

1964

made by imaginative, resourceful people—dreamers if you like—who live on the frontiers of business and the professions.

The coal industry of today was made by the people who devised and introduced those giant continuous coal-cutting machines, those great shovels, draglines, augers, and all the marvelous handling equipment that are now available.

Imaginative and wise men will be able to preserve the peace, and, with the tools provided by the technological progress, maintain a high rate of economic activity which will redound to the benefit of all Americans and our friends abroad.

The Civil Rights Act and Negro Progress

EXTENSION OF REMARKS

OF
HON. VANCE HARTKE

OF INDIANA

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1964

MR. HARTKE. Mr. President, expressions relating to the acceptance of the Negro on an equal basis with the rest of the Nation will be voiced for many years. Few articles have encouraged the public to face the bad dream which had existed prior to the passage of the Civil Rights Act as does the editorial written in the Charlestown Courier, Charlestown, Ind., on July 9, 1964. In an editorial appropriately entitled "At the Crossroads," the editor, Jack Hester, realizes that the legislative action does not change a man's heart, but it does provide a framework for action that will no longer tolerate muddled thinking.

I ask unanimous consent that the editorial be printed in the Appendix of the RECORD.

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

AT THE CROSSROADS

Our Nation stands at the crossroads today. We have arbitrarily tried to avoid this moment for 100 years. But no more. Lincoln said it best, "How long can this Nation, or any nation, remain half slave, half free."

If we examine closely our intellects, our hearts, and search out truth from under the layers of bigotry, intolerance, and general cussedness, we realize all too well that this day had to come.

The Negro has been granted equal opportunity of education, job opportunities, and equal access to public accommodations.

When we stop to think about it, we wonder why this has been so long coming? Why has it taken us so long to accept the black man on equal footing, as a man of supreme worth in the eyes of God, as a man of dignity, and as an equal. It's almost like a bad dream that we are emerging from.

No one doubts the problems ahead. Legislative action does not change men's hearts, but it does provide a framework for action that will no longer tolerate the muddled thinking that has held sway for much too long.

Now we are forced to deal with it. We can no longer attempt to sweep it under the rug.

Have you ever stopped to wonder what the Negro must think of the white man after all these years of suppression and second-class citizenship. Recent newspaper accounts of the rising tide of Black Muslim-

ism indicate that many Negroes hate the white man's guts. We hate to admit it, but he has excellent reasons for his hatreds. One hundred years of almost no progress leave him with little to love the white man for. Yet we will expect him to be Christian and forgive us our many transgressions against his race.

The Negro is swiftly emerging from his days of darkness. He has seen a light shining across the valley of darkness and he hastens to warm himself beside the fires of self-enlightenment and liberty.

Partners of the Alliance for Progress

EXTENSION OF REMARKS

OF
HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 27, 1964

Mr. FASCELL. Mr. Speaker, it is a common misconception in the United States today that the Alliance for Progress is a program between the United States and the Latin American Governments. This misconception should be corrected, since the Alliance is designed as a partnership not only between the governments of the Western Hemisphere, but also between the peoples of the Western Hemisphere. The partners of the Alliance is a program under the Alliance for Progress which is designed to aid and promote participation of American citizens in aiding Latin American communities to help themselves. The partners of the Alliance program presents a challenge to those who are concerned about the dangers of communism in this hemisphere; the challenge is simply to help do something about it rather than being merely shocked and alarmed.

The Alliance for Progress is an alliance among the peoples of Latin America and the United States. The direct participation of the people of the United States with the people of the various Latin American countries is an essential element to the success of the Alliance for Progress. I have always supported a people-to-people approach to foreign aid, and I think that the partners of the Alliance is a wonderful example of the effectiveness of such an approach.

This program is not an "adoption" program in which a city or a state "adopts" a Latin American state or city. It is not a patronizing or handout approach, rather it is a partnership program that has as its base direct assistance to help people help themselves.

By participating in the partners of the Alliance, American citizens are constantly demonstrating to the peoples of Latin America the interest and concern of the American people for the welfare of their Latin American neighbors. The partners of the Alliance also give the people of Latin America a concrete example of the values and principles which have made this Nation the greatest nation in the history of the world.

James Boren, Special Assistant to the U.S. Coordinator for the Alliance for Progress, is the very able and energetic head of this program. He has toured

the country extensively informing private citizens of the role they can play and activating them to take part in the U.S. economic and ideological offensive. Mr. Boren is particularly qualified for his present position, because he has been active in political affairs and has worked for the State Department in the past. Mr. Boren also speaks Spanish fluently and has had extensive experience with the U.S. Government in Latin America. He has served as deputy director of both the U.S. operations mission and the AID office in Lima, Peru. He is well qualified to do a good job, and he is doing outstanding work.

At the present time Mr. Boren has arranged for the participation of private groups in 22 States. These citizens are not only learning more about the problems and the viewpoints of their southern neighbors, they are also providing direct economic assistance to Latin Americans who have demonstrated an interest in self-help. Such a person-to-person approach has made Latin Americans aware of the fact that the United States is a nation of concerned and active individuals.

The following article explains the operations of the partners of the Alliance and illustrates how the people of the United States can aid in the winning of the cold war:

TWENTY-TWO STATES BECOME PARTNERS OF THE ALLIANCE

The new "partners of the Alliance" program uniting U.S. public and private resources with the immediate needs of Latin countries is rapidly picking up speed—and a good deal of interest.

James Boren, Special Assistant to the U.S. Coordinator for the Alliance, and head of the Washington office for the program, says he has had responses from 22 States during the past 5 months, and even a few personal contributions—such as a check covering cost of roofing material for a school in northern Peru, and a generator for a village in Conchayllo, Peru.

Many of U.S. groups are on the verge of setting up full-fledged Alliance for Progress committees, and several are already actively engaged in projects. One in particular moved so fast that it had financed a plan less than a week after the Alliance committee was formed.

Spearheaded by John Chapman, the new Idaho Alliance Committee was formed February 3. A few days later, the Boise Junior Chamber of Commerce undertook one of the suggested projects to assist the Hogar Indigena, an orphanage near Conocoto, Ecuador. The Jaycees' first project was financing four pedal-type sewing machines and a typewriter. Now the local committee is working on sending agricultural and auto mechanic tools.

Another phase of the Idaho-Ecuador alliance is assisting the people of Esmeraldas, a north coast city, to obtain two U.S. sanitation collection trucks. For their part, the people of Esmeraldas have collected \$6,000 to finance the trucks. The U.S. Banana Supply Co. of Miami, Fla., has agreed to provide transportation to Ecuador. The Idahoans are agreeing on financing the intra-U.S. transportation and additional needed costs.

Pensacola, Fla., is the U.S. source of a self-help program in Peru. Capt. H. B. Grow, U.S. Navy, retired, heads a people-to-people council in Pensacola which just sent off the final installment of \$20,000 collected to equip a medical center and help build a sports area for youth activities outside Chimbote, Peru—a seacoast city, whose pop-

ulation rose from 10,000 to 120,000 in 10 years.

The medical center was constructed with materials provided by AID, Peruvian volunteer labor, staffed with a Peace Corps nurse and another volunteer and equipped by the Pensacola Council—\$10,000 worth. The center which last summer halted a polio epidemic by issuing Salk vaccine, and which treats 35 to 40 patients daily, is named "El Milagro de Pensacola"—The Miracle of Pensacola. A leader in a nearby *barriada* flies the U.S. flag, a symbol of his gratitude and friendship.

Now the Pensacola group is assisting with recreation facilities for children whose entire lives could be spent minus clean, fresh air and healthy surroundings. The wife of the Chimbote mayor, Mrs. Jose Sarmento, raised \$2,000 which built and equipped playgrounds in each of the five *barriadas*. She also organized a women's group "Angels of Mercy" whose monthly dues pay for special medical cases. A Chimbote citizen donated land for the recreation center; International Petroleum Co. was asked to build a tennis court; Sears of Peru agreed to buy uniforms for a soccer team, and the Chimbote Lions Club has donated a basketball court. In the United States, Captain Grow's wife organized a thrift center—a citywide project to provide funds for the Peru program.

Three States are moving into action this month:

Utah's new Alliance Committee is sending a team of four citizens including Roy Derrick, president of Western Steel and chairman of the Board of Regents for the University of Utah and Daryl Chase, president of Utah State University, are going to Bolivia for 3 weeks to meet with AID and private sector leaders to exchange notes on possible development programs.

Southern Nevada's planning committee was formed early this month with the help of Las Vegas civic leader Mrs. Eunice (William) Kellett, and students at the University of Nevada have indicated an interest in forming a committee.

Texas has also responded, with citizens of several cities forming a committee in Austin with the collaboration of Glenn Garrett, executive secretary of the Texas Good Neighbor Commission, a State office. A statewide convention of Pan American Student Forum Clubs is scheduled for March 20. The Texas residents are interested in assisting projects in Peru.

Two other programs, Oakland County, Mich., and Cauca Valley, Colombia; and California-Chile, were the first to be coordinated with Boren's office in Washington, and were reported in the December 15 issue of *Front Lines*.

Doctors in Indiana are interested in expanding their "Holidays for Humanity" program, similar to the Coral Gables, Fla., group which sends vacationing doctors (mainly dentists) to work with Latin American clinics at their own expense.

Ohio is interested in Brazil; and information between Ohio and the State of Parana describing the entire socioeconomic and geographic complex of each is being exchanged. An Arizona group is meeting this month to discuss a project for El Salvador; Illinois is eyeing work in Brazil; Oregon school districts are looking toward Central America; New Mexico is exploring a project with an area of Colombia; Alabama may try for statewide help for Guatemala; Massachusetts may have interest in Colombia; Minnesota already has a people-to-people project with Chile; Kentucky is exploring possible partnership work with a Latin country; and a northern Virginia group is interested in lending a hand.

And the enthusiasm is growing. Boren reports that on his way to work in the District early this month, his car was flagged down by a group of Mt. Vernon High School

students who wanted to report that they were organizing a week of fund-raising activities in early April to help the Rural Institute of Education in a community of Huara, north of Lima, Peru.

The Peruvian Institute is made up of rural students who formed their own cooperative and need seed stock.

Purpose of these activities is to "buy time," says Boren—"time to carry out the longer range, more impersonal Alliance programs; and to let the people of Latin America know that their North American neighbors will stand behind their efforts of self-development."

Tying the U.S. resources to needs identified by AID also gives North Americans a chance to know and to become personally involved in Latin American development programs.

Effect of the Tax Cut

EXTENSION OF REMARKS OF HON. OLIN D. JOHNSTON

OF SOUTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, July 27, 1964

Mr. JOHNSTON. Mr. President, when the tax bill of 1964, H.R. 8363, was being considered by the Senate, I expressed the conviction that the economy of the Nation would be stimulated by a tax cut. Now that the tax cut has been in effect for 5 months, it is apparent that my view was correct.

An article published in the *Washington Post* of Sunday, July 26, 1964, points out that the tax cut has indeed had a salutary effect on the Nation's economy. The article, entitled "Report on Great Tax Cut," notes that business investment spending, as well as consumer spending, has been stimulated, more people have work, earnings are up, and profits continue to rise.

I ask unanimous consent that the article be printed in the Appendix of the RECORD.

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

REPORT ON GREAT TAX CUT—IT'S STILL EARLY BUT ECONOMIC VERDICT PROVES VERY FAVORABLE

(By Paul A. Samuelson)

Five months have passed since the great tax cut took place. What have been the results? Has that hotly debated measure performed miracles for the economy? Or has it been a failure and something of an anticlimax?

While it is too soon to give a definitive answer to so complicated a question, we have had enough experience this spring and summer to give a tentative jury verdict.

The economic verdict is a very favorable one. The tax cut is working out just about as favorably as the experts had hoped for. Indeed I would say that we have even been a little bit on the lucky side.

Not only has prosperity for 1964 and 1965 been helped by this important measure. In addition, the stock of knowledge about what any modern mixed economy can do to improve its stability and growth has been enriched by recent experience. At some future date, historians will feel grateful to the memory of Presidents Kennedy and Johnson, and to congressional leaders, for venturing upon what was after all something of an ex-

periment in American fiscal policy—namely, deliberately undertaking budget deficits in the interest of sustained growth with price stability.

When the tax cut first went into effect in March, there were two opposing schools of thought. Both were foolish.

One held that the cut would give the economy a shot in the arm that would cure all its ills. Like the nostrums of the traveling medicine men, which cure everything from boils to dandruff, a massive reduction in taxes was expected to add to consumer purchasing power, create jobs, expand production, and bring us in short time to a condition of permanent full employment.

The pessimistic view was equally extreme. It claimed that the tax savings would have a zero or negligible effect on people's spending. "What difference does a few dollars per week make to anyone? Besides, people will use the money to pay back on their debts." So went the arguments.

Actually, the Kennedy-Johnson tax cut was across the board, helping corporations as well as individuals and families. The top corporate tax rate dropped from 52 percent to 50 percent, with another drop in the offing. The investment tax credit, which rewards businessmen for any investments they make and therefore effectively increases the profit from new investment, was also increased. Finally, the Treasury has begun to be more generous in allowing business firms to take faster depreciation.

To the pessimists all this was expected to be of little avail. "Business already is flush with cash. If they won't invest now, why should a greater cash flow motivate them. Besides, there is excess capacity in many lines. With investment weak, it will not respond favorably to public stimulus."

Well, let us turn to the facts. There is considerable evidence that families have, since March, been spending their tax savings about as earlier statistics had suggested they would. The rise in people's disposable incomes has been well matched by the upswing in their purchases of clothing, cars, and personal services. Only a normal amount has piled up in their savings accounts or been used to repay debts. (Since it takes time for people to adjust their living standards to newly raised income levels, it is normal for them to spend as little as half of their most recent increases in take-home pay on consumption.)

All this is reflected in good retail sales. We continue to break records every year, which is par for the course in a growing economy.

As every new survey shows, businessmen are definitely stepping up their investments in plant and equipment. After many years of soft business, the machine trades are having lively sales. Even decaying industries, like the railroads, have been purchasing new rolling equipment.

Thus, it would appear that the tax cut has had a favorable stimulus on business investment spending as well as on consumer spending. And in economics, 2 and 2 makes more than 4. Good cash register sales to consumers will naturally make businessmen want to buy new equipment and to build new plants. At the same time; building the new plants and producing the new equipment has helped to reduce unemployment and to add to wage earners' spendable income.

Hence, one of those delightful virtuous circles of expansion is currently going on. All of us are the beneficiaries. More people have work. Real earnings are up. Profits continue to rise, as Wall Street keeps noticing.

If the tax cut is working out so well, why don't more people know about it? I think the answer to this must be found in the quaint expectation many people had that somehow the day after the tax bill was signed