University of Hawaiʻi at Mānoa
eVols Repository

Hamilton Library

https://evols.library.manoa.hawaii.edu

Campaign Files

Box CP7

Inouye's campaigns: 1962: Speech Material

Senator Daniel K. Inouye Papers Campaign files, Box CP7, Folder 9 http://hdl.handle.net/10524/62330

Items in eVols are protected by copyright, with all rights reserved, unless otherwise indicated.

UHM Library Digital Collections Disclaimer and Copyright Information



THE LIBRARY OF CONGRESS

WASHINGTON 25, D. C.

LEGISLATIVE REFERENCE SERVICE

THE FOREIGN POLICY OF THE UNITED STATES

A Draft Speech Prepared According to the Instructions of The Honorable Daniel K. Inouye

> Allan S. Nanes Analyst in U. S. Foreign Policy Foreign Affairs Division September 6, 1962

THE FOREIGN POLICY OF THE UNITED STATES

Ladies and gentlemen, in speaking to you today (tonight) on United States foreign policy, I know I speak on a subject of vital concern to us all. For the stuff of foreign policy involves the transcendent issues of our time, freedom or slavery, peaceful development or nuclear annihilation. We in Hawaii, at the crossroads of East and West, are particularly cognizant of foreign policy problems, especially those which affect Asia. But the responsibilities of the United States today are worldwide, and no single action in one quarter of the world is without its ramifications in another.

The basic reason why the United States has assumed leadership of the free world is that the expansive thrust of communism gave us no alternative. Either we were to take on the responsibility for the defense of freedom, or we were to see that freedom — our own included — go by default. When Mr. Khrushchev said "we will bury you," he may not have meant it literally, but the phrase betrayed all-too-accurately the political, economic, and ideological aims of Soviet, and indeed world communism.

Thus the overriding objective of our foreign policy is to meet and defeat Communist expansion -- without war. Secretary Rusk made this crystal clear in his address to the National Convention of Veterans of Foreign Wars in Minneapolis. I might add that such a statement, uttered in a calm and restrained manner, is a lot more impressive than the threats

- 2 and sabre rattling of professional patriots, most of whom bear no responsibility for the awful decision of peace or thermonuclear war. In pursuing our goal of peace, the first requirement is military strength. Lest this seem contradictory, let me hasten to explain that we need such strength not as an end in itself, not to threaten or bully anyone, but simply because it is still the basic component of national power, and the handmaiden of diplomacy. It has been repeatedly illustrated that words alone mean little to the Communists, but words backed by military power, and the willingness to use it, are vastly more effective. This being the case, I am highly gratified with the steps taken in the past 18 months to strengthen our defenses and our national security. Our deterrent nuclear capability is now greater than ever, and with the steady increase of Polaris submarines serving with the fleet, an ever rising percentage of it is relatively invulnerable. We have increased the strength of the Army by two divisions, and it is undergoing a thorough modernization. We have increased our airlift capabilities. Perhaps most important of all, we have concentrated on the training of guerrilla and counter-guerrilla forces, not only our own, but those of our allies as well. The importance of this effort, in coping with Communist aggression and subversion, particularly in Southeast Asia, I cannot stress too strongly. In increasing the strength and flexibility of our military establishment we have accomplished two things. We have increased our

while this sounds good, it vastly oversimplifies a complex issue. We see the world situation, and quite rightly, as revolving around the struggle of communism and freedom. But from India's viewpoint it must stay out of involvement in the cold war. Furthermore, India has a democratic political structure. The largest free elections in history were recently held there. She is bending every effort to bring about economic development by democratic methods, while Communist China is attempting the same thing through a regimentation that at times borders on the inhuman. All of Asia, indeed all of the underdeveloped world, is watching this competition. If China wins it, and she is presently reputed to be ahead, the chances for democratic societies emerging in much of the underdeveloped world seem dim indeed. Thus the United States has an interest in aiding India, and this interest must take priority over our misgivings at certain Indian actions, such as the invasion of Goa, or our irritation at the preachments of the ineffable Mr. Krishna Menon. After all, when we were a young and struggling nation, we were the foremost champions of neutrality. If other young and struggling nations today want to act the same way, they deserve our understanding -- provided, and this is crucial, that they are genuinely trying to be neutral, and not using neutrality as a mask to hide a pro-Soviet orientation.

This is the policy we are presently pursuing toward all of the world's underdeveloped areas. We are assisting them directly, as in the Alliance for Progress, and through our contributions to UN programs.

We are not asking that in return for such aid they always follow our lead and direction. In the past such a policy only earned us hostility. It is our hope, and one that is not entirely unjustified, that if we can tide these nations over until they reach a certain stage of economic growth and social stability they will choose the democratic way. Certainly they have already demonstrated in the United Nations, despite much misleading comment to the contrary, a greater degree of political maturity than many of us dared hope.

The point is that the balance of history is shifting. The nations of Asia, Africa and Latin America are going to come into their own. This is a trend we have foreseen, and to which we have tried to accommodate. Unfortunately, one man's meat is another man's poison. and our espousal of African independence has thrown us up against some of our old European friends. At this juncture it is principally Mr. Salazar, the Portuguese dictator, whose displeasure we have incurred. We do not like to offend him, for after all Portugal has been a faithful NATO ally, and we maintain bases on Portuguese soil in the Azores. But times are changing, and this country is not the only one that should change with them. Our policy toward the other Iberian dictator, Generalissimo Franco of Spain is not complicated by colonial problems. Our relations with Spain seem currently to be good. Here once again we maintain important, if not vital SAC bases. But there is a rising wind of opposition to Franco, and considerable doubt as to whether his regime will survive him. It is of utmost importance that whatever regime succeeds Franco, it not be one hostile to the United States.

Dan Insuye Ad #1 -- 5eel x 17 S-B -- Oct. 30 Adv. -- Oct. 31 Copy

HED?

DAN K. I N O U Y R THE MAN . . .

SUB HED:

A MATTER OF RECORDS ...

COPY:

* President JOHN P. KENNEDY said:

"As your first Congressman, Dan Insuye has represented the State of Hawaii with distinction and effectiveness. His ability and personal qualifications have assured Hawaii that its ideals and personal interests are clearly heard in Washington. I know that his stature and influence will comtinue to grow in the years ahead."

* Vice-President LYMDON B. JOHNSON said:

"I consider Incure one of the most effective members of Congress that I know and I am proud to call him my friend."

* U.S. House Speaker JOHN W. No COMMAGE said:

"Congressman Incure is one of the ablest members of Congress. He has made an outstanding name for himself... He reflects great credit on the People of Hawaii."

* U.S. Senate Majerity Leader MINE MANSPIELD said:

"... His (Dan Incuye) record in Congress has been cutstanding and during this period he had the privilege of representing the People of Hawaii in the U.S. House of Representatives, no one has been more diligent in looking after the interests of his State, more telerant in his understanding of the problems of others, yet more undeviating in integrity and servictions than has Dan Incuye."

* U.S. House Majority Leader CARL ALBERT said:

"Seldem have I seem a young man establish himself se firmly in the U.S. House of Representatives in se short a time. Dan Incure quickly gained the admiration and respect of his colleagues for his intense devotion to duty and his exceptional competence." Dan Incuye Ad #1 Cepy contd.

* U.S. Congressman (N.Y.) LEO W. O'BRIEW said:

Insure's record here (U.S. House), his impact on the rest of us, his seal and energy have surpassed my greatest hopes... The record will show that Daniel Insure has accomplished for his State, in three years, more than many of us might expect to accomplish in a decade... Through his personality, hard work, and sagacity he carved a legislative milestene, winning for his State an additional \$6 million in lieu of land grants customarily granted new States, but not available to Hawaii.

* Baldwin Packers President C. C. CADAGAN said:

"...as an individual who has put many many years in the pineapple business and is probably more aware than most people of the acute competition we face with Mainland fruits and the importance of expanding our Mainland market, I wish to express my appreciation to you (Dam Inouye) for the assistance you have rendered the Hawaiian pineapple industry in getting pineapple a part of the Mational School Lanch Program.

* Former Hawaii Sugar Flanters Association President and President of American Factors C. HUTTON SMITH said;

"We are especially pleased that Representative Incuye is on the House Agriculture Committee. He knows Hawaii intimately, and is completely conversant with our problems in sugar. We know he will centime to work diligently for Hawaii.

Rep. Ineure was named one of 100 outstanding Americans by Editors of

LIPE MAGAZINE (Sopt. 14, 1962)

Elect INOUYE DU. S. SEMATOR

This ad paid for by friends of Dan Inouyo

Dan Inouye
Ad #2 -- 5cel x 17
S-B -- Nov. 1
Adv -- Nov. 2
Copy

HED:

DAN K. INOUYE THE RECORD

COPY:

* ASSISTED IN THE SETTLEMENT OF HAMAII-WEST COAST SHIPPING DISPUTE

Fellowing the 1962 maritime dispute, President Kennedy had this to say about Rep. Insuyo's assistance: "... I want to take note of your tireless afforts to alleviate the threat to the economic well-being and the health, safety and welfare of your constituency caused by the interruption of shipping services to Hawaii. Your suggestions and your ready cooperation contributed in substantial mansure to bringing about a settlement and restoring these vital services."

* PLAYED A MAJOR ROLE IN THE DEVELOPMENT OF BANK-WEST CENTER

The effective leadership of Rep. Incure helped to comvinee members of Congress that the East-West Center is and will continue to be an effective factor in the promotion of better understanding and peace between the United States and the East. By the end of fiscal year 1963, the Center will have received a total of \$21,640,000 from Congress.

* PLAYED A MAJOR ROLE IN HEACTMENT OF 1962 SUGAR ACT

In recognition of his deep knewledge of the sugar industry, U.S. House Speaker John McCermack named Rep. Inouye to serve as a member of the Senate-House Conference Committee on the 1962 Sugar Act. This Act is most favorable to Hawaii's sugar industry because it affords such needed stability to our major industry.

* ASSISTED IN THE INITIATION, ADVANCEMENT OR COMPLETION OF STUDIES OR CONSTRUCTION OF IMPORTANT PROJECTS TO:

The State of Hawaii / County of Hawaii / County of Kauai / County of Maui / and the City and County of Honolulu.

Dan Inouye Ad #2 Cepy contd.

* AN IN ADDITION, Rep. Incure supported legislation, of mational and international significance much of which has a direct and beneficial bearing on the Alcha State. This includes the inclusion of pineapple in the National School Lunch Program, Medicare for the aged, and Federal assistance to education.

E QUALIFIED CANDIDATE

EXPERIENCED LEGISLATOR X

NATIONALLY RECOGNIZED LEADER X

SIGLL BUSTNESSMAT

DEDICATED PUBLIC SERVART

WORLD WAR II VETERAN X
RECORD OF ACHIEVEMENT X

Rop. Incure was mamed one of 100 outstanding Americans by Editors of

LIFB MAGAZINE (Sept. 14, 1962)

Elect INOUYE D U. S. SHEATOR
This ad paid for by friends of Dan Inouye

Z

DAN K. INOUYE THE PROGRAM DAN'S 32-POINT PLEDGE TO THE PEOPLE OF HAWAII AND THE NATION COVERS PROGRAMS AND POLICIES ON THE INTERNATIONAL, NATIONAL AND STATE LEVELS. INTERNATIONAL Inouve pledges to: * Seek effective and realistic avenues to world peace. * Support a strong national defense. Support our President in his program to end nuclear bomb tests. Encourage freedom loving people of the world in the quest to maintain and restore democratic institutions and assist them in resisting aggressive military and economic pressures. Support the United Nations. Support the Peace Corps. NATIONAL Inouye pledges to: Provide our youth and adults the best education possible. Support legislation and administrative action that will guarantee all Americans their basic rights and privileges of citizenship without regard to race, color or creed. Provide our aged with proper hospital care so that they can face their future without fear. Support our President's program for reduction of personal and corporate net income taxes during 1963. Support legislation that will provide greater and more profitable trade with other nations. Seek legislation that will provide more jobs and a living wage for our wage earners. Maintain continuation of beneficial legislation for veterans of World Wars I and II and Korea, and legislation to grant such benefits to veterans of the "Cold War." more----

2 Encourage immigration legislation that will provide a more realistic quota system. Support slum clearance and urban renewal programs. Seek legislation to place home ownership within the means of more low income families and provide more adequate rental housing for low income groups. Be ever alert for wasteful federal spending. STATE Inouye pledges to: Support legislation and administrative policies to strengthen our basic agricultural industries. Foster trade programs and tariff arrangements that will place our products on a better competitive basis in the foreign market. Advance actions to further growth of Hawaii's diversified agriculture -- meat, poultry and dairy industries. Advocate full employment in our military and naval installations, consistent with national defense needs. Promote actions to provide wage increases for our classified and blue collar federal workers. Seak the restoration of the cut in the "cost of living" allowance for our federal workers. Oppose any attempt to deprive our citizens of Hawaiian ancestry of their rights and privileges under the Hawaiian Homes Act. Initiate and support federal projects to speed up developments of Hawaiian Homes Land. Advance legislation to provide greater investment in our harbor, flood control, watershed, reclamation, airport and other federal projects. Advocate legislation to provide early and effective settlement of shipping disputes. Support and expand the activities of the East-West Center. * Foster legislation to establish a foreign service institute at the East-West Center.

Look to the future...business and personal...a few years ahead.

But first, as background, these reminders:

Business runs in waves and cycles, with its ups and its downs. These movements are not regular, and not precise, but they are a fact.

Another fact is that men's minds in mass usually exaggerate... both the ups and the downs...projecting each beyond its actual limits, producing excessive enthusiasm or excessive gloom and discouragement.

Right now, in a period of pause, many may make too much of it, forgetting that it is only temporary...and not permanent...or deep.

Smart men, not wrapped up in such a mood, are now working hard to get ready for the better times which they know are coming.

Truth is, a huge new tide of rising business is ahead of us.

We have written you this before, projecting it for the middle-1960's.

Now we have rechecked the outlook, freshened the survey of prospects, talked with businessmen, big and little, about plans they are making, and we find it all adds up to another surge of production, sales, income.

We find that growth in the 60's will actually outstrip the 50's, not only in the totals (taken for granted) but also in the percentages.

Hard to believe? Perhaps, but that's the way it all comes out when you put together the new products, new services... and new people.

When? Starting late in '63 or early '64, a year or so from now.

Running through the late 60's, irregular at times but trending upward.

Not a boom in the sense of easy pickings...not automatic riches.

But a boom in general volume, activity, the totals of business.

Over-all, substantial prosperity and a higher standard of living.

Growth -- Not Boom
Hawaii Faces Up to
Realities of Economics

By DONALD K. WHITE

THE HAWAIIAN ECONOMY, built on sugar, pineapple, tourists and the military establishment, is no longer blooming unhealthily like a short-lived orchid.

Instead, the islands, admitted to the Union only two years ago, are facing economic reality and betting on steady growth rather than fast boom.

This becomes obvious after a chat with John J. Jaquette, executive vice president of the Hawaiian Telephone Company, who was on the mainland yesterday to talk to the Security Analysts of San Francisco.

The islands were stung, Jaquette admitted, by a recent Wall Street Journal lead article, which was headed "Clouds Over Hawaii" and noted the economic slowdown in Hawaii.

"PROBABLY WE REACTED against this article so vigorously because it appeared when the bloom was off the boom," Jaquette said.

"People had become pessimistic when growth tipe rates returned to a more normal rate. This growth, which in the late 1940's and early 1950's was slow, became vigorous in the 1950's and turned into an uneconomic boom in 1959 and 1960. We returned to normal in 1961 and 1962."

Jaquette is still mildly bullish about the outlook for the islands.

"The economy of the state of Hawaii is still growing and we expect it to continue to grow at about the national average over the next several years, with a new surge forward in the late 1960's," he said.

TICKING OFF THE four mainstays of the island economy, Jaquette gave his considered opinion of each:

- Sugar and pineapples: Both industries are working mightily to keep up volume production. The new Sugar Act permits plantations to plan for the future and the islands should be able to produce and ship a little over a millions tons a year. The pineapple industry faces competition in world markets from Taiwan, Mexico and other countries, but despite the closing of two pineapple canneries in the islands, the industry will continue to provide about \$112 million a year for the Hawaiian economy.
- The military establishment: In 1955 the military spent \$309 million in Hawaii. Last year it spent \$436 million, or an increase of 40 per cent in six years. This rate of growth will not continue but enough new military projects have been planned to assure a stability of military spending.
- Tourism: This is still expected to provide the most dynamic growth for the Hawaiian economy. In June there was an all time high of visitors, leading to expectations that the number of pale bodies arriving by plane or ship this year will total 365,000 compared with a mere 100,000 in 1955.

WHILE HAWAIIAN TELEPHONE'S operations in the islands are impressive, it has tentacles, in the form of undersea cables that stretch, or will stretch, to Tokyo in one direction and to the U. S. mainland in the other.

Ray M. Alden, chief engineer of the company, said Hawaiian Telephone will invest nearly \$7 million in the Hawaii-Japan submarine cable scheduled to be in operation by this time next year. Sharing the cost of the \$80 million project are American Telephone and Telegraph Company and Kokusai Denwa Company, Ltd., Japan's long-distance telephone company.

Also in the works is a second cable between Hawaii and California to supplement the cable that now runs between Oahu and Point Arena.

"This new cable from the islands to San Luis Obispo will provide about 200 circuits compared with the 80 circuits now provided by the Point Arena cable," Alden said.

BANK OF HAWAII

REVIEW OF BUSINESS AND ECONOMIC CONDITIONS

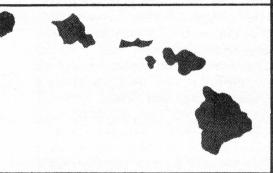
PUBLISHED MONTHLY BY BANK OF HAWAII VOL. 7 NO. 8
P. O. BOX 2900, HONOLULU 2, HAWAII, U.S.A.

BULK RATE
U. S. POSTAGE
PAID

Honolulu, Hawaii PERMIT No. 23

For

Mr. William R. Norwood Director Public Relations Castle & Cooke, Limited P. O. Box 2990 Honolulu 2. Hawaii



AUGUST 1962

Summary

IN HAWAII, tourism has moved to an all time high, filling hotels nearly to capacity and encouraging a new wave of expansion in visitor accommodations in Waikiki. The construction outlook also improved due to stepped-up governmental plans and expanding private construction. These strong points, with high levels of sugar, pineapple, and defense activity, led to a modest advance in retail sales, bank debits, and other general economic measures. Minimum wage rates increased, as did governmental pay and the wage rates of some transportation and construction workers.

ON THE MAINLAND, basic measures of the national economy leveled off in June following the business uncertainty resulting from the May stock market decline. In July, however, developing soft spots—the stock market, declining steel production, the balance of payments deficit, and the national budget deficit—showed definite improvement. There was a normal leveling out in industrial activity during the summer at exceptionally high levels.

DEVELOPMENTS IN HAWAII

Retail sales on Oahu totaled \$76 million in June, compared with \$73 million a year ago. Sales for the first half of the year were

6.4 percent above 1961.

New car sales (reported by Cardinal Services) have shown less advance in Hawaii (1.5 percent) than nationally (25 percent) in the first half of 1962, partly as a result of shipping difficulties. Department store sales in Hawaii, on the other hand, have been quite close to the national rates of increase (six and five percent respectively).

Employment in June amounted to 244,090, up from the May figure of 237,890, but below June, 1961, when employment amounted to 252,000. The June increase was largely due to the hiring of more than 5,500 seasonal workers in the pineapple industry (seasonal pineapple industry hiring in June, 1961, totaled nearly 10,000). Increases in

employment over May were registered also in diversified manufacturing, the transportation - communications - utilities group, construction, services, and local government. The only decline was in wholesale-retail trades, mainly due to a labor-management dispute involving three auto dealers which has idled 300 workers since mid-June.

In July, employment reached its peak as summer pineapple canning and tourist industry employment expanded. In September, the usual seasonal decline will take place as housewives and students leave the labor force at the end of the pineapple canning season. This will be partly offset by the Kona coffee picking season which puts students in that area to work in August, September, and October.

Unemployment increased to 4.9 percent of the labor force in June, compared with 4.4 percent in May, due mainly to the sea-

sonal influx of students seeking summer work. Oahu unemployment went up to 4.7 percent, the island of Hawaii to 5.6 percent and Kauai to 5.9 percent. Maui's unemployment stayed at the May level (6.6 percent).

Significant wage and salary increases were announced in June and July for many Hawaii workers, especially in the construction and shipping industries and in government employment. Such increases lead to eventual expansion in the buying power of Hawaii's families, as well as to a rise in Hawaiian business costs and prices.

Notable increases include: (1) a rise in the legal State minimum wage on July 1 from \$1.00 to \$1.15 an hour (affecting approximately 16,000 wage earners in Hawaii); (2) five to ten percent salary increases for 14,000 State and County government workers; (3) seven and a half to eighteen percent salary increases for University faculty members, effective July 1; (4) five percent pay rises for Department of Education teachers and employees, effective September 1; (5) an increase, including substantial fringe benefits, over a three-year period to \$5.05 per hour granted to electrical construction workers (possibly establishing a pattern for the construction industry); (6) thirteen to twenty cent per hour increases granted to blue collar workers at the Pearl Harbor Naval Shipyard, on June 10; and (7) wage increases of forty-four and forty-nine cents per hour respectively over a three-year period to longshoremen and wharf clerks represented by the I.L.W.U.

Military expenditures in Hawaii increased during the second quarter of 1962 to an annual rate of \$399 million, compared with \$376 million in the first quarter. This is close to the expenditure for calendar 1961 when mainland-dollar income from armed forces expenditures totaled \$402 million.

Sugar production from January to mid-July totaled 658,013 tons—less than one day's production below year earlier levels (660,198 tons).

The Sugar Act of 1962 regulating sugar consumption in the United States for four and a half years was signed into law on July 13, 1962. Hawaii's quota under the law is 1,110,000 tons.* Total production of Hawaiian sugar has ranged from 1,077,000 tons to 1,100,000 tons in five of the last nine years, and reached a record 1,140,142 tons in 1955. The Hawaiian Sugar Planters' Association states that the new law provides needed stability in the U. S. sugar situation, gives producers the opportunity for long-range

planning, and specifies a quota that is acceptable for Hawaii's current needs.

Pineapple production in Hawaii during the fiscal year ended May 31, 1962, showed relatively little change from previous year levels (see table below). The decline in the production of juice concentrate in the last three years has been balanced by an increase in the volume of canned fruit juice produced.

The pineapple producing and canning companies, Baldwin Packers, Ltd., and Maui Pineapple Co., Ltd., announced a merger in July. The new company, to be known as Haleakala Pineapple Company, will take pineapples grown in the fields of the former companies and process them in the Kahului cannery of Maui Pineapple Company. Fruit production is not expected to decline, but efficiency of operation is expected to improve.

HAWAIIAN PACK OF CANNED PINEAPPLE FRUIT AND JUICE 1958-1962

(in thousands of cans)

Pack Year ¹	Fruit	Juice ²	Juice Concentrate ³
1958-59	17,677	12,454	1,170
1959-60	17,287	10,850	841
1960-61	18,462	11,574	724
1961-62	18,122	11,759	450

¹Ending May 31. ²Single strength. ³Single strength equivalent. Source: Pineapple Growers Association.

Visitor arrivals in June, 1962, totaled 41,930—21 percent over June, 1961, and 15.1 percent greater than the previous all time high reached in August, 1961. For the first half of 1962, arrivals totaled 172,425—19 percent higher than in the first half of 1961, and higher than in any full year before 1959.

Hotels have been filled almost to capacity since the last week in June when major hotel occupancy rates reached 97.2 percent. This was the first time that occupancy rates have been so high since the hotel construction boom of 1960 increased capacity by 2,461 rooms or 40 percent.

Announced plans and building permits for hotels and apartment-hotels in Waikiki indicate another more modest building boom in the making. Some of the larger hotels announced recently include: (1) the Reef Hotel's \$2.2 million, seventeen story, 451-unit hotel on Kalia Road; (2) Alohalani's \$1.8 million, sixteen story, 219-unit hotel at 110 Kapahulu Avenue; (3) Waikiki Grand Hotel's \$1.5 million, ten story, 173-unit hotel at Lemon Road and Kapahulu

^{*}This quota is for Mainland consumption with an additional quota for local consumption of 50,000 tons. If Hawaii should exceed its quota, provision is made for marketing or storing the excess sugar.

Avenue; (4) Shigeo Shigenaga's \$1.5 million, nine story, 126-unit hotel at 2863 Kalakaua Avenue; (5) Hotel Dynasty's \$900,000 eleven story, 72-unit hotel on Prince Edward Street; and (6) Bel Aire Investment Corporation's \$600,000, ten story, 49-unit hotel-apartment on Walina Place.

Elsewhere in the world, United States residents spent \$2.642 billion on foreign travel in 1961, compared with \$2.640 billion in 1960 and \$2.380 billion in 1959, according to a recent study by the U. S. Department of Commerce. Early 1962 indicators point to a modest advance in overall travel expenditures, led by a strong rising trend in the Pacific and the Far East.

Building permits totaled \$104.3 million for the first half of 1962, up 58 percent from the \$66.0 million level during the first half of 1961. June permits amounted to \$21.0 million, compared with only \$12.6 million in June, 1961.

Honolulu was in fifth place among U. S. cities in value of building permits issued during the first five months of 1962, being outranked only by Los Angeles, New York, Houston, and Chicago.

Some of the major new projects announced recently include housing developments, governmental construction, buildings for the East-West Center and the University of Hawaii, and resort and hotel construction.

At Pupukea on Northern Oahu, Finance Realty Company announced the prospective sale of 225 one-acre or larger tracts in the first increment of their 1,808-acre residential development. Henry J. Kaiser announced plans to construct a \$6.6 million, 334 unit "town house" waterfront development at Hawaii Kai (for under \$20,000 per unit).

Interisland air passengers totaled 97,823 in June, 1962—up 10.1 percent from June, 1961.

The State Public Utilities Commission granted Island Airlines permission to start a low-cost (up to 42 percent lower than current fares), large-scale "sky-bus" operation on condition that they service all major islands and that they start flying within 90 days. Hawaiian Airlines and Aloha Airlines are challenging this action in the courts.

Pan American Airways received permission from the Civil Aeronautics Board to fly papayas from Hilo to the Mainland for 11 cents a pound. Slick Airways' and Flying Tigers' applications for similar permission are pending. Quarterly air shipments of papayas to the Mainland from Honolulu and Hilo have been increasing steadily, from 90,000 pounds in the first quarter of 1961 to 655,000 pounds in the first quarter of 1962, according to the Federal-State Market News Service.

MAINLAND CONDITIONS

Growth in the national economy in June showed a definite pause, reflecting the abrupt month-earlier drop in business confidence and possibly heralding the summer vacation lull.

Personal income rose by only \$700 million to a seasonally adjusted annual rate of \$440.4 billion during June—compared with average monthly increases for the preceding five months of \$2.4 billion. The Federal Reserve Board index of industrial production remained at 118 percent of the 1957 average, though it had risen from 113.5 to 117.6 in the January to May period. Employment also showed no more than the usual seasonal gains in June, and unemployment actually increased on a seasonally adjusted basis from 5.4 percent of the labor force in May to 5.5 percent in June. Retail sales declined to \$19.1 billion in June from \$19.5 billion in May.

In the stock markets, the decline of \$100 billion in the market values of common stocks held by 17 million people could not fail to have some effect on the spending decisions of individuals and businesses, but it would be a mistake to assume that the market break would immediately move the economy into a recession.

The national economy was and is at record levels. Personal income, industrial production, and employment were at all time highs in June, and retail sales were not far below.

Some soft spots now are firming up. Weekly steel production had declined rapidly following the labor-management agreement of March 28, but leveled off in early July and has risen since (inventories accumulated in case of a strike have now largely been exhausted).

New car production and sales have been at the highest levels since 1955. Upward revisions in construction spending estimates to a record \$60 billion this year have been made by the U. S. Department of Commerce. The estimated deficits in both the national budget and the national balance of payments have been reduced.

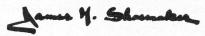
The Administration is taking measures to strengthen the economy and especially the stock market. Margin requirements for the purchase of common stocks were cut from 70 percent to 50 percent on July 11. The United States Treasury Department's action—posting liberalized requirements for depreciation allowances of businesses—is expected to reduce business taxes by \$1.5 billion annually. The result of these actions (and the Senate Finance Committee's rejection of legislation providing for tax withholding on dividend and interest income) resulted in an irregular rise in stock prices starting late in June and lasting throughout most of July.

President Kennedy and his advisers will consider reduction in personal income taxes in mid-August if business indicators decline further, or in the next session of Congress in January if it is necessary to bolster the economy then. If this is done soon, it would increase the fiscal 1963 budget deficit from the currently estimated level of \$4.9 billion to between \$10 and \$12 billion, but it would have a powerful and immediate positive effect on consumer spending.

The current uncertainties with respect to business confidence will affect the level of the national economy for the remainder of the year, but business during the summer months will at least be maintained at current record levels.

The outlook in Hawaii is for an advance in overall business activity, with increases in tourism and construction and high levels of activity in sugar and defense. The pineapple canning season will end earlier than usual this year because of its early start.

The Mainland outlook is for a modest advance in non-agricultural activity following the usual seasonal leveling off during the summer.



James H. Shoemaker Director of Business Research BANK OF HAWAII

BUSINESS INDICATORS

		PERCENT CHANGE			
1962 TRENI		JUNE ¹ 1962	over	2 June 196 over 2 June 196	JanJune
Up	Retail Sales (sa)	\$ 76,000,000	-3.8	4.1	6.4
Up	Employment	244,090	2.6	-3.1	2.2
Up	Unemployment ²	12,520	14.2	10.7	27.7
Up	Bank Clearings	\$596,411,337	6.5	20.3	16.2
Down	Federal Civilian Employment	25,600	0	-2.2	-2.7
Down	Sugar Production (tons)	136,612	23.3	2.0	-1.3
Up	Tourist Arrivals		50.0	21.0	19.0
Up	Interisland Air Traffic	97,823	35.4	10.1	7.4
Up	Honolulu Building Permits	\$ 20,952,702	27.0	65.9	58.0
Up	Index of Oahu Housing for Rent (1957=100)	366	-9.4	5.8	20.4
Up	Index of Hawaiian Stock Prices (1939=100) ³	. 157	-11.8	-18.2	13.9
	U. S. MAINLAND				
Up	Index of Industrial Production (1957=100) (sa)	118.0	0	6.9	10.4
Up	Retail Sales (sa)		-2.1	4.9	7.1
Up	Personal Income (sa)		0.2	5.8	6.7
Down	Unemployment (sa)	4,463,000	20.0	— 9.6	-17.4

sa = seasonally adjusted

¹Some of these figures are preliminary and subject to change.

²Unemployment amounted to 4.9% of the labor force in June 1962, as compared with 4.3% in June 1961;

³23 selected stocks traded on the Honolulu Stock Exchange (Monthly average of daily prices.)



SUGAR BULLETIN

Information about Hawaii's SUGAR INDUSTRY of interest to legislators and public officials of Hawaii . . .

August 3, 1962

NEW SUGAR ACT New sugar legislation on which Congress worked so long and strenuously now is in effect. The character of the new Sugar Act is considerably different from that of the previous Sugar Acts, experts say. But before we go into that, here are some of the major provisions which have a close relationship to Hawaii.

TERM The term of the new Sugar Act extends to December 31, 1966, with respect to domestic areas and the Philippines, and to December 31, 1964, with respect to quotas for other foreign countries.

BASIC QUOTAS When domestic consumption requirements are at the present level of 9.7 million tons, domestic quotas will be as follows:

Domestic beet sugar	2,650,000	tons
Mainland Cane sugar	895,000	
Hawaii	1,110,000	
Puerto Rico	1,140,000	
Virgin Islands	15,000	
Domestic total	5,810,000	

GROWTH Domestic areas are assigned 65 per cent of the growth in U. S. Consumption above 9.7 million tons, with all of this growth in consumption going to the domestic beet sugar and Mainland cane sugar areas. Hawaii, Puerto Rico and the Virgin Islands are permitted to sell, in the subsequent year, whenever they have available for marketing, a quantity of sugar equal to the amount that any such area would be able to market under the previous Sugar Act.

NEW BEET GROWERS In order to make available acreage for growth and expansion of the sugar beet industry in new areas, the new legislation provides that the secretary of agriculture shall, when acreage restrictions are in effect, reserve from the basic beet quota the acreage required to yield 65,000 tons. This reserve would be available for distribution to new growers supplying a new factory in a new area and it is contemplated that this would enable the establishment of a new beet sugar factory each year, with two new factories in each third year.

DOMESTIC DEFICITS All domestic deficits, as well as foreign deficits, are assigned to foreign countries. In the previous act, domestic areas filled domestic deficits to the extent that they were able to do so. In recent years, the

(over)

beet area quota was increased by several hundred thousand tons due to Hawaiian and Puerto Rican deficits.

FOREIGN QUOTAS The quota for the Philippines is set at 1,050,000 tons and it is provided that there will be no premium recapture (import fee). "No premium recapture" on the Philippine quota means that Philippine sugar is treated like domestic sugar except for duty provisions. Some 1,205,000 tons are provided to foreign suppliers other than Cuba and the Philippines. They include, Peru, 190,000 tons; Dominican Republic, 190,000 tons; Mexico, 190,000 tons; Brazil, 180,000 tons; Ecuador, 25,000 tons; Haiti, 20,000 tons; Guatemala, 20,000 tons; South Africa, 20,000 tons; British West Indies, 90,000 tons; Australia, 40,000 tons; Republic of China, 35,000 tons, French West Indies, 30,000 tons; Colombia, 30,000 tons, Nicaragua, 25,000 tons, Costa Rica, 25,000 tons; India, 20,000 tons; Panama, 15,000 tons; El Salvador, 10,000 tons; Paraguay, 10,000 tons; British Honduras, 10,000 tons; Fiji Islands, 10,000 tons; Netherlands, 10,000 tons; Other countries, 11, 332 tons. For these countries, there will be a cumulative reduction of 10 per cent each year in the premium permitted over world prices. The import fee will be 10 per cent of the difference between the world price and the U.S. price in the period during 1962 in which this provision is effective, 20 per cent in 1963 and 30 per cent in 1964.

CUBAN QUOTA A quota of 1,480,000 tons has been reserved for Cuba in the event she returns to the family of free nations. Meanwhile, however, no sugar will be purchased from Cuba and the amount of the Cuban quota will be bought on a global basis from friendly countries with full recapture of the quota premium.

WHAT IS The Hawaiian sugar industry is pleased that the recommendations EXPECTED presented by the domestic industry to the Congress regarding the domestic provisions of the Act were accepted in general. However, this is the first time under any Sugar Act that global sugar, or sugar without a protected home, is going to figure in the American sugar picture. There is now at work in the matter of sugar pricing in the U. S. a most delicate price controlling mechanism -- the first experienced in the sugar business since the Sugar Act concept was originated in 1934. The use of this mechanism by the Secretary of Agriculture will be a key factor in the sound operation of the sugar program. Since the character of the new Sugar Act has undergone considerable change, developments as to how the sugar market in America will be affected are being anxiously watched by the entire domestic sugar industry.

What's Our Trouble? A Dream Has Ended

By JAMES RESTON

WASHINGTON - All of a sudden, WASHINGTON — All of a sudden, President Kennedy has more troubles than Casey Stengel. At a recent press conference he was questioned as if he were personally responsible for the Wall Street slump, the Cold War, the population explosion, and all the troubles of Asia, Africa and Latin America.

sion, and all the troubles of Asia, Africa and Latin America.

Somehow in the last few weeks the whole political dialogue has gotten out of focus, partly because the news has been dominated by the developments in the market, partly because every disaster has to have a scapegoat, and partly because the President himself has not been keeping the larger economic picture constantly before the public. public.

THE TRUTH OF THE matter is that the business community has been living in a dreamworld for the last couple of years and is now sore at Kennedy for waking it up. Admittedly, he shook the boys hard at the time of the steel rise, but the root of the trouble is not personal but economic and his-

is not personal but economic and historic.

Over two years ago, when Kennedy was still running around the country trying to win primary elections, Per Jacobsson, managing director of the International Monetary Fund and probably the most widely acknowledged expert in this field today, was telling the world to wake up to what everybody is now just beginning to sense.

THE ERA OF POSTWAR inflation. Jacobsson told the Economic and So-cial Council of the United Nations, is coming to an end, and "one of the most important tasks is to learn how to live without inflation."

"Considering that the experience of businessmen and labor leaders over Considering that the experience of businessmen and labor leaders over the last 20 years has been gained under conditions of an inflationary rise in prices," he added, "there is need for a readjustment in attitudes and behavior that may not always be easy."

Just how difficult this adjustment has proved to be is now apparent, for neither the speculators in Wall Street, nor the construction workers, nor the flight engineers who seek to paralyze the transportation system of the country have adjusted to it yet.

Even before George Humphrey left here as President Eisenhower's Secretary of the Treasury, he was fond of talking about the great awakening that was coming in this country. For many years, he noted, we had been able to sell almost anything anywhere in the world at almost any price.

WAR AND THE consequences of war had kept our economy booming. We were for a long time the major, even the sole source of goods desperately needed by most of the devastated and hungry nations. But that, Humphrey insisted, was coming to an end, and we would no longer compete in the sole sole prices kent going up at wages and prices kept going up at the expense of the consumer. To blame Kennedy for all this is like

To blame Kennedy for all this is like blaming the fireman for the fire. He may or may not be anti-business, but business is certainly anti-Kennedy, and the irony of it is that the very people who voted against him on the ground that he was for inflation are now blaming him for putting an end to the inflated prices in the market.

Meanwhile, there is so much gloomy talk about Wall Street that the slumping market is getting confused with a fairly healthy economy. The business reports for April showed record rates of industrial activity, retail sales and personal income.

IN THE FIRST FIVE months of this year, dealers sold 2.835,000 new domestic passenger automobiles, 28 per cent more than in the same months of 1961, and the prospect for the whole year is 6,600,000 cars, the second best

It is true that there is genuine concern here about some slippage in the economy in the last quarter of this year and the first of next year, and the adjustment to the end of the postwar inflation and the new competition from abroad is just beginning. But this adjustment can gradually and perhaps painfully he made unless the haps painfully be made, unless the country insists on talking itself into a

recession.

Here the President himself has an opportunity to take the lead. He has been preoccupied with foreign affairs. He has talked increasingly about the economy in the last few weeks, but usually in the wrong forum and at the wrong time.

THE PRESS CONFERENCE and the commencement platform are not adequate to the intricate problems he has to explain. He has been telling the businessmen every hour on the hour that he loves them dearly but they obviously don't believe him.

His only recourse in this, therefore, as in getting support for his legislative program, lies with the people. Wall Street is confusing Main Street. The President is asking some good questions but giving no answers. He is calling for a national debate, but he isn't leading it.

SPEECH
OF
HON. DANIEL K. INOUTE
TO THE
CONVENTION OF THE DEMOCRATIC PARTY OF HAWAII

May 19, 1962

I am grateful for this opportunity to address you, the delegates to this convention, and, through you, the people of Hawaii, to whom we are so deeply indebted for their friendship and trust. For many years, we have placed our confidence in the voters of Hawaii, and they have generously responded by placing their confidence in us.

Today we meet in convention to call upon the voters of this State to grant us the privilege of assuming newer and broader responsibilities. We can proclaim to the people of Hawaii that we have tried to carry out their mandate to the very best of our ability, and have conducted ourselves in a manner befitting their confidence in us.

Today, the eyes of the people of Hawaii are upon us. They are waiting to see whether our party platform will be a meaningless composition of hazy prose or a meaningful document which will provide a progressive guideline for our people to follow in solving the many problems that beset our great State and Nation in this troubled century Our people will want to know whether our political philosophy offers realistic hope for a better and happier life.

Today, we shall select men and women who will guide our political destinies for the many months to follow -- men and women who will serve as our political voice and counsellors. Their decisions in the following months may well determine the outcome of the Fall elections and may in turn determine the future of our State.

The responsibilities with which we have been entrusted are grave. We are no longer the "other" party. The Democratic Party of Hawaii of the 60's is a responsible majority party -- tested at the polls, tested in the legislative halls, and tested in the administrative chambers of Hawaii. Our many legislative programs, such as equitable taxation, economic development, greater self government, better education, are now indelibly marked in our statute books. We owe it to ourselves, our predecessors, and the people of Hawaii to offer a clean image of ourselves -- not an image of a party of bickering rascals. If the latter is our image, we deserve to lose the elections and be cast aside.

John F. Kennedy in his last speech before his inauguration as our President made the following observations, which I believe are worthy of our serious consideration:

"For of those to whom much is given, much is required.

And when at some future date the high court of history sits in judgment on each of us, recording whether in our brief span of service we fulfilled our responsibilities to the state, our success or failure, in whatever office we hold, will be measured by the answers to four questions:

First, were we truly men of courage, with the courage to stand up to one's enemies, and the courage to stand up when necessary, to one's associates, the courage to resist public pressure as well as private greed?

Second, were we truly men of judgment, with perceptive judgment of the future as well as the past, of our own mistakes as well as the mistakes of others, with enough wisdom to know what we did not know, and enough candor to admit it?

Third, were we truly men of integrity, men who never ran out on either the principles ir which we believed or the people who believed in us, men whom neither financial gain nor political ambition could ever divert from the fulfillment of our sacred trust?

Finally, were we truly men of dedication, with an honor mortgaged to no single individual or group, and compromised by no private obligation or gain, but devoted solely to serving the public good and the national interest?"

Today, let our collective answer to these profound questions be a resounding "Yes".

During my political infancy, I was told that a convention keynoter had to indulge in oratorical demagoguery -- ridicule the opposition, make the delegates laugh with glee over the shortcomings of our opponents, or make headline catching political promises. However, as your convention keynoter, I must say to you that our problems are too serious for comedy.

Can we laugh over the problems of peace and war and the arms race?

Can we be gleeful over the misery and poverty that haunts two-thirds of our planet's population?

the best minds and talents of our nation to congregate on our campuses, in our research labs, and in our factories; by providing incentives for the expansion of our present industries and the establishment of new industries; and by providing adequate safeguards for our small businesses.

To the elderly, the parents of Hawaii, we pledge our assistance in securing a happy and constructive future and retirement - to encourage the establishment of recreational and social facilities for our elderly and to protect them from the fear of want.

And, to our sister States of the Union, we pledge to develop in Hawaii an honest showcase of Democracy where the strifeless co-mingling of people of all races, colors and creeds shall be based, not solely on charitable tolerance, but, on love and understanding -- where we can prove to the bigots and the unbelievers of this world that democracy can and does work.

As our great President, John F. Kennedy, stated in his inaugural address,

"All this will not be finished in the first one hundred days. Nor will it be finished in the first one thousand days, nor in the life of this Administration, nor even perhaps in our lifetime on this planet. But let us begin."

Yes, let us begin today, before it is too late.

Thank you.

SUMMARY

WHY WE NEED FEDERAL AID TO EDUCATION

L--There is no relief in sight on the national teacher shortage situation.

2--The U.S. produced little more than 140,000 new teachers this year.

3--Of these, the increase in available high school teachers is 13.9 per cent

BUT the increase in available elementary school teachers is only 5.1 per cent.

4--THE CURRENT RATIO OF ELEMENTARY TEACHERS TO SECONDARY SCHOOL TEACHERS

IS ALMOST 8 TO 5--BUT THE RATIO IS REVERSED (5 TO 8) IN THE PROSPECTIVE

NEW SUPPLY.

5-- SINCE MANY OF THE AVAILABLE NEW TEACHERS WILL BE DRAWN INTO OTHER FIELDS-17 PER CENT OF THE AVAILABLE NEW ELEMENTARY TEACHERS AND 32 PER CENT (NEARLY
ONE OUT OF THREE) OF THE AVAILABLE NEW SECONDARY SCHOOL TEACHERS--THE
NUMBER OF TEZ NEW TEACHERS ACTUALLY GOING INTO THE FIELD WILL NOT EQUAL
THE DEMAND FOR REPLACEMENTS AND EXPANDED ENROLLMENTS.

THIS MEANS THAT THE NEW CROP OF TEACHERS OFFERS NOTEZZZZ WHATSOEVER TOWARD RELIEF FROM OVERCROWDING AND HALF-DAY SESSIONS, ADDITION OF NEEDED SERVICES OR REPLACEMENT OF INADEQUATE TEACHERS NOW IN SERVICE.

6-ENROLLMENTS HAVE INCREASED AT A RATE OF MORE THAN ONE MILLION YOUNGSTERS
A YEAR FOR THE PAST TEN YEARS. BUT THE FIRST AND SECOND GRADES ACROSS
THE NATION HAVE ALREADY FELT THE IMPACT OF A NATIONAL BIRTHRATE WHICH
BEGAN TO EXCEED FOUR MILLION PER YEARS EIGHT YEARS AGO. NOT UNTIL 1965
WILL ALL SIX ELEMENTARY GRADES FEEL THE IMPACT OF THIS HIGH BIRTH RATE.

OTHER FACTORS ARE AT WORK. AGRESSIGE CAMPAIGNS TO CUT HIGH SCHOOL DROP-OUTS TOGETHER WITH THE REALIZATION THAT A HIGH SCHOOL EDUCATION TODAY IS A VERY MINIMUM REQUIREMENT, ARE KEEPING SECONDARY ENROLLMENTS UP.

THE RESEARCH DIVISION OF THE NATIONAL EDUCATION ASSOCIATION ESTIMATES THAT WE NEED 35,000 more TEACHERS NEXT YEAR.

BEZCAUSE WE ALREADY HAVE WIDESPREAD OVERCROWDING IN OUR SCHOOLS.

WE CAN'T JUST ADD STUDENTS TO THESE CLASSES. WE MUST CREATE NEW CLASSES

AND THIS MEANS NEW CLASSROOMS AND NEW SCHOOLS.

IN OUR CITIES MORE THAN HALF OF ALL CLASSROOMS HAVE MORE THAN 30
YOUNGSTERS PER CLASS. NEARLY ONE CLASS IN EXERZEXVEZ EVERY SIX ACROSS
THE COUNTRY HAS MORE THAN 35 STUDENTSZ AND WE HAVE MORE THAN TWO MILLION
YOUNGSTERS IN SUCH CLASSES. WHAT KIND OF AN EDUCATION ARE THEY GETTING
WHEN WE KNOW THAT THE EFFECTIVENESS OF A TEACHERS DROPS SHARPLY AS THE
25-1 PUPIL-TEACHER RATIO IS EXCEEDED?

TO GET MORE TEACHERS INTO THE CLASSROOMS AND TO KEEP THE ONES WE HAVE WE MUST MAKE A NATIONAL DECISION TO PAY THOSE ENTRUSTED WITH THE MINDS OF OUR CHILDREN AS MUCH AS THOSE ENTRUSTED WITH THE CARE OF OUR PLUMBING SYSTEMS.

THE PRESENT LEVEL OF SCHOOL SUPPORT IS TOO LOW TO PROVIDE THE TYPE

OF EDUCATIONAL SYSTEM NEEDED TO COPE WITH THE COMPLEXITIES OF THE ATOMIC AND SPACE AGE. WE CAN AFFORD TO SPEND MORE ON EDUCATION AND WE MUST.

THE FEDERAL GOVERNMENT HAS LONG PROVIDED AID FOR ROADS, PUBLIC WELFARE, HEALTH PROGRAMS, AIRPORTS--WHY NOT EDUCATION WHICH IS FAR MORE IMPORTANT?

Oahu only over the six years will need 635 additional classrooms. Missing 40 to 42 new schools. We'll have to replace 484 classrooms. There are many miscellaneous needs: parking facilities, paving, fencing, covered walks, play courts, sight improvements. We need new administration buildings and libraries. At least 38 additional administration library unities. Thirty one existing library administration unities ****** need to be replaced. Cafeterias, right now we need 20 replacements. Believe it or not we have received more than 45 million dollars in federal impact fund since 1941, that is an ll year period. 48% of all the public school children in Hawaii receive direct benefits from this impact money. More than half or 53.2 % on Oahu are aided by this federal impact money. This federal money does not include school-lunch subsidies, does not include funds from the National Education Defense Act, it does not include funds from vocational education.

One of the major problems on Oahu is increased enrollment. For a number of years enrollment was increasing at the rate of five thousand a year. It is now about four thousand a year. This is caused by *** immigration from the mainland and the neighbor islands, there is no relief in sight, birthrate has increased from 1941 at the rate of six thousand a year.

1962 it is fourteen thousand a year and is still going up.

Another problem is the tremendous population shift. The Pearl Harbor area population has gone up twenty-seven hundred per cent in the last ten years. Kailua has increased one thousand per cent in the last ten years. Waialae-Kahala has increased seven hundred per cent in the last ten years.

Third big problem is replacing substanding facilities $W_{\rm e}$ have never caught up with the shut down of construction during World War II. We have a tremendous replacement problem.

Another five million dollars a year in terms of equipment and supplies would have meant in 1961 two and a half times increase in the 1960 appropriations. It would have freed money for audio visual and educational TV or needed cafetoriums. That was the federal aid bill that Pres. Kennedy then voted for as a senator in 1960 and Vice Pres. Nixon was forced to break the tie and killed it.

The National Education Association has backed Kennedy on this bill.

Poor pay often means poor teachers.

Rising cost of school construction. Five hundred thousand dollar school financed on a thirty year bond, means interest payments. In 1962 more than three hundred and fifty thousand dollars.

It was estimated in 1960 that Hawaii had four hundred substandard classrooms.

EAST-WEST CENTER

The East-West Center on the University of Hawaii campus is a top priority project on Congressman Dan Inouye's program--now and in the future.

During his terms of office, the House of Representatives has approved appropriations totaling \$21.6 million for the East-West Center program. These were appropriated as follows: 1960 - \$10 million; 1961 - \$3.3 million; 1962 - \$8.3 million.

About 1,000 students will be enrolled at the East-West Center by 1966-67 and Dan hopes to help it grow through the years.

Remember that this Center is a Democratic project, a brainchild of John A. Burns, the present Democratic candidate for Governor, and Vice President Lyndon B. Johnson. It is a positive accomplishment which shows the Kennedy administration's faith in Hawaii and its people in its program to advance the cause of international understanding and world peace.

A House subcommittee found this year that the progress made at the East-West Center has been "rapid and praiseworthy."

Hundreds of Asian students and senior scholars will leave this institution to go to other schools on the U.S. Mainland or to return to their homelands, carrying with them a well-rounded knowledge of the U.S. and its democratic institutions.

Is this the kind of federal spending the opposition wants to cut-spending aimed at the enhancement of human relations, bridging the gulfs of human understanding?

Congressman Inouye said, "The East-West Center is one of the great steps forward taken by our nation in recent years. I am very proud to have played some part in the creation and advancement of this remarkable institution which has received so much well-deserved praise throughout the free world.

"Should we ever lose sight of the need for such an educational facility, then we have lost touch with the very freedoms we live and fight for."

USS ARIZONA MEMORIAL

For 20 years, the final resting place of the more than 1,000 dead buried in the rusting hulk of the USS Arizona was marked only by an American flag atop the superstructure.

Despite a determined campaign by the Pacific War Memorial Commission, efforts to raise \$500,000 for a permanent memorial to these honored dead fell short of its mark by \$150,000. Dan Inouye did his part to secure a \$150,000 appropriation in the House and the bill passed the Senate and became law.

The USS Arizona Memorial, a reality at last, was dedicated on Memorial Day of this year. It is indeed a fitting tribute to the brave men of the Arizona and a silent reminder to all the world that they will never be forgotten.

PUBLIC WORKS

No one knows better than Congressman Daniel K. Inouye how vital federal public works projects are to the State of Hawaii because our state needs economic development projects—especially on the Neighbor Islands.

He paid special attention to Neighbor Island needs during his terms of office. Here is the record of appropriations which Dan was able to get House approval for while he has been in Washington:

1962

TIAWAH

\$600,000 Hilo Harbor tidal wave seawall protection study. This is the first step in a project which may ultimately cost \$25 million or more. No one needs to be reminded that Hilo must never again bear the heavy losses in lives and property which it has endured in recent years.

\$200,000 - Wailoa Stream Flood Control project study.

\$20,000 - Kawaihae Harbor channel deepening study.

MOLOKAI

\$3,200,000 - Molokai Irrigation Project. Now in its final stages of construction, this project will provide precious water to a large section of West Molokai for the first time in history, making diversified farming possible on a wide scale. It is hoped that this area will ultimately become the "breadbasket" for populous Oahu, cutting imports of fresh fruits and vegetables from the West Coast to a minimum.

MAUI

\$17,000 - Kihei Flood Control project study.

OAHU

\$60,000 - Honolulu and Barbers' Point Harbor study projects.

STATE OF HAWAII

\$100,000 - Hawaii Coastline study project to select small boat harbor project sites. This study will help aid Oahu and all the Neighbor Islands.

* * * * *

1961

OAHU

\$50,000 - Barbers' Point Harbor project feasibility study.

2. PUBLIC WORKS

\$10,000 - Honolulu Harbor channel study.

\$6,000 - Waikiki Beach erosion study.

\$5,000 - Kawainui Swamp reclamation study. The City & County of Honolulu recently voted to acquire this area and will soon be seeking sizeable federal appropriations to reclaim this land and convert it into a beautiful park.

* * * * *

The following project studies have been authorized but are still awaiting budgeting action:

Hawaii - Lava Flow Barrier.

Maui - Maalaea Bay Deep Harbor. Kahoma Stream Flood Control.

Oahu - Kahaluu Harbor.

Projects previously authorized where funds have now been made available for studies by the U. S. Army Corps of Engineers:

Kauai - Nawiliwili Small Boat Harbor.

Lanai - Manele Bay Small Boat Harbor.

Molokai - Kaunakakai Harbor.

HIGHWAYS

How many of you realize that highways costing more than \$300 million are being built and will be built in Hawaii in this decade from 1960 to 1970?

More than \$240 million of this amount will come in the form of federal aid from Washington. For every \$90 from the federal government, the State must put up \$10 in matching funds. Most of these federal aid funds were not available to Hawaii until 1960 when the Congress included Hawaii in the Interstate Defense Highway System.

Until this point in time, Hawaii paid its full share of federal gas taxes without receiving the same benefits accorded other states.

Congressman Inouye introduced the bill to make these funds available. The proposal was not opposed by the administration and the bill later became a part of the Hawaii Omnibus Act. The opposition has referred to this act as "just a formality"--more than \$240 million in federal aid.

Here are the amounts Hawaii has already received or is scheduled to receive under this program through the 1963-64 fiscal year:

\$12.3 million in the 1961-62 fiscal year. \$18.79 million in the 1962-63 fiscal year. \$20 million plus in the 1963-64 fiscal year.

Nearly 50 miles of Interstate Defense Highways are already scheduled for construction on Oahu as follows: H-l, from Barbers' Point to Aina Koa; H-2, from Pearl City to Schofield Barracks; and H-3, from Middle Street to the Kaneohe Marine Corps Air Station.

Because other states had a four-year jump on us--they began participating in this program with the passage of the National Highway Act in 1956--we are behind schedule.

These highways will alleviate a serious traffic condition on Oahu. They are one of the major foundation stones in a national program designed to provide needed assistance to limited state economies.

An additional \$5 million a year--to be matched on 50-50 basis by our state--is also provided for state primary and secondary highways on all the islands.

It's true that some--but not all--of this money is our own, coming back to us following payment of various federal taxes. But because we are a small state with limited resources, we must be ever alert in the Congress to be certain that we receive a fair share of federal funds marked for distribution throughout the nation.

UNIVERSITY OF HAWAII

Congressman Dan Inouye had to battle in the House of Representatives to secure a \$6 million land grant college aid appropriation for the Universty of Hawaii. His bill asked for \$36 million in lieu of a land grant to the University of Hawaii matching grants given other state colleges and universities since the Morrill Act of 1862.

The Eisenhower administration opposed this grant on the grounds that Hawaii had waived it under the terms of the Statehood Act. The Governor was reluctant to support it because he doubted the grant could be included in the Hawaii Omnibus bill and because he feared it would burden that bill with too many controversial items.

Although a \$6 million grant was included in the Omnibus bill, Congressman Inouye still had to battle for the allocation of the funds. The money is invested by the State of Hawaii and the University receives the interest which averages just under a quarter-million dollars a year.

The bulk of these funds is now being invested in the College of Tropical Agriculture. Use of part of the money to endow professorships is now under consideration by the Board of Regents. Another portion is being used to finance engineering research conducted by the College of Engineering.

All this adds up to a stronger university able to provide a better education for our children and to make valuable contributions not only to the State of Hawaii but to peoples throughout the Pacific Basin.

University of Hawaii

Congressman Dan Inouye had to battle in the House of Representatives to secure a \$6 million land grant college aid appropriation for the University of Hawaii. Songressman Inouye's bill asked for \$36 million in lieu of a land grant to the University of Hawaii matching grants given other state colleges and universities since the Morrill Act of 1862.

The Eisenhower administration opposed this grant on the grounds that Hawaii had waived it under the terms of the Statehood & Act. The Governor was reluctant to support it because he doubted the grant could be included in the Hawaii Omnibus bill and because he feared it would of THE FONDS. burden that bill with too many controversial items.

Consulss man INOUSE STILL HAID TO BATTLE FOR THE ALCOLATION FILE ALCOLATION FOR THE ALCOLATION BUT A \$6 million grant was Sinslly included in the Omnibus bill,

The money is xestad in zazax invested by the State of Hawaii and the University receives the interest which averages ziezzazz just under a quarter-million dollars a year.

The bulk of these funds is now being invested in the College of Tropical Agriculture. Use of part of the money to endow professorships is now under consideration by the Board of Regents. Another portion is being used forzongzz to finance engineering research conducted by the College of Engineering.

All this adds up to a stronger university able to provide a better education for our children and to make invaluable contributions not only to the State of Hawaii but to peoples throughout the Pacific Basin.

Highwaysxx

HIGHWAYS

I wow many of you realize that highways costing more than \$300 million are size being built and will be built in Hawaii in this decade from 1960 to 1970.

More than \$240 million of this amount will come in the form of federal aid from Washington. For every \$90 from the federal government, the State must put up \$10 in matching funds. Most of these federal aid funds were not available to Hawaii until 1960 when the Congress included Hawaii in the Interstate Defense Highway System.

Until this point in time, Hawaii paid its full share of federal gas taxes without receiving the same benefits accorded other states.

The proposal was not opposed by the administration and bill later became a part of the Hawaii Omnibus Act. The opposition has referred to this act as "just a formality."

formality', I'm happy to have contributed something to making it a reality.

Here are the amounts Hawaii has already received or is scheduled to receive under this program than the 1963-64 fiscal year:

\$12.3 million in the 1961-62 fiscal year.

\$18.79 million in the 1962-63 discal year.

\$20 million plus in the 1963-64 fiscal year.

Nearly 50 miles of Interstate Defense Highways are already scheduled for construction on Oahus as follows:H-l,from Barbers Point to Aina Koa H-2,from Pearl City to Schofield Barracks;and H-3,from Middle St. to the Kaneohe Marine Corps Air Station.

highways=2

Because other states had a four year jump on us-they began participating in this program with the passage of the ***

National Highway Act in 1956--we are behind schedule.

I don't have to tell you what these highways will do to alleviate a serious traffic condition on Oahu. They are one of the major foundation stones in a national program designed to provide needed assistance to limited state economies.

An additional \$5 million a year in a to be matched on a 50-50 basis by our state--is also provided for state primary and secondary highways on all the islands.

It's true that some--but not all/of this money is our own, coming back to us following payment of various federal taxes. But because we are a small state with limited resources, we must be ever alert in the Congress to be certain that we receive a fair share of federal funds marked for distribution throughout the nation.



PUBLIC WORKS

19827

No one knows better than Congressman Daniel K. Inouye how vital federal public works projects are to the &ztez State of Hawaii because our state needs toz economic development projects--especially on the Neighbor Islands.

He paid special attention to Neighbor Island needs during his terms of office. Here is the record of appropriations which Dan kezz was able to get House approval for while he has been in Washington:

\$600,000

\$100,000, Hawaiian Islands coastline study to establish suitable small boat harbo

\$200,000-Wailoa Etandz Stream Flood Control project study.
\$\frac{1}{20,000} - Mawaihae Hanson deep channel deepening study.

MOLOKAI

\$3,200,000-Molokai Irrigation Project. Now in its final stages of construction, this project will provide precious water to a large section of West Molokai for the first time in history, making diversified farming possible on a wide scale. It is hoped that this area will ultimately become the "breadbasket" for populous # Oahu, cutting Wester imports of fresh fruits and vegetables from the West # Coast to a minimum.

public works-2

MAUIZ

MAUI

\$17,000 -- Kihei Flood Control Project Study.

OAHU

\$60,000--Honolulu and Barbers Point Harbor Study Projects.

☆☆☆☆▽ STATE OF HAWAII

2/4 2/4 2/4 2/4

1961

OAHU

\$50,000-BARBERS POINT HARBOR PROJECT PERSIBILITY STUDY. LOWER CAR

\$ 6,000-WAIKEKI BEACH EBOSTON STUDY. LOWER CALL

\$\$5,000--Kawainui Swamp Reclamation Study. The City & County of Honolulu recently voted to acquire this area and will soon be seeking sizeable federal appropriations to reclaim this land and convert it into a beautiful park.

2/52/52/5

The following projects studies have been authorized but are still awaiting budgeting action:

Hawaii Malae Bay Deep Harbor Lava Flow Barrier.

Maui Kahoma Stream Flood Control.

Oahu--Kahaluu Harbor.

public works-3

Projects previously authorized where funds have now been

made avilable for studies by the U.S. Army Corps of Engineers: Smul Book
Kauai--Nawiliwili Harbor.

Lanai -- Manele Bay, Small Boat Harbor

Molokai--Kaunakakai Harbor.

USS ARIZONA MEMORIAL final resting place of the For 20 years, the/more than 1,000 dead buried in the rusting hulk of the USS Arizona was marked only by an American flag atop the superstructure. for a permanent memorial to these honored dead fell short of its mark by \$150,000. Dan did his part to secure a \$150,000 appropriation in the House and the bill passed the Senate and became law. The USS Arizona Memorial, a reality at last, was dedicated on Memorial Day of this year. It is indeed a fitting tribute to the brave men of the Arizona and a silent reminder to all the world that they will never be forgotten. 3/53/53/53/5

EAST-WEST CENTER

The East-West Center on the University of Hawaii campus is a top priority project on Congressman Dan I_n ouye's program--now and in the future.

During his terms of office, the House of Representatives has approved appropriations totaling \$21.6 million for the East-West Genter program. These were appropriated as follows:1960-\$10 million;1961-\$3.3 million;1962--\$8.3 million.

About 1,000 students will be enrolled at the East-West enter by 1966-67 and Dan hopes to help it grow through the years.

Remember that this center is a <u>Democratic</u> project, a brainchild of John A. Burns, and the present Democratic candidate for Governor, and Vice President Lyndon B. Johnson. It is a positive accomplishment which shows the Kennedy administration's faith in Hawaii and its people in its program to advance the cause of w international understanding and world peace.

A House subcommittee found this year that the progress made at the East-West Center has been "rapid and praiseworthy."

Hundreds of Asian students and senior schoolars will leave this institution to go on to other schools on the U.S. Mainland or to return to their homelands, carrying with them a well-rounded knowledge of the U.S. and its democratic institutions.

Is this the kind of federal spending wezarz/to cut-spending the enhancement of aimed at/enhancement attentions human relations; and a bridging the gulfs of human understanding?

Congressman Inouye said "The East West Center is one of the great steps forward byzazz taken by our nation in recent years. I am very proud to have played some part in the creation and advancement of this remarkable institution."

which has weez received so many/well-deserved praise free waredzz world.

"Should we ever lose sight of the need for such an educational facility, then we have lost touch with the very freedoms we live and fight for."

米米米米

The Sugar Act

150,000,000 Congressman Inouye played a major role in the enactment of the Sugar Act this year -- an act which will greatly benefit employes. 50,000 unludary Hawaii's sugar industry and its

This was the problem faced by the sugar industry in Hawaii before the act was passed. The federal government controls the growth of sugar in the United States and pays a subsidy to Hawaii sugar growers of 35 cents per 100 pounds of sugar produced. This subsidy payment enables the sugar industry in Hawaii to compete with foreign sugar producers where low-paid workers can produce sugar at a lower cost.

Hawaii sugar producers were given an unrealistically high quota by the Department of Agroculture. The quota system provided that the subsidy will be paid on all sugar produced up to the quota limit of the

But more often, then not, Hawaii was unable to meet the quota. The sugar beet growers on the Mainland were then permitted to produce -- and to receive a subsidy payments for -- the difference between what Hawaii produced and the quota limit.

The result was that the beet sugar producers made more money and were able to expand, thus becoming an even greater threat to Hawaii producers.

It is obviously to Hawaii's advantage to see that the Mainland sugar beet growers do not get too big as they threaten the economic stability of our entire state because sugar is one of our leading "industries."

Because he was a member of the House Agroculture Committee-and because he indeledance "did his homework" and became one of the most knowledge informed men in the Congress on the complexities of sugar legislation-Dan was named to the House-Senate conference committee on the Sugar Act.

Eleven committee members who had more seniority were passed over to give Dan a seat ø at the conference table.

Dan fought the administration 's version of the bill because he did not believe it was completely fair to Hawaii or that it was would serve the best interests of the nation.

Thexpesuity was zero Because he was successful in securing secretain amenments to the bias bill, Hawaii now has a realistic quota which the sugar industry is confident it can meet,

But should the industry fail to meet its quota, any deficit will not be reassigned to the sugar beet industry. Instead it will be assigned to foreign areas. And since foreign sugar is not competetive--because of the subsidies or compliance payments which enables Hawaii producers to compete of a price basis---this would not hurt the Hawaii sugar industry.

Hawaii will also be permitted to exceed its quota.

For the first time, **Hawaiixhasx***twaxxx Hawaii's sugar industry has "two-way" protection because it can go above or below the quota without getting hurt. The sugar beet industry does not have these privileges.

This protection will last for at least 42 years under the present law.

Another major change in the Sugar Act will also bring direct economic benefits to the sugar industry and the State of Hawaii. Almost all the sugar produced in Hawaii is refined by the C&H Refineries at Crockett, Calif. Under the old law, many foreign sugar producers could ship in refined sugar into the U.S., ready for the table. Under the new law, with very new exceptions, all foreign sugar imported into this country must be in the raw or unrefined state. This means that U.S. companies will refine the sugar, thereby insuring additional profits for Hawaii's sugar industry.

Since the original law ran from year to year. the Hawaii sugar industry now has the opportunity to make sideable investments in new equipment since the industry is assured of a fairly stable price picture for the next few years. "This will inevitable mean greater/development for Hawaii," Congressman Inouye said.

In the short time allotted to me, I would like to attempt to correct and clarify certain wild and irresponsible statements made in reference to the fine record of accomplishment that has been compiled Dan Incuye as a Member of Congress from Hawaii. Several days ago, the opposition ridiculed this fine record by saying that Dan Incuye has had only three of his bills enacted into law. Such a statement by the opposition points out two very important things, namely, that half - truths and distortions will be used midinary membranthan by them in this campaign to get your votes, and secondly, that they and their candidate are obviously ignorant of the functions and operations of the House and Senate members of Congress.

Let me state for the record that Dan Inouye has had more than twenty of his bills enacted into law and this does not include the many private bills which eventually received the President's signature of approval. The fact of the matter is that many of Dan's bills found life by incorporation through amendment to other bills and through co-sponsorship with others. Prestige and or effectiveness in Washington is not measured by the number of Bills you can have enacted under your sole sponsorship but by finding and utilizing a vehicle which would best assure enactment.

But assuming for the sake of argument that Dan Income was able to have only three of his bills enacted, let us again study the facts and attempt to straighten out the inferences intended by the opposition. Dan Income went to Mashington in August of 1959 and was there hardly a month before Congress adjourned the lat session of the Soth Congress. During the Soth Congress, more than 12,000 bills were introduced by a total of 437 members of the House. Out of the 12,000 bills, only 277 of them were enacted into law during the second session. Simple arithmetic will show you that if Dan Income could claim three bills out of 277, the conclusion would be that approximately 200 House members did not have even one enacted law to their credit. Dan's batting average under these circumstances would have been one of the highest in Congress.

Introduction of bills and having them passed under your sponsorship is not necessarily the most effective way of doing things in Congress. At times it may be necessary and wiser to have a senior and more influential member sponsor your bill for with his influence, the chances for success are much greater. This is one of the political facts of life in Hashington, D. C.

Das Incure has also been a coused of "doing nothing for Hawaii." For me to enuserate his many accomplishments would take more time than I have available and sincer there are other speakers awaiting their turn on the platform, I will not endeavor to do so. I would like, however, to mention a few.

The maritime strike was an unfortunate matter and Dan Income was among the first to realize and appreciate the meed for immediate action. As his assistant in Washington, I saw him in almost daily contact with the White House and the Department of Labor regarding this problem. Protocol however prevented him from making public his efforts and discussions for two obvious reasons: (1) any press releases should rightfully be issued by the White House or the Department of Labor, and (2), premature

release of information could have possibly jeopardized the negotiations being conducted by the disputing parties.

Dan Inouye predicted the settlement of the strike three days before settlement was announced. This, I think, should clearly evidence time his closeness to the problem. President Kennedy and the then-Secretary of Labor Goldberg, personally expressed to Dan Inouye, their appreciation for his efforts and assistance in bringing about the final settlement. The opposition's yelling and screaming of "do nothing" suddenly seemed to be stilled by the disappearance of a political issue for them.

What else has Dan Incure dome? Aside from the many public works projects which he helped to bring to Hawaii, his role in the enactment of the Sugar Act and the inclusion of pineapples in the National School lune program are worthy of mention because of the vital impact which these two industries have on the economy of Hawaii. He was a key man in bring about a law which enables the Hawaiian sugar industry to plan for its future. He was a key man also in convincing the Department of Agriculture that pineapples were worthy and deserving of inclusion in the school lunch program despite many years of prior refusal. This opens for the pineapple industry a new market for their products in the face of mounting competition from foreign pineapple growers. What is good for the sugar and pineapple industries, and I'm sure you will agree, is also good for the sugar and pineapple workers and the Hawaiian economy.

The many contacts and friends he has made in Congress and in the Administration are a valuable asset to Dan and to Hawaii if Hawaii is to receive that to which it is entitled. Hawaii has received favorable consideration from Washington in many aspects...and much of that credit can be rightfully claimed by Dan Inouye.

He has represented Hawaii effectively and aggresively. He has compiled a fine and outstanding record notwithstanding the half-truths and distortions of the opposition. He can continue to represent your best interest and the best interest of Hawaii, but in order to do so, he will need your kokua and your vote.