

gram, marked by far the best advance yet made toward improvement of our educational system, they constitute only the beginning of what the present generation owes to our beleaguered young people. In my opinion, the Federal aid program should be expanded even more than has now been done, particularly in assisting local school districts with the cost of more adequate physical facilities so that their own resources may be used toward payment of better salaries to more and better qualified teachers. I also recommend careful study of the so-called new careers movement as an element in the war on poverty and the development of an extensive program for the training of educational aids among the low-income people who, with such training, could make a significant contribution toward the enrichment and increased practicability of the education provided to children in low-income areas of both our cities and our rural areas.

The third subject which I wish to discuss is the rate of interest. Every item in the consumer price index is affected by the rate of interest. The higher the rate of interest, the more the cost of living is forced upward, the greater inflationary pressures become, and the more difficult it is to produce an adequate supply of the things most needed by our people—housing, in particular. It needs no proof on my part to show that low-cost housing especially expands and contracts in inverse proportion to the rate of interest. If interest rates are low, housing starts can be and are expanded closer to the number which our country so desperately needs. If interest rates go up, as they have been so disastrously doing recently, it shuts off the supply of new low-cost housing more surely than any other single factor can do.

Furthermore, interest rates at the high level at which they have now been pushed quite literally, price out of the market for decent homes millions of people who might be able to afford good housing and even to own their own homes if the interest rate were lower. At 6¼ percent interest on a 30-year mortgage a \$16,000 house costs \$16,000 for the house but \$20,000 for interest on the debt.

The present high level of interest rate has already pushed our bill for interest on the Federal Government debt to the astronomical figure of \$14,200,000,000. Next only to expenditures on war, this is the largest single item in the whole national budget. If interest rates had been held at levels where they were held even under the terrific pressures of World War II, the bill for interest on our Federal Government debt would today be only about half it is!

High interest rates bear most heavily on those elements in the population which are least able to bear additional burdens: namely, the poor, the farmers, and small business. High interest rates penalize every productive agency and institution in the economy. And the point must somewhere be reached where the sheer weight of interest payments becomes so great that the whole productive process in a free economic order is slowed down. Admittedly, we have not yet quite reached that point in the United States. But if present trends are allowed to continue, we certainly shall reach it before long. The time is now when measures should be instituted to reverse the trend toward higher and higher interest rates and to bring them back into line with national needs and elemental economic justice.