matter. I think the administration would readily accept a 3-year extension of the law, if it provides for sound programming and better administration.

HOUSING ACT OF 1959—VETO MESSAGE (S. DOC. NO. 52)

Mr. JOHNSON of Texas. Mr. President, I yield.

Mr. HUMPHREY. I yield.

Mr. JOHNSON of Texas. Will it suit the convenience of the Senator from Minnesota if I have the housing veto message read and then have an hour of debate on it, and then vote to override the veto?

Mr. HUMPHREY, if I hear correctly, a veto message on the housing bill has been received. I may say to the majority leader it would not only suit my convenience, but I wish to join in the denunciation of such a veto.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the housing veto message be read, and that following its reading the time for debate be equally divided to be controlled by the Senator from Illinois (Mr. Dirksen) and the Senator from Alabama (Mr. Sparkman) to the extent of 1 hour.

The PRESIDING OFFICER (Mr. Proxmire in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk read the roll, and the following Senators answered to their names:

Aiken
Alfalfa
Anderson
Barrett
Beall
Benbough
Bible
Bones
Bush
Butler
Byrd, Va.
Byrd, W. Va.
Capon
Carey
Carson
Carroll
Case, N. J.
Chavez
Chafee
Clark
Cooper
Coutou
Curtis
Dinkins
Dodd
Dodd, W. Va.
Downs
Eastland
Eldender
Engle
Ervin
Fong
Frazar

The PRESIDING OFFICER (Mr. Proxmire in the chair). A quorum is present. The clerk will read the veto message from the President of the United States.

The legislative clerk read as follows:

To the Senate of the United States:

I return herewith, without my approval, S. 2539, "an act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes."

On July 7, I returned an earlier housing bill, S. 57, to the Senate and set forth in an accompanying message of disapproval many of that bill's objectionable features. Although some of these features have been removed in S. 2539, and some partially corrected, in its most important provisions S. 2539 represents little overall improvement over S. 57. In one respect—the setting of an expiration date next fall on the new loan insurance programs—this Administration, with potentially serious disruptive effects on the building industry—S. 2539 is worse than the earlier housing bill.

Clearly this bill, like its predecessor, goes too far. It calls for the spending of more than 1 1/2 billion dollars for housing and related programs over and above the vast expenditures to which the Administration is already committed for these purposes. The history of the bill indicates that the Congress intends it to be a 1-year bill. So regarded, S. 2539 calls for Federal spending at about the same rate as that provided for by S. 57—a rate far in excess of my recommendations to the Congress.

At a time when critical national needs heavily burden Federal finances, this bill would start two new programs, certain to cost huge sums in the future, under which taxpayers' money would be loaned, at subsidized interest rates, for purposes that would be better met by other methods.

One of the new programs would have the Federal Government make direct loans to colleges for classrooms and related facilities and equipment by methods that would tend to displace the investment of private funds in these projects. This is Federal aid to education in a highly objectionable form.

The other new program would have the Federal Government make direct loans for housing for elderly persons despite the fact that a program is already in operation and working well, at no cost to the taxpayer, and under which private loans for this same purpose are guaranteed by the Federal Government.

Among its other objectionable features, this bill would authorize 37,000 new units of public housing while many thousands of previously authorized units have not been completed or occupied. These, too, would be subsidized, on a basis that would cost the taxpayer many hundreds of millions of dollars over the next 40 years. The bill would also authorize $650 million of Federal grants to cities for urban renewal projects. This sum considerably exceeds the first-year amount recommended by the administration for these purposes.

This is not the kind of housing legislation that is needed at this time. It does not help the housing industry for the Federal Government to adopt methods that in these times would increase inflationary pressures in our economy and thereby discourage the thrift on which home financing is heavily dependent.

Nor does it make sense to purport to assist any group of citizens, least of all elderly persons living on fixed retirement incomes, by legislation that tends flagrantly to increase the cost of living.

There is still time for the Congress to enact a sound housing bill, and I once again urge that it do so. These things can be and ought to be done: (1) remove the ceiling on FHA mortgage insurance authority; (2) extend the FHA program for insurance of property improvement loans; (3) enact reasonable authorizations for urban renewal, for which the housing loans and adjust the interest rate on the latter; (4) extend the voluntary home mortgage credit program; and (5) adjust the statutory interest rate ceilings governing mortgages insured under FHA's regular rental and cooperative housing programs.

Dwight D. Eisenhower.


The Senate proceeded to reconsider the bill (S. 2539), to extend and amend laws relating to the provision and improvement of housing and of urban communities, and for other purposes.

The PRESIDING OFFICER. The question is, Shall the bill pass, the objection of the President of the United States to the contrary notwithstanding?

Under the unanimous-consent agreement 1 hour is allotted on the veto message, to be equally divided.

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Alabama [Mr. Sparkman].

Mr. SPARKMAN. Mr. President, I suppose it is needless for me to say that I regret exceedingly to see this action taken by the President of the United States. I do not question his right to exercise the veto power, but I do believe that it was wrongfully done in this case, and I wish very briefly to point out some of the statements in the veto message which do not give a clear picture of the situation.

In the first place, the President says that the bill calls for spending of more than $1 1/2 billion. That statement needs considerable explanation, much more than I can give in the time I have at my disposal. However, that figure includes all the public housing over the next 40 years. It includes urban renewal, for which the money will be spent over a period of 15 or 20 years. It includes all the loans that will be advanced under various programs and paid back with a profitmaking rate of interest to the Government of the United States.

The President refers to the college construction which provisions are clearly objectionable, and says that it is Federal aid to education in a highly objectionable form.

We might have an explanation to why this objectionable legislation is not so far as the amount is concerned, use his own program calls for $500 million in grants to private colleges, whereas the bill calls for loans to both tax-supported and private colleges, in the amount of $50 million, to be paid back at a rate of interest which actually would make money for the Government of the United States.