds faster by \$2 million a day than President Kennedy, faster by \$50 million a day than President Eisenhower.

Another fact seldom mentioned but one we should not forget is that from the federal taxes all of us pay a great deal goes to finance interest payments on the national debt. Approximately \$1.00 in every \$10.00 each of us pays in federal taxes is for interest charges.

Here are the annual interest charges which are caused solely by the ever-increasing burdens of the obligations owed by the U. S. Treasury:

Fiscal year 1960	-	\$9.2 billion
" " 1961	-	\$9.0 billion
" " 1962	-	\$9.1 billion
" " 1963	-	\$9.8 billion
" " 1964	-	\$10.6 billion
" " 1965	-	\$11.1 " (estimate)

It is interesting but tragic to note that in 1965 there will be a \$2 billion annual increase over 1960 in interest payments. This is a continuing load that will get worse not better unless Americans demand that the federal budget be balanced.

The responsibility for federal expenditures is not solely on the shoulders of the President. The Congress, under the Constitution, shares this burden. It is true that no President can spend more money than the House and Senate appropriates. But, let me point out the record of the Congress in trying to hold the lid on federal expenditures.

A year ago the legislative branch in Washington reduced the budget submitted by the President in January 1963 by six and one-half billion dollars. These reductions if not made by the House and Senate would have given the President more spending authority than needed and would have added that much more to the actual deficit of \$8.3 billion in the past year. In other words the Congress by bona fide economy action saved the taxpayers over \$6 billion.

In this session of the Congress President Johnson's so-called economy budget is being given the same careful scrutiny by the House and Senate Committees on Appropriations. To date reductions total approximately \$3 billion and I can assure you no essential programs have been hurt. It is my view that greater reductions can and should be made. I pledge continued efforts to have our government in Washington live within its income.

LEGISLATIVE SCHEDULE: It is the hope that Congress will adjourn prior to the Democratic National Convention or about Saturday, August 22nd. The Senate is gradually catching up on its backlog of bills that piled up during the lengthy Civil Rights debate. The Congress can finish its legislative business and it should by the time the Democrats gather at Atlantic City for their convention.

"THE INAUGURAL ADDRESS OF John Fitzgerald Kennedy": A very limited supply of the late President Kennedy's address on January 20, 1961 has been delivered to my office. The publication is 20½" x 15" and suitable for framing. Copies are available on a first-come-first-served basis by request to my Washington office, 351 House Office Building.



Your Washington Review

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JERRY FORD



August 5, 1964

The House of Representatives this week is considering the so-called "anti-poverty bill." Inasmuch as there is some individual or family poverty throughout the land and because there are geographical areas in America that have local economy problems the federal government cannot ignore the facts of life and do nothing.

However, I agree with Congressman Bob Griffin of Michigan who recently said,

"The whole history of America has been a record of spectacular and sustained accomplishment in an age-old 'war on poverty.' In this struggle, our principal weapons have been a free society and a competitive economy. More than 70 million Americans are now gainfully employed. Our people earn more, possess more, consume more and live better than any other people on the face of the earth. Thirty-five years ago, more than 50% of all American families had an annual income of less than \$3,000 (using 1962 dollars as a standard). By 1947, this figure had dropped to 30%, and by 1962 only 21% had incomes less than \$3,000."

Compared to other nations, our citizens as a whole are better off. Americans have been able in the last 15 years to improve markedly their standard of living and at the same time help substantially with billions of U. S. dollars millions of people in underdeveloped lands throughout the world. However, it is wrong to exaggerate the extent of America's poverty. Our prestige abroad is not enhanced when Administration spokesmen distort statistics in an attempt to make their case or for legislative action.

In a recent report, Minority members of the Joint Economic Committee said,

"A war on poverty will not be won by slogans; nor by shopworn programs dressed up in new packaging; nor by the defeatist relief concept of the 1930's; nor by the cynical use of poverty for partisan political ends; nor by overstating the problem and thereby inexcusably lowering America's prestige in the eyes of the world....The war on poverty will cruelly deceive the poor and their children unless it is new in concept and embraces programs which hit at root causes of poverty rather than its symptoms."

The basic question before the Congress is whether or not the Administration bill will really solve the problems or is it unsound legislation that among other things will disrupt and weaken such sound programs as Vocational Education and Manpower Retraining. Frankly, I am thoroughly convinced it is probably the worst thought-out and most poorly drafted bill to come before the House in the last 16 years. It is a hastily contrived mixture of federally financed and dominated programs that too often duplicate existing programs that are working well with local, state, and federal participation. The bill also contains some thinly disguised "make-work" schemes.

The first year cost of the "election year" proposal is \$1 billion dollars with an annual cost thereafter of approximately \$5 billion dollars. The record is clear this program of President Johnson will add thousands of additional employees to Uncle Sam's payroll.

To win the struggle against poverty the highest priority must be given to the acute needs of the very young and the aged. These two categories in our population comprise more than one half of the poor in this country and the Johnson Administration's proposal neglects sound solutions for both groups.

One suggestion, which President Johnson opposes, would be to permit higher earnings without loss of social security benefits. The average social security recipient today loses all benefits before he can reach a \$3,000 total annual income level.

For our youth the expansion and improvement of existing programs would be good where there has been partnership between local, state, and federal agencies. Vocational Education is a prime example of what can be successful and it is so because it is tailored to meet local needs and not rigidly dominated by power-hungry politicians and bureaucrats in Washington.

In my judgment the current bill before the Congress should be defeated for the reasons stated and for many others. If rejected by the House, a new start on a non-partisan basis can be developed that will really do the job.

REDUCTION IN FLAGS: I am happy to announce that there has been a reduction in United States flags when purchased through our Stationery Room in the House of Representatives. The 3 x 5 flag, which was formerly \$2.80, may now be obtained for \$2.60. The 5 x 8 flag, for which we used to pay \$5.75, may now be purchased for \$5.60. Anyone who may wish to have an American Flag that has been flown over the Capitol Building in Washington, may write me enclosing a check and designating the size of the flag desired. I will be happy to purchase a flag, have it flown over the Capitol Building, and forwarded to you. Just address your request to me here at 351 House Office Building, Washington, D. C.



Your Washington Review

by
Congressman
JERRY FORD



August 12, 1964

The House of Representatives July 29th by a roll call vote of 388-8 passed the Social Security Amendments of 1964 giving 20 million Social Security beneficiaries a 5 percent increase in monthly payments. The increase in benefits was designed to offset the increase in the cost of living since 1958 when the last general increases in Social Security benefits were enacted by the Congress. This 5 percent increase in benefits will become effective two months after it has been enacted by the Congress and signed by the President. The bill is now before the Senate where the Johnson Administration is pushing to add on a provision which would be a "foot in the door" for socialized medicine.

The Old Age and Survivors Insurance Program, commonly called "Social Security," has assumed an important and vital role in the lives of all Americans. It is the basis upon which most Americans plan, in part, their financial security in their old age. Generally the Congress has attempted to keep this program responsive to current needs, to remove inequities when possible whenever they occur, and to keep the system financially sound (which includes guarding it against ill-advised costs) so that it will continue to pay benefits.

By this proposed legislation, the wages upon which the Social Security tax is paid will be increased from \$4800 to \$5400. In other words, the first \$5400 earned income will now be taxed -- instead of \$4800. At the same time, the family maximum benefit will be increased to \$300 when this increase in the earning base has its full effect.

These Social Security amendments which passed the House, and which I supported, will also liberalize the eligibility requirements of people who are 72 years of age or older. To put it another way, the bill will make it somewhat easier for people who are 72 or over to qualify for benefits. Widows especially will benefit by this provision. For example, a maximum benefit of \$35 a month will be provided for those aged 72 and over with a minimum of 3 quarters of coverage since 1937.

The House bill includes a provision which I consider extremely important. It provides that benefits to a child still in school or college will continue to the age of 22. Under the present law, a child's benefits end at the age of 18, unless the child is disabled. Generally speaking this provision will apply to a child who is going to any accredited school or college.

The Committee on Ways and Means which drafted the bill included a provision under which a widow may, if she chooses, receive benefits at the age of 60 rather than at the age of 62 as under existing law. However, if the widow makes the choice to receive benefits at the earlier age there will be an actuarial reduction on the benefits she will receive.

In one specific respect the existing law has been somewhat unfair to farmers and the Committee on Ways and Means sought to remedy this inequity. Under the bill approved by the House farmers will be permitted to report more of their gross earnings in order to build up wage records entitling them to higher benefits.

The exclusion in existing law with reference to firemen and policemen under local retirement systems is removed by the bill so that firemen and policemen are placed on the same basis as other state and municipal employees except that policemen and firemen must be considered as a separate coverage group. Thus, firemen and policemen under local retirement systems can be brought into the Social Security system as coverage groups if the referendum provisions of existing law are met. In other words, the absolute bar to coverage for these two groups would be removed and the coverage of policemen and firemen in local retirement groups would be up to (1) a decision on the part of the state and/or the municipality that coverage is desired, and (2) a vote of the group itself on coverage under existing referendum provisions. The initiative as to whether such groups should be covered is, as under present law, left up to the states and cities involved. The firemen and policemen in the City of Grand Rapids, and I presume elsewhere, are particularly interested in this provision.

The legislation also removes the exclusion in existing law with respect to self-employed doctors of medicine and interns. Thus, about 170,000 such individuals who are presently excluded will be covered under the Social Security system effective with taxable years ending after December 31, 1964.

Number of Persons and Amount of Benefits

It is estimated that the benefit provisions of the bill will affect persons with an outgo of the Trust Funds in 1965 as follows:

5% benefit increase -- 20 million persons, \$900 million

Child's benefits to
age 22 if in school -- 275,000 children, \$175 million

Reduced age for widows -- 180,000 widows, \$150 million

Reduction in eligibility
requirements for certain
persons aged 72 and over -- 600,000 persons, \$250 million

ADDITIONAL COPIES OF INAUGURAL ADDRESS: We have an additional supply of the late President Kennedy's address at his Inauguration on January 20, 1961. Because of this we can take additional requests for these documents that are suitable for framing. Address your requests to my Washington office, 351 House Office Building.



Your Washington Review

by
Congressman
JERRY FORD



August 19, 1964

EDUCATIONAL OPPORTUNITIES AT THE SERVICE ACADEMIES: Five academies operated by the U. S. Government offer a free college education to boys of the Fifth District who are interested in a career in military or naval service.

Kent and Ionia Counties will be entitled to three appointments to the U. S. Military Academy in 1965, one appointment to the Naval Academy at Annapolis, and two appointments to the U. S. Air Force Academy.

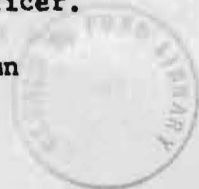
In addition, young men from the Fifth District will be eligible to compete for 12 appointments from Michigan to the U. S. Merchant Marine Academy at Kings Point, New York, and for some of the 250 nation-wide appointments to the Coast Guard Academy at New London, Connecticut. Graduation from any of these academies leads not only to a bachelor's degree but also to a commission in one of the Services.

Candidates for these appointments must be high school graduates or in their senior year, single, between 17 and 22 years of age. Candidates for West Point, Annapolis, and Colorado Springs are nominated by the Congressman. To assist in selecting the best qualified individuals your Congressman utilizes the Civil Service Designation Examination which covers "Vocabulary and Reading," "Spatial Relations" and "Algebra." The scores are tabulated by the Civil Service Commission and forwarded to me for the selection of the nominees. This examination will be given on October 31st this year for selection of those interested in entering the classes beginning in July, 1965. Anyone desiring further information on these opportunities should write me at 351 Old House Office Building, Washington, D. C. before September 30th.

A congressman may also nominate candidates for the Merchant Marine Academy, which offers a four-year course leading to a license as an officer in the U. S. Merchant Marine, a commission as Ensign in the U. S. Naval Reserve, and the Bachelor of Science Degree.

Application to be considered for appointment as a cadet at the U. S. Coast Guard Academy is made directly to the Commandant, Coast Guard Headquarters in Washington, D. C. We will be pleased to supply forms and further information to anyone interested in a free college education and service as a Coast Guard officer.

THE BREAD TAX: The Administration's new wheat program has already begun



reaping a harvest of higher costs to the farmer and to the consumer. For the consumer, these costs take the form of a "bread tax." The authorities in Chicago, for example, report that the cost of bread has gone up two cents a loaf there as it has in many major American cities. This was predicted at the time the legislation was before Congress and was one of the major reasons for my voting against the Wheat-Cotton Bill signed by President Johnson on April 11, 1964. Under the new law, millers must pay the Department of Agriculture for each bushel they turn into flour. The millers in turn have passed this cost along to consumers in the form of higher prices, which in fact constitutes a "bread tax." The total costs per year to the bread-buying public will be approximately \$350 million more than if Congress had taken no action at all.

In addition the wheat farmers themselves stand to lose considerably more in farm income, under the same wheat control program they overwhelmingly rejected in a national referendum in May 1963. Michigan agriculture experts have charged that the new program is extracting more than 17 million dollars in income from our wheat growers' pockets this year alone. Michigan farmers will pay over \$10 million to the government ~~this~~ year under the law, according to figures which show that the Michigan farmer is selling his wheat at prices ranging from \$1.16 to \$1.30 a bushel while last year most of his crop sold at prices of between \$1.90 and \$2.00. It is evident that wheat farmers are not gaining anything from this new program. Although backers of the bill originally thought that the money from the millers and the 25¢ a bushel paid by exporters to the Department of Agriculture would be returned to the farmer, this has not been true. Because only a third of Michigan's 1964 crop was signed into the program, our farmers will send from ten to twelve million dollars to Washington to fill government tills.

Moreover the Secretary of Agriculture intends to force the remaining wheat farmers into his plan by having rigid government controls over the Nation's economy. In July of this year Secretary Freeman deliberately depressed market prices by dumping 7.5 million bushels of government-owned wheat on the market. This move was well planned to force more farmers into his control programs because the new crop of wheat was just coming to market at that time.

In the past American farmers have rejected mandatory controls not only on wheat but also on other commodities. Our Michigan farmers overwhelmingly voted for FREEDOM over FREEMAN. I agreed and for that reason voted against the Johnson Administration program which is proving to be bad for the farmer, the taxpayer and the consumer.



Your Washington Review

by
Congressman
JERRY FORD



August 26, 1964

One week ago today the House of Representatives by a vote of 218-175 passed a bill designed to remove the jurisdiction of the Federal courts over State legislative reapportionment. This action comes in the wake of a 6-3 Supreme Court decision in June which declared that the seats in both houses of a bicameral State legislature must be apportioned mathematically on a population basis. In that decision the Court posed a basic question: Whether the people of the respective States shall themselves determine how they will be represented in their own State legislatures. At the time of this extraordinary decision Senate Minority Leader Dirksen issued a statement on the decision and spoke of the structure of our Federal Constitution and its balance of powers.

"One of its wondrous features" Senator Dirksen said, "was modeled on a constitutional practice of certain states themselves--a legislative body divided into two branches, one, the Senate, based on geographic representation, the other, the House of Representatives, based on population. It represents one of the delicate balances which brought about the union of the states." There is a close analogy here between the structure of the Congress and the legislatures of the States. Not only did all of the original States have legislatures in which at least one body was selected on factors other than population, but the drafters of the Constitution recognized the value of this plan and clearly intended that no action of the Federal government should overturn it.

Justice Potter Stewart of the U. S. Supreme Court in his dissenting opinion said the decision "finds no support in the words of the Constitution, in any prior decision of this Court, or in the 175-year political history of our Federal Union." It is clear that the framers of the Constitution believed that factors other than population alone should determine the strength of the voice of States, regardless of wealth or size.

In its majority decision the Court embraces the so-called "one person, one vote" doctrine. It is true, as the Supreme Court has said, that legislators represent people, not trees or acres. However, these people are not mere numbers. Such folks have diverse and sometimes conflicting needs that require a representation of their own in one body of a legislature in contrast to the representation of general interests in the other body. Within one State we may find wide differences in the needs and interests of various geographic areas.

In one area unemployment may be the problem of highest concern and it may be



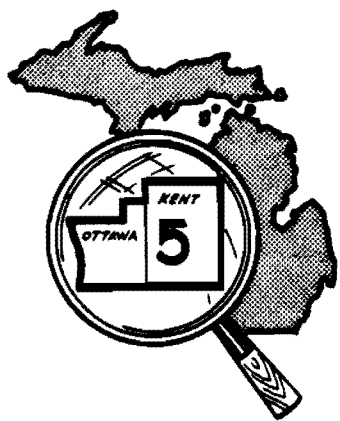
the determining factor in the economic development of that portion of the State. Yet who can ask the people who may live in areas of high employment to share that concern? Their interests may be directed towards rapid transit systems or super-highways. In this situation, a temporary majority may determine the economic potential of the whole State. We know the majority must have effective rule, but the minority is also entitled to effective representation.

It would not be fair to apportion both houses of a legislature on the basis of selected interests or local needs but conversely it is not fair that both houses should be apportioned strictly on population alone. This would lead to the desertion of the rights of the minority entirely. Apportionment according to population must be tempered by other considerations of equal importance. This was done in the new Michigan Constitution.

In the case of Baker v. Carr (March 26, 1962), the Court struck down the apportionment in one house of the Tennessee Legislature. There, reapportionment had not taken place in more than 50 years in violation of the State's Constitutional provisions. In addition, the people of Tennessee had little or no means to initiate or vote upon a plan of reapportionment. However, many of the States do provide the means through constitutional authority whereby every qualified citizen may vote on the apportionment provisions of their constitutions. The Supreme Court could have issued a decision in the Baker case without causing damage to the whole concept of State sovereignty. But in recent years the Court, with some frequency, has been assuming the role of elected officials and substituting its judgment for that of the people in matters of this nature. In one case the voters of Colorado had a clear choice between a plan which would have apportioned both houses on a population basis, and a second plan which would take factors other than population into account in the apportionment of one house. A majority of the voters in every county rejected the first plan by a vote of 2 to 1 and by nearly the same margin adopted the second plan. Yet two years later the Supreme Court threw out the legislative apportionment plan which had been adopted by the people of Colorado. This means that a bare majority of the 9-member U. S. Supreme Court has totally disregarded the decision of the voters themselves in Colorado and elsewhere.

The future of the State government as we have known it for over a century may depend on maintaining the status quo or changing it if the people of any State want to change their government. But that right should be reserved to them and not to any interpretation by a Federal court which tells them what to do. In Baker v. Carr, Justice Frankfurter protested the right assumed by the Court in getting involved in the thicket of State politics. In his dissent he said "It will add a virulent source of friction and tension in federal-state relations to embroil the federal judiciary in them."

The Supreme Court is guilty of a power grab by exercising political rather than judicial power. For this reason I voted for this legislation to restrain the Federal courts and leave jurisdiction over legislative reapportionment where it should remain --with the voters of each State.



Your Washington Review

by
Congressman
JERRY FORD



September 9, 1964

Public Law 480, often called the Food-for-Peace Act, was originally enacted in 1954 on the recommendation of President Eisenhower. Last week the House of Representatives debated a bill to extend the provisions of the law for three years and to make certain changes in the Act. There was general support for the overall program as a means of sharing our food abundance with hungry people at home and abroad. More than \$11 billion worth of surplus agricultural commodities have been distributed since Public Law 480 was adopted. Under the Law these commodities may be sold abroad for dollars or for foreign currency which must be spent within the country received, or they can be traded for materials needed in the United States. The farm products can be sold on credit or given away whenever a bona fide need can be shown anywhere in the world. It was contended by some members of the Committee on Agriculture who proposed changes in the law that the United States actually donates "a lot of food and U.S.-owned foreign currency, but we conceal that fact by calling the transactions sales."

The significance of the overall program is emphasized when we realize that during this past year 45 bushels of wheat out of every 100 produced in 1963 found a use abroad through this program. Rice shipments under Public Law 480 are equivalent to 30 bags out of every 100 harvested by U.S. growers last year.

While the program itself had general support in the House of Representatives, there were two major proposals for change. Contending that "Public Law 480 is essentially a foreign aid program" and pointing out that the bill authorizes the expenditure of \$6.8 billion over a 3-year period, many of us felt that a congressional appropriation should be required before any grants of U.S.-owned foreign currencies can be made to the recipient country. Presently in many instances the United States "sells" its commodities to a given country for that country's currency which can be spent only in that country. Often the United States has no way of spending all of the funds in the country and consequently in effect gives away the money.

The Senate has already taken action to require congressional approval of the distribution of such currencies in the same manner as required for the distribution of funds under the foreign aid program. The Senate pointed out that from 1954 through 1963 approximately 25 percent of all the foreign aid currencies obtained from sales of these farm commodities have been given away, "all without Congressional appropriation sanction."

The second significant proposed change would have prohibited all further aid to the United Arab Republic (Nasser and company). Proponents of this amendment pointed

out that since 1954 we have bailed out the economy of the United Arab Republic to the tune of \$1.1 billion in American taxpayers' dollars. Egypt has received more than \$700 million in Public Law 480 shipments. The proponents went on to say this program has enabled Nasser to sell cotton to Communist-bloc nations and to buy huge supplies of Soviet arms and weapons. Nasser is presently carrying on aggressive warfare in Yemen and has played a major part in forcing the United States to evacuate the huge Wheelus Air Force Base in Libya.

While I favored cutting off this aid to Nasser, the Johnson Administration browbeat enough Democratic members of the House to pass an amendment leaving the question of giving aid to any "aggressor country" solely up to the President. Likewise, I supported the Senate action to require the actual appropriation of funds to be given to foreign countries under Public Law 480. But pressure from the White House changed enough Democratic votes in the House that nothing was said on this point; so the matter goes to conference with the Senate.

NO 1965 U.S. COINS: Under a bill sent to the President last Tuesday all coins minted in 1965 will carry the date "1964." Although the legislation is permissive, it is expected that all coins minted in 1965 will bear the 1964 date.

This action was taken because of the serious shortage of pennies, nickels, dimes, quarters and half-dollars, although in the fiscal year ending June 30th over four billion coins were manufactured at the Philadelphia and Denver mints. The mints are presently operating around the clock, 24 hours a day, 7 days a week, and are expected to continue on this schedule during the current fiscal year.

The House Committee on Banking and Currency which considered the legislation pointed out that the tremendous increase in the use of vending machines, the growing population, the expanded business activity, and "the amazing development in recent years...of popular interest in coin collecting as a hobby" have all contributed to the present shortage of coins. The Committee, however, places no blame on the hobbyist himself but rather on the "coin merchants" who apparently have acquired vast quantities of new uncirculated coins for speculation. The Committee states that "the hobbyist alone is not a serious factor in the shortage," but alleges that those who want to capitalize on his hobby have played a major role in the problem.

For instance, many have never received a Kennedy half-dollar in the ordinary course of exchange. Yet, since last February nearly 100 million Kennedy half-dollars have been manufactured and distributed by the mints through the Federal Reserve Banks. The Committee concludes that "undoubtedly millions of these coins are now stored away for their future numismatic (collector's) value."

The bill was introduced at the request of the Treasury Department to discourage further speculative accumulation of new coins of all denominations and to make it uneconomical to those holding large amounts of 1964 coins to keep them out of circulation any longer.



Your Washington Review

by
Congressman
JERRY FORD



September 16, 1964

The House of Representatives on July 29 passed H.R. 11865, a bill which I supported to increase benefits and extend coverage under the social security program. This week the House is scheduled to consider the Senate amendments to that bill, amendments which are mislabeled "medicare." The Senate proposal does not cover doctor bills or the cost of medicine. It includes limited hospital and nursing care benefits only for those 65 years of age or over who qualify for social security benefits. Social security payroll taxes on all employed persons will be increased both as to rate and base. Instead of paying tax on the first \$4,800 of wages as at present, the Senate proposal increases this base to \$5,600. The tax rate on wages goes from 3.625 percent to 4.2 percent. In other words, the payroll tax for any individual earning \$5,600 or more per year will go from the present \$174 to \$238 in 1965, an increase of \$64 a year. It will be \$246.40 in 1966 and 1967. Under the bill passed by the House the base would be \$5,400 with a rate of 3.8 percent for a maximum tax in 1965 of \$205.

The payroll tax is a "regressive tax," placing the greater burden on those less able to pay. In contrast, the Kerr-Mills program recommended in 1960 by President Eisenhower and currently helping needy persons with their doctor bills and hospital and nursing home costs is financed through the general fund whose main source of revenue is the federal income tax which is based on the ability to pay.

The Senate's so-called "medicare" provision, endorsed by President Johnson, is compulsory, "foot in the door" health insurance, extending grants to social security beneficiaries whether they need the aid or not, and can only lead to higher and higher payroll taxes on all employed persons.

APPALACHIAN DEVELOPMENT PROPOSAL: Originally scheduled for consideration by the House of Representatives two weeks ago, the "Appalachian bill" was not taken up because too many Democratic members were away from Washington. This bill, the second installment in the Administration's anti-poverty program, is aimed at doing something for "Appalachia," a roughly defined area encompassing 355 counties in 11 states from Pennsylvania to Alabama. Whether the bill, another Johnson spending program, will alleviate any poverty in Appalachia is questionable, but it definitely will impoverish American taxpayers initially by more than \$1 billion.

Appalachia has rich mineral deposits, two-thirds of the nation's coal supply and beautiful landscapes that lend themselves to recreation and tourism. However the

Administration alleges this area to be underproductive in relation to the rest of the United States in times of general prosperity. To alleviate this, the bill carries an initial authorization for a new \$1.07 billion spending scheme to prime the pump in the area. Over \$1 million a year is provided solely to pay for the bureaucracy needed to organize the program.

The Federal treasury would contribute well over one-half of the funds required for the various programs which include highway development, mineral exploitation, a demonstration program in multi-county health centers, pasture improvement, timber development co-operatives, a survey of water resources, reclamation of land damaged by coal mining, supplements for the construction of Vocational Education Facilities, Sewage Treatment Control, Urban Planning Grants, supplements to enable State or local governments to meet matching-money requirements of existing grants-in-aid, and grants to aid districts that have already started local development programs. Funds will also be available for research and development projects on the utilization of Appalachian potentialities such as the possibility of expanding tourism.

In a comprehensive minority report which was filed by eleven members of the 32-member Committee, strong objections were raised to passage of the bill. While these Committee members fully support the objective of alleviating social, educational, and economic poverty wherever it exists throughout the country, they oppose the preferential treatment the program would give to Appalachia over other regions of equal need. They deplore the lack of need standards for determining the eligibility of areas within Appalachia for grants-in-aid. Some 67 counties in the area are so prosperous they cannot qualify for the other federal programs such as Area Redevelopment or Accelerated Public Works. The minority expressed opposition to enactment of far-reaching legislation that ignores up-to-date information and is based on 1960 statistics and data in determining conditions of poverty in 1964. The minority report protests that State and local governmental agencies which normally administer the Federal-Aid programs contained in the bill will be totally by-passed by the new federal Appalachian Regional Commission.

The dissenting report also points out that the Highway Program, comprising 80% of the money authorized, entails a sum nearly as large as the annual program to build Federal-aid primary and secondary highways and their urban extensions throughout the 50 states, Puerto Rico, the District of Columbia, including Appalachia itself. Admittedly these roads will not be constructed to ease traffic congestion but as the report of the Committee majority states, "They will be built to generate traffic where none presently exists." I will support any true and constructive program to alleviate poverty but I cannot vote for a massive road-building program which will feature roads looking for traffic. This is more a program to impoverish the taxpayers of the U. S. than to combat poverty in Appalachia.



Your Washington Review

by
**Congressman
JERRY FORD**



September 23, 1964

The President's Commission on the Assassination of President Kennedy (the Warren Commission) on which I have been serving for the past ten months presented its report to President Johnson on Monday. The White House will decide when the 700-page report is to be made public but it is my understanding that copies will be available from the Government Printing Office at a cost of about \$2.50.

During the past few weeks I have been spending many hours in Commission sessions helping to develop the final conclusions to be included in the report, discussing the exact words to be used and reading drafts of the various chapters as well as the galley proofs prepared by the printer. Since last December our Commission has interrogated over 100 witnesses and read thousands of pages of depositions of other individuals interrogated by staff members. The Commission heard everyone who could in any manner shed some light on the tragic event. To the very best of our ability we have investigated every charge and traced down every rumor. I trust that the report will explain as best as it is humanly possible to do so, all factors involved in the assassination. The Commission realizes that it has prepared a document to serve not only the present generation but historians of the future who perhaps will attempt to analyze the event from a different perspective. The Commission has, therefore, not only prepared its report but is publishing all of the hearings and interrogations in a set of about 24 volumes of approximately 500 pages each.

While service on the Commission increased enormously the work load of each commissioner it was a unique and invaluable experience for each of us. However, we also had to carry on our normal responsibilities. I made every attempt to attend as many meetings of the Subcommittee on Defense Appropriations as possible as well as sessions of the Subcommittee on Foreign Operations. In addition I had to answer roll calls in the House of Representatives when votes were taken. So far during this 1964 session of the Congress there have been 257 quorum or roll-call votes. I have missed only 27 for an attendance record of 90 percent.

THE CONGRESSIONAL WEEK: Although it was expected that an important vote would be taken last week on the so-called "medicare" amendment added by the Senate to the Social Security Amendments of 1964, the measure was sent to conference by unanimous agreement. Five members of the House of Representatives were delegated to meet with representatives of the Senate to iron out the differences between the House and Senate versions of the bill. The major difference involves the "medicare" provision. If the

conferees can agree on a compromise proposal the bill will go to both the House and Senate for further consideration. This compromise version known as a "Conference Report" may come before the House this week.

Other important conference reports which may be considered this week concern Public Law 480 (the Food-for-Peace Act) and the bill which would extend and amend the National Defense Education Act.

The only major legislation definitely scheduled for passage this week is the Supplemental Appropriation Bill. This bill provides funds in the amount of \$998 million to finance activities and projects during the current fiscal year whose financing was not sufficiently or not at all supplied in the regular appropriation bills. Included in this bill is \$750 million as the initial appropriation under the so-called "anti-poverty" bill. The Johnson Administration had requested \$947 million for this activity but the House Committee on Appropriations agreed that it could not effectively spend that much between now and June 30, 1965.

ON OBSCENE AND INDECENT MAIL: Presently resting in the Senate is H. R. 319 passed by the House of Representatives in June to protect American families against those who would force upon them obscene and indecent material. This bill should be passed by the Senate and become law. It is designed to permit a parent to remove the names of any member of his family from mailing lists used commercially. It recognizes that the right of an individual to prevent forced entry of mail into his household is equally important as the right of another individual to send him unsolicited mail.

Legislation as passed by the House permits any family receiving morally offensive mail to ask the Postmaster General to notify the sender not to send any more such material. The Postmaster General must notify the sender of this request and direct him to cease the mailing. If the mailing is not stopped, the Postmaster General files a formal complaint against the offender. If violations continue the Postmaster General may ask the Attorney General to apply to a federal district court for an order directing compliance with the law. Violations then are punishable as a contempt of court. The Attorney General can apply for such an order either where the mail is being sent or being received. As the Committee pointed out, "What is needed is a new law with teeth in it;...one with a preventive rather than a punitive provision which will enable the public to effectively participate in achieving the needed protection of its own interest." I supported this bill when it passed the House and hope that the Senate will take affirmative action on it this session.

"THE FARMER'S WORLD:" The 1964 Yearbook of Agriculture, entitled "The Farmer's World," has been released for distribution. I have a limited number of copies of this annual publication and will be pleased to supply a copy upon request to 351 House Office Building, Washington, D. C.



Your Washington Review

by
Congressman
JERRY FORD



September 30, 1964

The House of Representatives last week passed its last appropriation bill for the session. This was the "1965 Supplemental" providing an additional \$998.6 million during the current fiscal year for a number of executive departments. The largest single item was \$750 million for the newest "anti-poverty" program. The House reduced President Johnson's request for "anti-poverty" funds by \$197.5 million. Defending this reduction the Democratic-controlled Committee on Appropriations said in its report: "Several factors indicate to the Committee that the full amount requested could not be utilized in fiscal year 1965 without undue haste and pressure which would endanger the success of the program....It is going to take considerable time to recruit all the staff necessary to carry out this program if only qualified persons are hired....(The Committee was told) that 4,518 Federal employees would be necessary (but) the Committee has only allowed 4,000. In addition, thousands of non-Federal employees will be required to conduct those parts of the program that will be carried out by state and local governments."

While the Committee expressed the hope that an efficient program would be established, in its report it quoted the Office of Economic Opportunity which will administer the program as stating: "There is an extreme shortage of qualified personnel to operate both Federal and local programs of the Economic Opportunity Act." So we know that a huge new bureaucracy of questionable competence is to be established to fight the "war on poverty." Because I know there are better ways of solving the poverty situation and having voted against the poverty bill initially, I joined 102 other House members in opposing this expenditure of your tax money.

Another unjustifiable item in the bill, \$77.6 million as the first payment for a massive program of buses and railways for metropolitan areas, constituted a second reason for my "no" vote.

In spite of a \$100-billion-a-year budget and a \$6-10 billion annual deficit, President Johnson insists on these enormous new spending schemes. While the President talks "economy" and "frugality," his actions betray his true New Deal-New Frontier "tax, borrow, and spend" ideals.

CONGRESS CUTS THE BUDGET: President Johnson's so-called bare-bones, austerity 1965 budget has been reduced \$4 billion by action of the Congress. This savings to the taxpayer results from the careful examination of the budget requests by the Committee on Appropriations. This \$4 billion savings points up the advantage and necessity of

maintaining an independent-minded Congress to check on the executive department. It clearly illustrates why we can't afford a "rubber stamp Congress" whose members blindly assert their support of the President.

The President requested \$97.6 billion of your tax money during this session of Congress. The House approved 14 appropriation bills totaling \$93.6 billion. The Senate must still act on one of the bills but it is safe to say that the reduction in appropriations this year will approximate \$4 billion.

THE EXTENDED SESSION: Consideration of the foreign aid appropriation bill by the Senate has been the cause of the extended session of Congress which most members had expected to adjourn prior to the Democratic National Convention. Liberals in the Senate have been conducting a filibuster against any rider (amendment) to the bill restricting the federal courts' interference in the apportionment of state legislatures. Finally last Thursday the Senate passed the appropriation bill after agreeing to an amendment expressing the "sense of Congress" (without force of law) that the states should have sufficient time to comply with the Court's decision and that the next election of legislatures should be conducted in accordance with state law presently in effect.

Anyone who is familiar with the gerrymandering required to make the election of our state legislature comply with the Supreme Court's decision realizes the necessity of a wiser arrangement. The ridiculous results of the Court's position are also seen in Illinois where 177 members of the legislature are to be elected at large. To ask each voter to select over 100 members of the legislature destroys any semblance of representative government.

Efforts had been made in the Senate through an amendment to the foreign aid bill to delay action on reapportionment in the states until the legislatures or the Congress could act further. I supported the Tuck bill, passed by the House, to remove legislative reapportionment cases from the jurisdiction of the courts. I have also introduced a constitutional amendment to guarantee the right of any state to apportion one house of its legislature on factors other than population. The House Committee on Rules has favorably reported such an amendment to the House for consideration.

WARREN COMMISSION REPORT: The Report of the President's Commission on the Assassination of President Kennedy was presented to Mr. Johnson last Thursday. It was released to the public by the White House on Sunday evening. Copies are available from various sources but I want to mention only the edition published by the Government Printing Office.

Copies of the Report may be ordered directly from the Superintendent of Documents, Government Printing Office, Washington, D. C. The 900-page illustrated book sells for \$2.50 in paper-back and \$3.25 for the cloth-bound edition.



Your Washington Review

by
Congressman
JERRY FORD



October 7, 1964

Because the Congress may have adjourned by this date, this will be the final "Washington Review" for the year. We will be returning home immediately following adjournment to keep speaking dates which have been scheduled and to meet with as many other groups and individuals as possible. Our Fifth District office at home is located at 425 Cherry Street, S.E., Grand Rapids, and the telephone number is GL6-9747.

Today I will be in Grand Rapids with Astronaut Gordon Cooper and Mr. James Webb, NASA chief, for a series of meetings. The public is invited without admission charge to hear Mr. Webb and Major Cooper at the Civic Auditorium this evening at 8:00.

FAREWELL TO OTTAWA COUNTY: With the opening of the 89th Congress in January, Ottawa County will be represented by the Congressman from the 9th District, the Hon. Robert P. Griffin. Our "Washington Review" will, therefore, no longer be mailed to the residents of Ottawa.

May I take this opportunity to express again to every citizen of Ottawa County my sincere appreciation for the support, encouragement, and friendship which has been extended to me consistently over the past sixteen years. While we break the congressman-constituent relationship, the personal friendships which have been built up over these years will continue.

GREETINGS AND AN INVITATION TO IONIA COUNTY: Many copies of our newsletter are presently being mailed into Ionia County which in January will become a full partner with Kent County in the 5th District. I am looking forward to serving all the residents of Ionia to the best of my ability.

We desire to expand our mailing list for the "Washington Review" in Ionia County. If you know of anyone who would like to receive this weekly report during the Congressional sessions, please send his name and address to me at 351 House Office Building, Washington, D. C.

If there is any other way in which I can be of service to you who reside in Ionia, please let me know at either my Grand Rapids or Washington office. I am always interested in your views and recommendations on legislative proposals and on other national or international issues.

NATIONAL DEFENSE EDUCATION ACT: Originally passed by the House on August 14, a bill to amend and extend the National Defense Education Act was considered again last Thursday. The Senate bill, S.3060, had been amended by the House and now we had to act on the "conference report," the compromise version of the bill worked out by

"conferees" representing both houses of the Congress.

I supported the bill as it originally passed the House as I have supported the NDEA since it was recommended by President Eisenhower. Under NDEA, loans are provided for needy capable college students; certain fellowships for graduate study are made available; institutes for in-service training of teachers are encouraged, and funds are supplied to schools for certain educational equipment. Without further action by the Congress these programs would expire on June 30, 1965. The conference report provided for a three-year extension.

The issue which was the subject of a "motion to recommit" (to send the bill back to conference for further change) involved funds for fellowships at in-service training institutes for teachers of history, geography, civics, and literature, and equipment for the teaching of these subjects. Many members of the House felt that the original bill providing federal aid for the teaching of science, mathematics, and foreign languages was based on a special need for teachers and students in these areas, and on the excessive costs of equipment and supplies for these subjects. It was contended that history, geography, civics and literature did not fall in the same category, and that to add these subjects was just one more step toward a general federal-aid-to-education program.

Others emphasized that the bill authorizes a politically-appointed federal official, the Commissioner of Education, to designate those colleges which would offer the fellowships and handle the in-service teacher-training institutes. This would give the Commissioner power to influence instruction in civics, geography, history, and literature by denying funds to those institutions whose political or social views he did not like. While I supported the bill on final passage, I voted for the motion to recommit.

I was most concerned with the conferees' acceptance of the Senate bill to designate Washington, D. C. as a federally "impacted area," making Washington eligible for additional tax funds (over \$4.5 million annually) for educational purposes. The capital city schools already receive an adequate federal payment in lieu of taxes.

It was never the intention of the "impacted area" legislation to pay for education in Washington. This legislation was designed to help a local community which had to provide additional school facilities at the same time it may have lost some of its tax base because of the location or expansion of a federal installation in the community. For instance, the construction of a federal air base means loss of private tax-paying property and the need for more schools and teachers. In such a case the federal government should help meet this expanded cost of education. Washington is not an "impacted area" in this sense. To designate it as such for further federal aid is unfair to thousands of other communities.