



Senate Republican Memo

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FROM THE STAFF OF SENATE REPUBLICAN POLICY COMMITTEE

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U. S. MILITARY DEATHS SINCE 1961 RISE TO 304 IN SOUTH VIET NAM

Five more Americans were killed in the Viet Nam war October 24 when a U. S. transport plane was shot down. Another American soldier was killed in ground combat October 26. These deaths brought to 304 the number of Americans killed in South Viet Nam since 1961 -- 213 in combat.

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SURE CURE FOR SWOLLEN EGO: VOTE REPUBLICAN!

"Nation Has 1 Choice: Me, Lyndon Says" -- headline from page 1, the Chicago Tribune, October 25, for a story from Chattanooga, Tenn., quoting President Johnson campaigning in speech after speech with these words: "There will be only one choice...."

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TAMMANY HALL HAD NOTHING ON DEMO TRICKS IN OKLAHOMA

While Republican Senatorial Nominee Bud Wilkinson toured the State of Oklahoma to discuss issues, the supporters of his opponent apparently had to resort to any means to keep the voters away from the Republican. The Wall Street Journal reported October 26 about the case of a recent Wilkinson-for-Senator barbecue. Few people were arriving at the affair, the paper said, and upon investigation it was found "the local sheriff, a Democrat, had put a barrier across the road leading to the barbecue site and was charging Wilkinson backers \$1 a car to go through."

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ZAMBIA BECOMES 36TH AFRICAN NATION; 150TH IN WORLD

Northern Rhodesia became the Republic of Zambia last weekend -- Africa's 36th independent state and, according to the Legislative Reference Service of the Library of Congress, the world's 150th country or state which is either independent or has some form of self-rule. Zambia is in an area where \$38.2 million of U. S. funds were either loaned, granted, or spent under fiscal year 1963 foreign aid programs, particularly the one known as the "Deficiency and Basic Materials Development Program."

Zambia celebrated her independence with some fancy spending herself -- \$14,000 for fireworks.

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11.5 million new jobs needed in 60's

PUBLIC SPENDING AND JOB CREATION

The Bureau of Labor Statistics has reported in its bulletin, Manpower: Challenge of the 1960's, that 26 million young workers are expected to enter the labor market in these so-called Soaring Sixties. In a revised labor force projection, the Bureau of Labor Statistics expects that a net gain of 11.5 million jobs will be needed during the rest of the decade or, more accurately, from 1964 through 1970 -- after allowing for retirements, deaths, marriages, and other reductions in the labor force.

Need For New Capital

Latest figures available for the cost of new job creation are for 1961. As a result they understate present investment needs because they are based on original costs; that is, on preinflated or only partly inflated costs. Here, in round figures, are the reported amounts of capital invested per production worker in representative industries:

Paper and allied products . . .	\$20,000
Primary metals	28,000
Fabricated metals products . .	14,000
Chemicals	42,000

Thus, if a conservative average capital cost of \$18,000 for each new job -- industrial and commercial, blue-collar and white-collar -- is estimated, it follows that, for our economy to sustain employment and pay scales, an investment is required in the magnitude of \$207 billion in the 6-year period from this year through 1970 -- or an average of \$34 billion a year over and above capital replacement needs.

Can the Government "create" these jobs?

Nothing Productive About Redistributing the Existing Pie

Robert C. Tyson, United States Steel Corporation, notes "government, after all, is not a producer; it is a consumer, and, in this day of the welfare state, a transfer agent -- a mighty manipulator of what is euphemistically called transfer payments.

"These payments constitute a redistribution of wealth, of past production. Also, the payments have interesting side effects, although many people presume the effects on present and future production are of little moment!

"I, for one, won't buy this presumption. For one thing, there is nothing productive, formative or creative about redistributing the existing pie. For another, redistribution does not create incentives; instead it spins off disincentives -- to those who receive and to those from whom it is taken away -- to produce a bigger pie."

Jobs Through Economic Growth

"The need for economic growth and for jobs for the army of 'war babies' now entering the labor markets," says Mr. Tyson, "will only be satisfied by the growth of viable profitable industries. There can be no economic growth -- no effective war on poverty -- for any locality, state, or country without the prospect of profit, without greater private capital investment,

"Again, every locality and area is in competition for investment funds, and every investor seeks to maximize his return and minimize his risk. In this competition, the investor is the umpire, the final arbiter. He will seek out the superior climate for investment, the superior climate for profit. He has little choice."

In this election year of 1964, pollster Samuel Lubell's words of 1952 (in his book, "The Future of American Politics") become especially pertinent. He wrote:

"The expansion of government to its present scale has politicalized virtually all economic life. The wages being paid most workers today are political wages, reflecting political pressures rather than anything that might be considered the normal working of supply and demand. The prices farmers receive are political prices. The profits business is earning are political profits. The savings people hold have become political savings, since their real value is subject to abrupt depreciation by political decisions." (Emphasis added.)

To whom, then, will the "Great Society" defer in its search for fruit? To the individual? To the State? The conclusion, unfortunately, appears foregone.

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SENATOR PROUTY AND SENATOR AIKEN HIT USE OF POLITICS IN REA

Senator Winston L. Prouty (R., Vt.) October 22 charged "sordid attempts are being made by overly ambitious men to drag the good name of REA into the arena of shabby politics."

Senator Prouty's accusation was contained in material in the Congressional Record (p. A5488). The material included a speech to the Vermont Electric Cooperative, Inc., by Senator George D. Aiken (R., Vt.).

"Even the most valiant fighters for REA," said Senator Prouty, "are being characterized as enemies of rural electrification."

In his speech Senator Aiken explained how this came about. He cited as prime example a Senate floor fight during debate on the tax reduction bill in February of this year.

The provision involved public utility companies and, Senator Aiken said, it prohibited the "flow-through of benefits" gained by the utilities to their consumers, particularly REA co-ops and municipal power plants. He and Senator Prouty were in the van in the fight to knock out this provision but the effort was defeated 43 to 48.

Senator Aiken added:

"Senator Prouty and I both voted against it and we were defeated. The provision in the act which blocked the flow-through of benefits from the utility companies to the consumers was supported by Senator Long of Louisiana. You can imagine my surprise when I found that the NRECA was sending out ratings of Members of Congress to the members of cooperatives all over the country showing Senator Long had three times as good a rating as I did. In fact, they reported that I voted against the rural electric cooperatives 28 times and for them only 34 times over a period of years. I have been waiting patiently for a retraction or an explanation of that rating. It is not only false to me, but it is false to other people, too, and I advise you not to pay any attention to it because it is rigged and, to the best of my knowledge, I have not voted against REA or worked against them in any way since I have been down there and I am naturally quite resentful that this report should have been sent out to all the REA members all over the country. I think the explanation is that in making up the voting record, a lot of issues were included which we might call ideological questions which had little to do with the work (basic or original) of the rural electric cooperatives themselves.

"So I am giving you the facts on this. I want to say that I have lost quite a lot of my respect for the national organization and its general manager. I do not take directions from this national organization which apparently has too many other interests...."

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U. S. INFORMATION OFFICE IN BOLIVIA ATTACKED: U. S. FLAG BURNED

Another United States Government office in a foreign nation was attacked October 27. In Santa Cruz, Bolivia, rioting students invaded the United States Information Service offices and burned the American flag. Students said they wanted Americans to get out of the country. Since the Democrat Administration began in 1961, the United States has suffered a series of attacks, including bombings, on Embassy and consular offices in a score of countries and U. S. flags have been burned in at least four countries.

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"SPY-IN-THE-SKY" FARM PROGRAM CATCHES SOME HAY CUTTING

Not along ago it was revealed that the Johnson Administration's Agriculture Department decided to spy from airplanes on farmers participating in the Federal farm support program -- to make sure farmers would hew to the letter of their "acres-and-dollars" agreements. The program was quickly dubbed the USDA U-2 program. It was carried out by a special Department division. Aerial photos were usually taken at almost 14,000 feet. Specialists then made accurate acreage measurements of land in the soil bank program. About 80 percent of U. S. farmland came under the "spy-in-the-sky" program. Last week The Sun, Baltimore, Md., obtained the pictures of the vast Baltimore County farm area. Thousands of dollars were spent by the Administration to photograph the thousands of acres of farmland in the area.

The result as revealed by The Sun: one farmer had planted about an extra 1.2 acres of corn and one other farmer had cut and removed hay from a field in the soil bank plan.

Secretary of Agriculture Orville L. Freeman was reported very angry.

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"THERE ARE THOSE WHO LOVE US" -- FOR IDEAS

A hard-headed empiricist asked us why the Republican National Committee should spend time, energy, and money in maintaining contact with the American academic community, which is a very small percentage of the voting population. Mindful of the opinions of Daniel Webster, we replied, "we are a small vote, but there are those who love us."

Next day, we read the announcement that a great rally of "Scientists and Engineers for Johnson" was to be held on October 11th, in the Washington coliseum. Hubert Humphrey would deliver a speech; but the attraction depended on to gather in the jaded -- but faithful -- technicians, was a list of entertainers headed by Carol Channing.

Gentlemen may prefer blondes, but we are convinced that the allegiance of intellectuals can be won only through the appeal of ideas. -- From "Republican Report," October 1964, published by Arts and Sciences Division.

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"POLITICAL DADDYISM" CITED AS PRESIDENT'S CREED

Republican Presidential Nominee Barry Goldwater told the American people October 26 he was fighting against President Johnson's creed of "political daddyism." He pointed out that the difference between him and Mr. Johnson was that the Republican nominee believed America could grow best with free enterprise and individual liberty while the Democrat nominee believed in expanding the power of the Federal Government.

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U. S. EMBASSY IN SUDAN DAMAGED IN RIOT

The American Embassy in Khartoum, Sudan, was damaged during a riot by hundreds of students who attempted to burn the building down. Reinforced Sudan police and army patrols were called out to protect U. S. citizens. In the meantime, the Sudan Government was experiencing a serious political crisis.

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INTEGRITY IS BASIC ISSUE IN CAMPAIGN, NEWSPAPER POINTS OUT

The Christian Science Monitor raises a number of questions about the political campaign. In an editorial of October 17 entitled "The Issue of Integrity," the newspaper commented:

"Nothing can be more important in the selection of an American President than basic integrity. Other qualities are also necessary in a chief executive -- good judgment, political skill, common sense, rational and thoughtful program, ability to seek and take good advice, selection of able subordinates, and so on -- but integrity is indispensable.

"Already, before the Walter Jenkins case burst, the issue of integrity was described by the Republican higher command as the most telling argument they had against President Johnson. Now the issue has been given a far deeper cutting edge.

"The FBI investigation the President has ordered should be swift and its results, in his words, must be reported promptly 'to the American people.' It is essential that every aspect of Mr. Johnson's relationship to the maintenance of White House security and integrity should be made clear. Was Mr. Jenkins subjected to the customary security clearance by the FBI not merely in 1958, as we know, but when he first had access to National Security council information? If not, why not? If so, is it conceivable they did not uncover his prior arrest?

"The issue is broader still. In President Johnson's public background are several other highly controversial and unclarified episodes. The last batch of votes which first elected him to the Senate in 1943 came under very suspicious circumstances. The apparent fact that others, including two of his political opponents, had obtained votes from the same or similar sources excuses nothing.

"The President's full association with the Bobby Baker case has also not been clarified. Perhaps there is no culpability. But we do not know. Senator Goldwater makes charges daily, and there is no effective reply. The Billie Sol Estes case is also not entirely illuminated, altho no tangible evidence connects the President directly with it.

"The methods by which the Johnson family fortune was accumulated add to the ethical burden. A man who as senator served weightily on the commerce committee with authority concerning the FCC should not have been a heavy investor in radio and television.

"The fact that some scores of other members of Congress also have money in communications enterprises justifies nothing. The fact that other cities than Austin have received monopolistic benefits from the FCC, that the monopoly may recently have been breached, justifies nothing. The fact that the properties are now in trusteeship does not remove the taint. Other episodes in President Johnson's public and business life have long been critically discussed in Texas.

"One need not accept the validity of any charges, certainly not without knowing all the facts. But this newspaper cannot escape the conclusion that a very heavy obligation rests on President Johnson. He should let the nation know everything it needs to know in order to reach fair and just conclusions."

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OBSERVERS FORECAST RECORD TURNOUT OF 70.8 MILLION VOTERS

A State-by-State check of election officials and political observers across the Nation by The Associated Press October 26 led that news agency to forecast an all-time record of 70,856,050 Americans going to the polls on election day November 3 -- 2 million more than the number voting in 1960.

Latest figures showed 88,697,400 Americans were registered voters or otherwise qualified to vote in next Tuesday's election -- 4 million higher than 1960. . The Census Bureau estimated last month there were 114.4 million persons in the United States of voting age. All but 15 of the 50 States expect bigger turnouts at the polls than in 1960.

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ADMINISTRATION'S ACTIONS IN FOUR CASES SEEN ALARMING

Congress is in adjournment; the attention of most Americans is on the election; but if you looked closely, the Johnson Administration gave some graphic indications just a week from election as to how it would operate if it stayed in office:

1. The Defense Department refused to accredit any newspaper, tv, or radio reporter to U.S. ships patrolling Viet Nameese coastal waters. Reporters frankly stated they wanted to be sure Americans were getting all the facts and not news management. All were turned down. They expressed alarm at even tighter news management policies,

2. A report issued by a Democrat-controlled House Science and Astronautics Subcommittee advised the Administration to correct the uneven distribution of Federal research and development funds. Concentration might be dangerous in wartime, the report said.

3. A Democrat Representative announced October 23 hundreds of National Aeronautics and Space Administration employees, including top management personnel, would soon be transferred from Huntsville, Ala., to Louisiana. Republican National Committee Chairman Dean Burch declared in a letter to President Johnson October 27:

"Now more than ever, politics has no place in our space program. And yet, at this very critical juncture, in the midst of a heated political campaign, your space administrator, James E. Webb, engages in the most blatant and transparent politics by suggesting that he will shift the top space scientists and executives from Huntsville, Alabama, to New Orleans.

"When pressed for an explanation, Mr. Webb, the NASA administrator, commented that Alabama is the 'most unappreciative' of the five Southern states in which NASA has installations, and added, pointedly, that Alabama should 'improve' its attitudes toward the Federal Government.

"'Unappreciative' in Mr. Webb's eyes clearly refers to the indisputable fact that Alabama is certain to go overwhelmingly for Senator Goldwater on November 3."

4. The G. O. P. National Committee also charged that the decision of the Democrat-controlled Senate to suppress the Otto Otepka security hearings testimony until after election was another "of the many flagrant examples of the all-out campaign of the Democrats to keep the lid on and hide the facts from the American people." Otepka, former Chief of the Security Evaluation Division of the State Department, was fired for actions involving his cooperation with the Senate Internal Security Subcommittee. The National Committee said: "It is common knowledge that the testimony reveals serious laxity in State Department security practices and particularly in those cases involving morality."