should Implement the recommendations of the Cabinet Committee. This interim report, in my judgment, is an important measure toward providing a better understanding of the economic facts of life by all of our citizens.

**CIVIL DEFENSE**

Mr. JAVITS. Mr. President, is the Senate still in the morning hour? The PRESIDING OFFICER. The Senate is still in the morning hour.

Mr. JAVITS. Mr. President, the Governor of my State has been responsible for the issuance of a report this morning on the civil defense posture of the United States. He has given real and needed leadership at a point where our national defenses are the weakest—civil survival in case of a nuclear war.

An effective civil defense program, as proposed by the Governor, is indispensable to our security, and provides a vital element in the national determination in the event of a nuclear war. The New York civil survival program will give leadership to the Nation in an area where plans, revised plans, and reorganized plans have too long been the hallmark. Should legislation at the national level be required to enable States to pursue this initiative, I shall be prepared to propose such legislation.

At a time when negotiations with the Soviet Union, between the Foreign Ministers—and perhaps at the summit—on the most urgent questions of peace and war, are pending, and while the issue of the inspection, testing, and control of nuclear arms remains in balance at Geneva, it is important to make clear that the American people will not be intimidated by threats, but are determined to pursue a path which seeks peace through justice and honest agreement. We, as a Nation, will not knock our will to resist our aggressor.

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 proceeded to call the roll. Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered.

**HOUSING ACT OF 1959—VETO MESSAGE** (S. DOC. NO. 34)

Mr. JOHNSON of Texas. Mr. President, I am informed that the President of the United States has sent to the Senate a message. I ask that the message be laid before the Senate and read.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. The Senate still operating in the morning hour?

The PRESIDING OFFICER. The morning hour is still in progress.

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table and to be printed:

To the Senate of the United States:

I am returning herewith, without my approval, S. 57, "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."

For many months I have been looking forward to approving a sound and constructive housing bill which is now before the Congress. The bill is one which is designed to stimulate the production of housing units on a sounder, more stable basis, to promote an orderly allocation of the resources of the Nation, to help the young married couple to become established in an independent home, and thereby bring about the realization of one of the great objectives of our national policy.

I am pleased to say that the provisions of this bill are in line with, and supplement, the measures that have already been enacted by Congress. The Administration has given its fullest cooperation to those measures, and I am confident that the housing program will be successfully carried into effect.

I believe that the housing bill is a vital part of our national policy. It is a measure of the strength of our Nation and a test of the farsightedness of its leaders. It is a test of the extent to which we are willing to devote our resources and our energies to the task of providing decent and fit homes for our people.

I am proud to say that the Administration has been successful in its efforts to obtain the passage of a comprehensive housing bill. The bill provides for the establishment of a National Housing Agency, which will have the power to make loans to States, cities, and counties for the construction of low-rent housing projects. It also provides for the establishment of a Federal Housing Administration, which will have the power to make loans to individuals for the purchase of homes.

I believe that the housing bill is a sound measure, and I hope that it will be approved by the Congress. I am confident that it will be an important step toward the realization of the President's program of constructive national policy.
would drive private credit from areas where it is urgently needed.

The requirement that the Federal National Mortgage Association buy mortgages at par under its special assistance program, regardless of the price that these mortgages command in the open market, would have this effect. So also would the provision of the bill limiting the fees that FNMA may charge when purchasing mortgages.

The provision authorizing college housing and college classroom loans at subsidized interest rates, additional Federal purchases of cooperative housing mortgages and a new program of short-term loans by the Federal Housing Administration on the security of mortgages would similarly substitute public for private financing.

Fourth, the bill places needless limitations on the FHA program and contains provisions that would impair FHA’s soundness. Instead of removing the wholly unnecessary limit on the amount of mortgage insurance authorized by the Federal Housing Administration, the bill would continue these important programs on an uncertain, hand-to-mouth basis.

Third, lower downpayments and longer maturities the bill would introduce underwriting provisions of questionable soundness into a number of FHA’s loan insurance programs. Figure the bill contains provisions which are discriminatory and unfair. The way the bill is written a few large cities, by making early application, could tie up all the funds available under the urban renewal project. S. 57 would extend these credits retroactively to include such improvements made by cities up to 5 years before commencement of the project. As it is, the local cash contribution has averaged only about 14 percent of the cost of acquiring and preparing a project site for development. S. 57 would reduce such contributions even further.

In view of these defects, I have withheld my approval from this bill.

There remains, however, a need for the enactment in this session of the Congress of legislation, such as I recommended last January, which will carry forward our important housing programs on a sound basis:

1. The insurance authority of the Federal Housing Administration, which does not charge the cost of Federal funds and does not cost the taxpayer a cent, is nearly exhausted. Additional mortgage insurance authority should be granted by eliminating the ceiling on this authority.

2. The Federal Housing Administration program for insurance of property improvement loans, which expires September 30, 1959, should be extended at least through this fiscal year.

3. The Federal Housing Administration program for insurance of Capehart military housing loans expired on June 30, 1959, and should be extended for 1 year.

4. The voluntary home mortgage credit program, which expires July 31, 1959, should also be continued.

5. Authorizations for urban renewal grants should be replenished, the local share of the costs should be increased, and the college housing program proposed in the budget message should be enacted.

6. The statutory interest rate ceilings governing mortgages insured under the Federal Housing Administration’s regular rental housing and cooperative housing programs should be increased.

Legislation along these lines will help make private housing funds available for investment in housing and related construction, will promote the effective use of the resources of State and local governments in housing and urban renewal activities, and will allow the Federal Government to play its part in a truly constructive and noninflationary manner. This is the way to provide more and better housing for the American people.

Dwight D. Eisenhower.


Mr. JAVITS. Mr. President, I have just heard read the President’s veto message on the housing bill. I regret very much that the President vetoed the bill. I was one of the members of my party who urged the President to sign the bill. I hoped he would sign it, because I consider the bill reasonable in its provisions, although he was not, exactly meet the administration’s point of view. However, that is the essence of legislation, namely, that ultimately there must be a compromise as between the views of Congress and the views of the Executive.

But I believe the bill went a long way toward trying to meet the administration’s point of view, consistent with meeting a good many housing problems which occur in the country.

The veto message recognizes that housing is a practically indispensable basis for the prosperity of the country; and that, indeed, our recovery, which has been so marked from the recession which we experienced in 1958, has been heavily featured by the development of more housing starts and by a rather bright picture of consumption of housing.

However, Mr. President, I believe we would be suffering from an illusion if we were to assume that because housing construction was stimulated without a housing bill in 1958, that would continue to be the case if we had no housing bill in 1959. I point out, for example, as the President recognizes in his veto message—that the FHA is for all practical purposes about $2 billion in the red at this time, through the issuance of what are not technically legal commitments, but are so-called early commitments which are designed to encourage the continuation of housing construction, even though the till may be dry, in terms of the authority of the FHA to insure mortgages.

Mr. President, as to the feeling that this particular housing bill was excessive or that it was inflationary, I must respectfully disagree with those who advised along that line. I believe that housing builds into the country fundamental and permanent values. In my judgment, inflation is the expenditure of money which does not add to the aggregate productive asset value of the country. For instance, in a business, when one makes a capital improvement, he has added to his assets, although he has not added to his book values. But I do not believe that expenditures to add to the stock of housing, thereby adding to the country’s assets, can be put into that category.

This bill was based upon the guaranty concept with which we have been so familiar in dealing thus far with housing.

The bill also was premised upon the indispensable need for the renewal of our cities. I consider one of the saddest things about being go forward with a new approach to housing, because the housing bill has been vetoed, is the fact that the veto will stop in its tracks the progress which must be made in the urban renewal program.

A very distinguished citizen of my State who is in charge of urban renewal there has called urban renewal a dead duck. I do not agree at all. On the contrary, I agree with the chairman of the New York City Planning Commission, James Felt, who believes that urban renewal is very important for the benefit of the city and has a great future. The Federal Government will continue to hold up its end.

I do not believe the urban renewal provisions of the vetoed bill were excessive, certainly not as compared to the need or as compared to what the administration had requested, although the administration had requested less.

I also note in the veto message that no recommendation for new legislation on public housing is included. I believe such provisions must be included in the bill that is enacted. I believe that a balanced housing program which includes provisions for urban renewal and other types of housing must also show some concern for the lowest income groups. Some fundamental basis of public housing is necessary in order to make all of these various projects viable. That particularly is a very elementary basis of displacement from urban renewal sites of the lowest income groups.

There is at least some assurance that some of them will have decent and sanitary housing in the public housing projects. For example, in my home State of New York and in my home city of