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CONGRESSIONAL RECORD — APPENDIX

warehouses throughout the country? And what if the economic planners found that the welfare of the country required that additional houses be built to provide continuing employment—meanwhile adding to the inventory of boarded-up houses awaiting occupants? Or decided that employment should be bolstered by building apartments with Government money to attract tenants out of the privately owned high-rent apartments?

If individuals are to remain free to exercise their own judgment, history tells us that they have not yet found a better economy than the competition and the disciplines of the marketplace. The American farmer realizes it now, but he has become hopelessly entwined in the tentacles of political domination. The realtors and builders will do well to avoid the same fate. The theory that papa knows best doesn't hold true with the "great white father" in Washington or any other capital city. The judgments of bureaucracy are not omnipotent. But they are an opiate to those who fear competition and the hard reality of the collective judgment of a free market. Let us avoid this goal setting by political fiat.

Do We Value Our Free Civilization?

EXTENSION OF REMARKS

OF

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1960

Mr. DELANEY. Mr. Speaker, the Freedom Institute of St. John's University, Jamaica, N.Y., is designed to inform students at the graduate level of the nature and evils of communism as contrasted to the priceless gift of freedom.

In view of the developments at Paris, the following eloquent address given by Senator Thomas J. Dodd at the convocation of the Freedom Institute on May 14, 1960, is particularly timely, and I commend it to the attention of my colleagues:

ADDRESS OF SENATOR THOMAS J. DODD AT THE CONVOCATION OF THE FREEDOM INSTITUTE OF ST. JOHN'S UNIVERSITY, JAMAICA, N.Y., MAY 14, 1960

On Thursday of this week, during debate on the Senate floor, I had occasion to refer to the Pulitzer Prize-winning novel "Advice and Consent," which pictures an America of a few years hence, an America in which demagogues can inflame huge gatherings and bring them to their feet cheering with the slogan, "I would rather crawl to Moscow on my hands and knees than be killed by an atomic bomb."

Should this book prove prophetic, it will mean that our people have rejected the choice between liberty and death made by Patrick Henry and the Founding Fathers, the choice which drew the cheers of America from 1775 down to the recent past.

The fundamental question before the United States and our free world allies in the coming decade is this: Do we value our free civilization enough to run all the risks and meet all the challenges which the Communists will force upon us in the years ahead? It is in the context of this question that I would like to discuss the subject that has been assigned to me today—"Political freedom under a representative government and in a totalitarian state."

I do not think it likely that an ignoble surrender policy will ever be publicly pro-

claimed by high American officials as their political platform.

Men and nations have frequently betrayed their best interests through fear but they have generally rationalized and disguised their cowardice and not publicly proclaimed it. Surrender, if it comes, will probably come in more subtle ways, but the end result will be the same. We need not look, therefore, for base pronouncements. We must seek out the trend in less obvious signs and guises. And such signs are not wanting.

When the preservation of freedom in West Berlin appeared to run serious risk of war a year ago, there was no dearth of advocates, at home and abroad, for a policy of concession and retreat that would temporarily avoid risk of war at the probable cost of freedom for West Berlin.

There is today a rapidly growing movement, well organized, well represented in the press, movies and TV, in the scientific community and in government, people so fearful of the risks of the cold war, that they are willing to accept nuclear disarmament on almost any terms, with or without an adequate system of detection and enforcement.

These people are not concerned that this could condemn the United States to a military inferiority which would make our eventual surrender or destruction inevitable. They are concerned only with their fears of the present.

And then we have the school of British intellectuals now openly advocating what our own "softies" have heretofore kept below the surface. This group, headed by Lord Bertrand Russell and Phillip Toynbee, believes that we must give up nuclear weapons now to assure that they will never be used against us, that we should seek the best terms from the Soviets we can get; but if they should be totally intransigent we should give up nuclear weapons anyway, and submit to Communist control as a preferable alternative to carrying on the present struggle that might lead to nuclear war.

Toynbee states the basic philosophy of this group in the following sentence:

"In the terrible context of nuclear war, even the vital differences between communism and Western freedom become almost unimportant."

Almost unimportant.

This is the neutralist intellectual's equivalent of "I would rather crawl to Moscow on my hands and knees than be killed by an atomic bomb."

It does not matter to these people that by building our strength we maintain a good chance of preserving both our lives and our freedom. It does not matter that the blood bath which historically follows every Communist seizure might take more lives than the A-bomb. It does not matter that the existence they purchased by surrender would be only the exploited existence of a Communist slave.

It matters only that the element of risk is large, and that, to them, any considerable risk to existence is a greater evil than the loss of Christian civilization. They are so overwhelmed at the horror of nuclear destruction that all other values are for them already destroyed and are rendered relatively meaningless.

Whether this neutralist philosophy will remain an isolated view held by an insignificant group, manifesting itself infrequently in test ban rallies or in occasional picketing of Downing Street and the White House; or whether this poisonous creed will seep into the marrow of our national bone structure and paralyze us, will depend upon whether our people really understand, or can be brought to understand, what the loss of national freedom and subjection to Communist tyranny would mean.

There are two basic replies to the neutralist position. The first is that we can avoid

both catastrophes, nuclear war and enslavement, by remaining militarily strong and standing firm against aggression. This is a potent argument. It is a tangible argument. It is a demonstrable argument that has thus far worked. It is the basis of our national policy. It has been exhaustively debated, its tenets are widely known, and I therefore forego discussion of it today in favor of the second argument against neutralism, which is less understood and little discussed.

This argument maintains that the political destruction of Western civilization and its system of free institutions constitutes a death for its people and its nations just as violent, just as hideous, just as final as nuclear destruction itself, that there is little to choose between nuclear physical destruction and Communist political destruction.

The detailed knowledge of communism in all its aspects is available; indeed it is abundant. But the evil of communism is so alien, so appalling, so far removed from anything in our own experience, that our intellectuals and our people ignore the evidence.

By and large, men believe what they are prepared to believe, what is familiar to them, what jibes with their own experience. We ignore the clear signs in order to retain our familiar conceptions. We shield our eyes from the reality of communism or we lack the intellectual curiosity to inquire into it.

On the supernatural level, we have read in the lives of the saints of occasions when they were granted visions of human evil as God sees it, and the sight of this evil in its true light was so loathsome, so horrible that they felt they would die were the visions not instantly withdrawn. And ever after they would die rather than commit evil.

So on the natural level, a true picture of atheistic communism would so repel the freedom-loving peoples of the world could they but see it, that they would risk all that they have to defend themselves and their posterity against it. Our task is to bring this true picture before them in every way we can.

Communism can win only in darkness, deceit, error, and falsehood. Freedom can win only in light, candor, logic, and truth. This struggle must be fought on the intellectual front. Once we have won the intellectual struggle for men's minds, the other battles will be easily won and communism will be remembered in history as just another mental plague and torment that cost men dearly.

Your Freedom Institute is a great and early arsenal of truth and freedom. I congratulate St. John's University for exerting leadership in this field as it has throughout its distinguished history in so many fields of learning.

I hope that the Judiciary Committee of the U.S. Senate will favorably recommend, within the next few weeks, the establishment of a National Freedom Academy, an academy which aims to do on the national level what the Freedom Institute is doing here at St. John's University.

It is a relatively easy thing to imagine the horrors of physical destruction brought on by a nuclear attack. It seems a difficult thing for people to understand the meaning of the political, moral, and social destruction that is involved in the communization of the civilized world. We cannot even grasp the full extent of it by looking at what the Communists have done already in the areas they control. For they have been unable to completely work their will on their subject peoples.

The existence of a great and powerful free community exercises a restraint upon them. The public remembrance of the old order still limits them. The need to concede some things to the wishes of their subjects still restrains them. Should they conquer the world, and thus gain complete security, they could work their terrible will unrestrained

and put into total practice their dialectic which is as yet only half realized.

Prof. Gerhart Neimeyer of Notre Dame University, has described the meaning of Communist rule in a brilliant essay, a classic, recently appearing in *Modern Age*.

Dr. Neimeyer says at one point:

"Communism is destructive with a novel quality, not mere injustice or mere unfreedom, but the ravaging of the reality of human life by the spirit of dogmatized unreality. Western intellectuals understand the danger of material destruction, which is, after all, simple and obvious. The quality of communism's destructiveness has so far escaped their grasp. To understand it, one must get oneself to enter a mental world of distortion, reason perverted with the aid of force, half-truth set up as dogma, deceit espoused as norm."

If the Communists sought only to rule the world, then the danger could be judged in the same light as that of previous aggressive tyrannies. But they want more than to rule the world. They want to destroy it and remake it in the image of their insane dogma.

To the Communists, everything that we hold to be true is false. Our ideals, values, customs, loyalties are to him parts of an ugly system he is determined to destroy. Our concepts of God, the individual, the family, truth, love, freedom, justice are to him objects of hatred and derision.

But our world haunts him. He cannot be content just to deride us and wait for our demise. If our truths are real, then his life is a senseless nightmare. He must banish our values to vindicate his own.

In the long run, therefore, our death becomes essential to his life. He is locked tight in an irrational system which admits of no truth or standard of measurement outside its own dialectic.

To the extent that he is a Communist, he abhors the non-Communist world and is compelled to work for its destruction. To the extent that he is a Communist, he can know no peace. He is driven on by a desperate inner compulsion toward the destruction of the existing world order.

The only priority ahead of the destruction of our system is the building and preservation of his own. The only restraints upon his designs against us are his fears for the safety of his own system.

The threat of Communist subjugation, therefore, differs from the threat of all previous attempts to conquer the world. Here is no tyranny which seeks domination only for the sake of power, or spoils, or exploitation, or even the gratification of limitless ambition. Here is a depraved Samson which seeks to pull down the pillars of the present world and raise in its place a structure such as man has never seen. How would our lives be changed should the Communists achieve world domination? What would Communist rule mean in America?

The revealed truths of religion would be thoroughly and systematically stamped out. Religious instruction and services, the Sacraments, the means of grace which we hold to be essential for the salvation of the human soul, would be made as unavailable as perverted man can make them. Knowledge of the true goal of our existence, eternal life, would be erased insofar as it is possible for it to be erased.

The concept of private property, around which so much of our daily life revolves, would be swept away. The fabric of free choice, through which we shape our lives by thousands of our own decisions, would be unraveled. Family life as we know it would disappear. Our free associations would be gone.

Pride of country, respect for law, satisfaction with our basic political and social order, all of which so much conditions our

habitual attitudes, our character, our personality—all this would vanish.

Every aspect of our lives, from the sublime to the ridiculous, would be swept away and in its place erected the insane, irrational, inhuman regimentation of every phase of life, which requires not mere submission to evil but active participation in it.

Again to quote Dr. Neimeyer:

"Their rule is 'not of this world,' not of the world of present reality, but of the unreality of speculative fiction. That is why their hostility to the present-day world is so unrelenting. That is why they impose their party line not merely to secure their power, but to combat the expressions of the present-day world in art, poetry, music, philosophy, and religion. That is why they are never contented with mere compliance under their rule, but always seek to break their victim's mind from the world of common humanity, to attach it to the cause of the dialectic future, to bring about its inner transformation by means of self-criticism or public confession. That is why they cannot stop lecturing even to their life-long enemies in the inhuman setting of the prison camps. That is why there can be for them no truth, ethics, wisdom, save in the party's will, why ever act of the party's power is to them hallowed through its service to the dialectic of history. And that is why Communists, in their relations with men and women of the present-day world can never achieve peace, no matter how strong a structure of power they erect."

For the existence that we have known, Communist rule would mean a death as final as the grave. And our despair would be magnified by the sight of our children and grandchildren born into and growing up in a world alien to everything once cherished—a world of darkness, a world without faith, a world dead to either temporal or eternal realities.

This is the fate which the avant-garde of the neutralists is willing to accept now if they can thereby purchase the guarantee that there will be no war; death of the soul, death of the spirit, death of the heart, if only the body is permitted to live.

Failure to understand the evil of communism is only half of our problem. The other half is that so many free people do not understand the meaning of Government in their lives, nor the significance of freedom.

They tend to downgrade the importance of our political structure. They tend to think that we work out our destiny, our happiness in the private sphere of life and that the public sphere provides only utilities, peripheral benefits, law, order, safety.

They think that a change of government, or a new system of government, might cause some distress, some inconvenience but it would not reach the heart of our existence, it need not intrude upon the inner sanctum of our lives.

Many of our people regard government as a nuisance, a game of spoils for politicians, a butt for jokes. Many think that whatever degree of contentment and happiness they have achieved has come about independently of, or in spite of our political institutions rather than in large measure because of them.

These assumptions are tragically erroneous. The extent to which our lives are influenced by public institutions is difficult to exaggerate. Our education, our development, our ideas, goals, hopes, are all heavily influenced by a variety of public institutions. These institutions reflect the basic ideas of our people about God, about the nature of life, the destiny of mankind, the way that life should be lived.

Our public institutions determine whether our home is our refuge or a mere extension of the state; whether we live with our neigh-

bors comfortably as with friends, or fearfully as with spies; whether we raise our children according to our lights, or surrender them to the state; whether we are free to work out a private life of our own making, or have no private life, but only a public existence ordered to serve the all-consuming demands of the state.

If our public institutions reflect our religious, ethical, and social ideals, our personal growth can take place with a certain harmony. If they do not, we are at best dogged with doubt and confusion and, at worst, reduced to hopeless frustration and neurotic helplessness.

If there are no religious or ethical convictions reflected in public institutions, but only a ruthless program to exterminate them and replace them with false gods and distorted truth, then the purpose of human life is so frustrated, the goal of life is so obscured, that it is really dehumanized.

And so the uprooting of public order, the destruction of this system of free institutions and its replacement with an order which is totally alien would wholly destroy our mode of existence as we have known it. This is a death as real as physical death itself.

And as the public framework is pulled down, as the churches are destroyed, as our ideals are uprooted, as human knowledge of God and His revelation is blotted out, as all the moral refinements and elevations of human nature wrought by thousands of years of our Judaic-Christian heritage are eroded away, our descendants may be condemned to a death infinitely more final than physical death, for we leave to them a world without the instruction, the aids, the instruments of grace which are necessary to man's eternal salvation.

That is the argument that I would make to the neutralist intellectual. But I would make it with scant hope of success, for in many ways he is little better than the Communist.

He is the lukewarm, for whom Christ reserved perhaps the most severe condemnation of the New Testament.

Convinced that there are no moral absolutes, he can wholly commit himself to nothing and he finds nothing worth suffering greatly for or giving his life for. Convinced that there is no life beyond the grave, animal survival is to him the ultimate reality.

Fear blinds him to his own best interests; pettiness robs him of the magnanimous courage to risk all for the sake of posterity; pride compels him to cloak his fear and pettiness in the mantle of high, noble motives. All he can offer the civilization which has given him life and growth is the whimpering counsel of despair and abandonment.

Only history can tell how much of our intellectual community deserves this description. We may fervently hope the portion is small.

Any philosophy or political program which aims at the avoidance of death or destruction is foredoomed to failure.

Death, in the end, comes to all men and destruction comes upon all material things. In the century-old words of Cardinal Newman:

"The world passes, the lofty palace crumbles, the busy city is mute, the ships of Tarshish are sped away; death comes upon the heart and the flesh. The veil is breaking."

It is not the circumstance of death, but the moral quality of life that has eternal significance.

Let us help our countrymen to react to the risk of nuclear death not with a craven terror that prompts the betrayal of all we value in return for the wormlike existence of Communist slaves for ourselves and our descendants. Let us help them to regard

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death as the time of judgment, the time of entry into immortality.

Let our people live, and if need be die, in defense of our faith, our freedom and our country, confident that our individual destiny and the survival of our race is yet in the hands of Divine Providence, a Providence which, if we but act our part with courage and loyalty, may yet ordain for us and our children a full, natural life in a world in which the peace of a just political and moral order is extended to all peoples.

Padre Island National Seashore Area Project Support Continues To Grow; the Daily Texan and Corpus Christi Caller-Times Call for Action

EXTENSION OF REMARKS

OF

HON. RALPH W. YARBOROUGH

OF TEXAS

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17, 1960

Mr. YARBOROUGH. Mr. President, "the vast majority of Texans aware of the proposal ardently desire establishment of a National Seashore Recreation Area on Padre Island."

The words I have just read are not mine. These words are a direct quote from an editorial published in the May 8, 1960, edition of the Corpus Christi Caller-Times. The editorial goes on to urge the Congress for approval this session of the proposal to establish a great new national seashore recreation area on Padre Island, the longest and southernmost beach in the Nation.

The Daily Texan, in its panorama page of May 8, 1960, also published a full page of articles concerning Padre Island, and at one point listed those who are supporting the proposal. The panorama page prepared by students in the University of Texas journalism department under the direction of Prof. Bill Rivers did an outstanding job of presenting this project to their readers. I ask unanimous consent to have printed in the Appendix of the Record excerpts from the article by Mr. Bill McReynolds, from the Daily Texan of May 8, 1960, entitled "Padre Island, U.S. Longest Isle Seashore, May Become National Park."

I also ask unanimous consent to have printed in the Appendix of the Record the editorial from the May 8, 1960, issue of the Corpus Christi Caller-Times entitled "National Seashore."

There being no objection, the excerpts and editorial were ordered to be printed in the Record, as follows:

[From the Daily Texan, May 8, 1960]

PADRE ISLAND, UNITED STATES LONGEST ISLE SEASHORE, MAY BECOME NATIONAL PARK

"Here's one," exclaimed the little girl as she picked up another sand dollar on the vast Padre Island beach.

In mutual excitement, the brother treaded on her words. "Let's make nickels and pennies."

In their individualistic way, the two youngsters were underlining the capitalistic venture and size squabble that remain just about the only big hurdles left before Padre Island can become a national seashore.

Leading a puffing team for recognition of seashore designation is Texas junior Senator,

RALPH YARBOROUGH, who introduced legislation (January 9, 1958) into the U.S. Senate to save this "hem of the vast garment of Texas resources." Only slightly ahead of YARBOROUGH, perhaps, is the Texas Observer, a liberal newspaper which gave the seashore plan a dawning and constant support.

But the interest in Padre cannot be confined within a conditioned liberal boundary. Other national and local adherents of preserving this Texas island for public use have spoken:

1. The late Senator Richard Neuberger, of Oregon, champion of national conservation; Fred A. Seaton, Secretary of the Interior; Texas Gov. Price Daniel (in a lower Rio Grande Valley speech); and LYNDON B. JOHNSON, Texas senior U.S. Senator.

2. Via the editorial route, the New York Times lent its prestigious endorsement.

3. Public hearings, conducted in Corpus Christi on December 14, revealed overwhelming public support for the proposed seashore.

4. The U.S. Department of Interior's National Park Service has reported favorably. "Padre Island presents one of the last remaining opportunities for this Nation to preserve such a length of beach in its natural state. In future years, America's growing population will have few chances to experience and gain inspiration from a vast sweep of ocean shore unaltered by man."

Proposed size of the national seashore on Padre Island has become another stumbling block in the way of acceptance. Senator YARBOROUGH's imagination has been captured by the entire length of the 117-mile-long island, which stretches its slim size along most of the Texas southeast coast. He has said that he is "opposed to those who want to make a little honky-tonk beach in the middle * * *."

However, since the island already has commercial resort developments at each end, YARBOROUGH stands to lose out. The Park Service, itself, recommends only an 88-mile-long seashore label.

If Padre Island is to become a national seashore, speed is of the utmost importance. Regarding Cape Code, another proposed national seashore, for example, Senator Neuberger reported that a park there would cost about \$16 million for the land alone. "And I understand," he said, "that a few years ago, it would have cost \$5 million." The price for acquiring rights on Padre Island increases annually just as does the rising price on Cape Cod.

WHY SAVE IT?

Why, might be asked, is saving Padre Island for the people so important?

The National Park Service reasons: "To its people, this country has always symbolized bigness and spaciousness * * *. To preserve America's longest beach will provide not only an outstanding area for biological and geological study, but also a place where future generations of Americans can experience a wild spaciousness that is their heritage * * *."

What's more, Padre is what one might call an inviting beach because it occupies the same latitude as the south Florida coast; the average January temperature is 57 degrees (average July temperature, 83); and the prevailing winds are southerly and warm. A national seashore on Padre, then, would have year-round appeal.

As far as business interests are concerned, seashore designation would accent the vast tourist boom that is engulfing the whole nearby Corpus Christi area.

With its beautiful new "High Bridge" acting as a decisive magnet to the cult of construction, Corpus is turning thumbs down on the slum-happy character of North Beach, its ancient playground—ratty appearance is deserting this whole area.

Corpus is priming for a perpetual influx of the tourist dollar. Look what has happened to the primitive Cape Hatteras seashore in North Carolina. This area now

commands more than 350,000 tourists each year. Isn't it possible that Padre will do the same for Corpus and the other surrounding, smaller cities?

[From the Corpus Christi Caller-Times, May 8, 1960]

NATIONAL SEASHORE

The vast majority of Texans aware of the proposal ardently desire the establishment of a national seashore area on Padre Island. There are no insurmountable obstacles in the way of early achievement of this worthy project, and needless delay will not sit well with public opinion, especially in this area.

Secretary of the Interior Seaton has given the Eisenhower administration's blessing to a bill pending in the U.S. Senate specifically naming Padre Island as one of three seashore areas to be federally acquired for public recreation, wildlife conservation, and preservation of virgin natural beauty for posterity. The plan has been approved in principle by all Federal, State, and local officials whose agreement is essential to the accomplishment.

The problems of private property rights, mineral development, naval activities, and administrative jurisdictions remain to be finally negotiated. But the area of agreement has broadened on these matters to the point where satisfactory solution appears assured.

The main snag now is the difference between the National Park Service's recommendation that the wilderness park cover an 88-mile stretch of the island and the 56th Legislature's 50-mile limitation in its 1959 consent resolution. That difference surely can be amicably resolved, or compromised; the concern is that the settlement should not be unnecessarily delayed.

It has been suggested that Congress postpone authorization until the Texas Legislature can consider expanding or removing its 50-mile limitation, but that would waste valuable time. One sees no reason why Congress could not approve an "open end" authorization, and leave it to the Federal administration to negotiate the actual size with State authorities.

There is no doubt that the Federal park officials want to develop what is best for this area and this State, as well as for the national heritage. What the people of Texas, and particularly the gulf coast, should now insist upon is the fullest measure of cooperation from their State officials and representatives in Washington to carry this plan to a speedy and successful conclusion.

Federal Subsidies Inflate School Costs (H.R. 10128)

EXTENSION OF REMARKS

OF

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 17, 1960

Mr. FISHER. Mr. Speaker, in considering the question of Federal aid for education, we need to take a close, hard look at the facts. Is such Federal aid actually needed? Is it good business to send a tax dollar to Washington and get back a smaller dollar in the form of so-called Federal aid for school construction? Should we risk a degree of Federal control over education by undertaking a mammoth \$975 million grant and aid program for school construction?

On the question of need, the U.S. Office of Education states that the peak need for new classroom construction has

been passed, From that source it can also be assumed that the anticipated annual classroom construction rate, without Federal aid, will more than meet future requirements—even as estimated by the bill's proponents.

That same office, after a recent survey, reports that only 237 school districts in 45 States (embracing 35,000 districts) have exhausted all sources of borrowing for classroom construction. The total classroom need in these 237 "borrowed-up" districts was less than \$1,100; and 45 percent of the districts had fewer than 600 pupils enrolled.

It is also significant that almost 50 percent of all classrooms used in 1959 have been built since World War II.

Moreover, it is estimated that on a national average property values for school tax purposes are assessed at 30 percent of real values.

It would seem self-evident, therefore, that in the face of available information the facts do not support the need for this form of Federal aid as proposed.

Second, is it good business from a taxpayer's standpoint to send a tax dollar to Washington and get back only a portion of it, to help build classrooms? Or, on the other hand, would it not be better, from the taxpayer's standpoint, to retain that tax dollar at its source, avoid the shrinking effect of sending it to Washington and then back to its source, and be able to get the full benefit of that tax dollar in the construction of classrooms, and with no strings attached in the use that is made of it?

On this subject of costs, it is necessary for local interests to take into consideration section 8 of the pending bill, H.R. 10128, which provides:

Sec. 8. (a) The State educational agency of each State which receives funds under this Act shall give adequate assurance to the Commissioner that all laborers and mechanics employed by contractors or subcontractors in the performance of work on school construction projects financed in whole or in part under this Act will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Davis-Bacon Act.

A difficulty often encountered in the application of the Davis-Bacon Act is that wage rates set by the Secretary of Labor in a given community may reflect prevailing wages in a locality, but not those that prevail in a particular community.

Let me cite one example to illustrate that fact. Two schools were recently built simultaneously in Selma, Ala.—the Edgewood Grade School, upon which no Federal funds were used, and the New Knox Elementary School, upon which Federal funds were used.

Here are the wage rates applied to the two construction jobs:

[Per hour]		
Job category	Edgewood School (no Federal funds)	Knox School (Federal funds)
Common labor.....	\$0.78	\$1.15
Carpenter.....	1.75	2.25
Concrete finisher.....	1.75	2.85
Concrete mixer and traveling machine operator.....	1.50	2.75

It can be seen that the federally set wages ranged from 40 cents to \$1.25 more per hour than local wages for the same kind of work. It appears from this example that the wage rates set by the Secretary of Labor in that particular community were substantially higher than the prevailing wage that existed there, although it may have reflected the prevailing rates in a locality that perhaps included a metropolitan area.

I have pointed out that the tax dollar that is sent to Washington and comes back later in the form of Federal aid, is a smaller dollar when it returns to its place of origin. I do not know just how much of its true value is lost in this form of Federal aid. In the field of Federal aid for slum clearance, for example, it is said that some 2 1/2 cents of each dollar is consumed by the Federal overhead expense of making the dollar available and returned to its original source. And in the case of public housing, the brokerage fee paid to the Government on each tax dollar spent amounts to 39.9 cents.

Moreover, Mr. Speaker, I think most people agree with the warning so often given by the late Senator Robert Taft when he said: "Federal aid means Federal control. There is no middle ground."

A study of the history of Federal aid programs reveals that as a general rule such aid entails conditions and terms under which it is to be spent. We begin with it here by the application of the Davis-Bacon Act right at the inception, with Uncle Sam dictating to the local community how much they must pay the laborers who do the work, without regard to the local labor market and the wage rates that may actually prevail in a particular community.

It becomes evident, therefore, that if the taxpayers' money is to be sent to Washington, then returned for local use, it will come back with strings attached. That is one of the elements in the price that the people must pay if they choose to make use of Federal aid on local projects of this nature.

Therefore, while certain Federal aid programs have become accepted in this country, it would seem wise to take a close, hard look at the new ones that are proposed. Unless there are compelling reasons to justify such activities, it would seem the better part of wisdom to allow local communities which can do so to assume this responsibility on a local level, and keep Uncle Sam out of it.

Support by Mutual Savings Banks for the President's Position on Interest Rates

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Tuesday, May 17, 1960

Mr. KEATING. Mr. President, the Sunday, May 8 edition of the New York Herald Tribune contained a section

marking the 150th anniversary of the existence of mutual savings banks. Donald I. Rogers, the able and articulate business and financial editor of the Tribune, headed up the team of financial writers who contributed to this undertaking.

One of the articles included in this section and which is of special interest deals with the President's request that the interest rate ceiling on long-term Government bonds be removed. The writer of this particular article indicates that the Nation's savings banks and related thrift institutions favor the removal of the arbitrary and unrealistic 4 1/4 percent curb on the Treasury Department in the financing of the national debt.

I heartily agree with these sentiments and am hopeful that the legislative "log jam" on the interest rate issue will be cleared so that Congress can enact the much needed and widely supported request that the existing ceiling be removed.

Mr. President, I ask unanimous consent that the above referred to article from the New York Herald Tribune be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOUR-AND-ONE-FOURTH-PERCENT BOND CEILING STIFLES TREASURY

Congressional action to lift the 4 1/4-percent ceiling on long-term Treasury bonds could be a major factor in determining the flow of savings into the Nation's thrift institutions.

Although the Government expects to have a balanced budget in the current fiscal year and anticipates a surplus of \$4,200 million the following year, the Treasury still faces a major task in refinancing issues falling due.

The Government must refinance \$58 billion of maturing securities during 1960. How much of this can be placed in long-term bonds and how much must be placed in notes or bills will have a great influence in determining short-term rates in the next several months.

Under present market conditions it seems unlikely the Treasury can get much money in the capital market when it must labor under the 4 1/4-percent ceiling on long-term securities. Thus the Treasury could be forced into the short-term sector of the money market, a move that would tend to pressure up interest rates generally.

"At this point, it appears that bond-rate-ceiling legislation will not be enacted now in view of the recent sharp decline in yields on Government securities," says Kenneth G. Heisler, managing director, National League of Insured Savings Associations.

"However," he adds, "the picture could change without warning." Although he goes on to say, "A rise in the cost of money is not to be discounted this summer and fall, with the possibility that the Treasury may find itself back in the financial straitjacket which gripped it through much of 1959."

It was in 1959 when the Treasury was in the "financial straitjacket" described by Mr. Heisler, that the Government issued the "magic 5s"—notes returning 5 percent yield.

The results were anticipated, but perhaps not on the scale which actually took place. Depositors at savings banks and other thrift institutions withdrew funds in order to take advantage of the higher yields being offered by the Treasury bills.

Thus savings banks found themselves in direct competition with the U.S. Government in the matter of collecting savings of the general public. And it is entirely possible that such a thing could occur again, though