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7672 SUPPLEMENTAL HEARING
AGRICULTURAL APPROPRIATIONS FOR
FISCAL YEAR 1967

HEARINGS

BEFORE THE

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
UNITED STATES SENATE

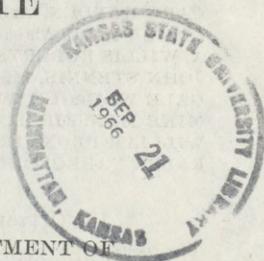
EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

H.R. 14596

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF
AGRICULTURE AND RELATED AGENCIES FOR THE
FISCAL YEAR ENDING JUNE 30, 1967, AND FOR OTHER
PURPOSES



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DEPARTMENT OF AGRICULTURE AND RELATED AGEN- CIES APPROPRIATIONS FOR FISCAL YEAR 1967

TUESDAY, MAY 24, 1966

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D.C.

The subcommittee met at 10 a.m., in room 1223, New Senate Office Building, Hon. Spessard L. Holland, chairman, presiding.

Present: Senators Holland, Robertson, Stennis, Yarborough, Young, and Aiken.

OPENING STATEMENT

Senator HOLLAND. The subcommittee will please come to order.

The committee is meeting this morning to receive testimony from officials of the Department of State in opposition to the provision included in the House-passed version of the agricultural appropriation bill for 1967, H.R. 14596. The provision referred to appears on page 36 of the bill under the heading "Commodity Credit Corporation—Reimbursement for Net Realized Losses," and reads as follows:

Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime

As I understand it, this amendment was adopted in the House of Representatives on April 26 just before final passage, and this amendment had been defeated in the Committee of the Whole House on the State of the Union by a vote of 75 to 57. Mr. Findley offered the amendment in the House before final passage after a third reading of the bill and the House adopted the recommittal motion of Mr. Findley instructing the House on this amendment by a vote of 290 yeas, 98 nays, and 44 not voting.

INTRODUCTORY COMMENTS

The Honorable Thomas C. Mann, Under Secretary of State for Economic Affairs, is here together with his associates to make a statement before the committee in opposition, as I understand it, to the amendment carried in the House version of the appropriation bill.

Mr. Mann, we are very glad to have you.

May I, speaking as chairman of this subcommittee and as an individual Senator, state that I am very, very sorry that you are leaving the Government service. We are going to miss you very greatly indeed. I think you have been highly efficient and have been

highly cooperative with the Congress, and I think you are just a No. 1 sort of American and we are going to miss you terribly.

Mr. MANN. Thank you very much.

Senator YOUNG. Mr. Chairman, I share your feeling. Mr. Mann has served with great distinction and he is one in the Government that most Members of Congress and the general public have a great confidence in, especially in your judgment.

Senator STENNIS. Mr. Chairman, I am not in the minority on this. I agree with the Chair and our friend from North Dakota and appreciate what was said.

Senator HOLLAND. I met this young man—and I am using a figure of speech—down in Guatemala years ago when I was charged by the Senate with checking on the Inter-American Highway. He was then, I think, chargé d'affaires in the absence of the ambassador, who was ill, I believe, and he made a very fine showing during our stay by making the necessary contacts with the then Acting President. His contacts in that area of both social and business nature impressed me very much.

Later in other meetings in Latin America I had the same impression and that impression has continued and been extended since he came here.

So that we all feel very badly about your leaving, and I hope this will be something to indicate that you have served successfully at least in the opinion of a few people who have the interest of the Government at heart about like you do.

Mr. MANN. Thank you very much, sir.

Senator YOUNG. It can't hardly help but be an easier life you are going to.

Senator HOLLAND. We don't doubt that.

Now, Mr. Mann, proceed as you wish.

STATEMENT OF HON. THOMAS C. MANN, UNDER SECRETARY OF STATE FOR ECONOMIC AFFAIRS; ANTHONY M. SOLOMON, ASSISTANT SECRETARY OF STATE FOR ECONOMIC AFFAIRS; ANDREAS F. LOWENFELD, DEPUTY LEGAL ADVISER, DEPARTMENT OF STATE; RICHARD W. REUTER, DIRECTOR OF FOOD FOR PEACE, DEPARTMENT OF STATE; AND THOMAS R. HUGHES, EXECUTIVE ASSISTANT TO THE SECRETARY OF AGRICULTURE

Mr. MANN. Thank you, Mr. Chairman.

Mr. Chairman, I am grateful to your committee for giving me the opportunity to present the views of the administration on the foreign policy aspects of the Findley amendment, Department of Agriculture appropriations bill H.R. 14596.

The purpose of the amendment would be to deny any appropriations, including the appropriation for administrative expenses for implementation of the program of sales of agriculture commodities to any country which sells or furnishes any equipment, materials, or commodities to North Vietnam or permits any ships or aircraft under its registry to transport such cargoes to North Vietnam.

This amendment was not in the appropriations bill as reported by the House Appropriations Committee. It was added as a floor amend-

ment. Since there were no hearings in the House on the subject, this is the first opportunity that the administration has had to present its views on this amendment.

POSITION OF THE ADMINISTRATION

Senator HOLLAND. If I may interrupt, you are stating administration views?

Mr. MANN. Yes, sir.

Senator HOLLAND. Thank you.

Mr. MANN. Mr. Chairman, on the foreign-policy aspects of it, the question I raise is entirely a foreign-policy question.

Senator HOLLAND. But speaking for the administration?

Mr. MANN. Yes, sir, speaking for the administration.

Let me make clear in the beginning that we regret that there are any free world trading or shipping contacts with North Vietnam. As you know, there is in effect a complete embargo on goods of U.S. origin and a prohibition on transactions involving persons or property subject to U.S. jurisdiction. We have been working diligently to reduce free world trading and shipping contacts with North Vietnam, and we have had a considerable amount of success.

EXTENT OF SUCH SHIPMENTS

There are eight free world countries, not all of them aid recipients, which are taking steps, as result of our efforts, to remove all their vessels from the North Vietnam trade. The bulk of the vessels still calling at North Vietnam are ships registered under the United Kingdom flag but based in Hong Kong and beneficially owned by Communist Chinese interests. There are a few other ships under long-term charters to the Communist Chinese. We are doing our best to reduce this remaining shipping even further.

Only one country receiving Food for Freedom commodities has had ships in the trade recently, and that country has issued a decree to prohibit future shipping.

Senator STENNIS. Mr. Chairman, ask him what countries those are?

Mr. MANN. Yes, sir. I have it right here, Senator. The countries which are taking steps to stop North Vietnamese shipping are Cyprus, the Government of Cyprus.

In Greece there has been a royal decree issued which makes it illegal for ships flying the Greek flag to engage in the trade.

In Japan, there are no Japanese ships now engaged in the trade as a result of voluntary action on the part of shippers and unions.

In the case of Lebanese-flag ships there is a decree. In the case of Liberian-flag ships, a decree has also been issued. In the case of Panama, a decree has been issued.

In the case of the Netherlands and in the case of Norway, voluntary action on the part of shipowners has resulted in total elimination of this trade.

Senator STENNIS. Pardon me. When you say "decree," you mean an order of the government?

Mr. MANN. Yes, sir. I mean a law, instead of a law passed by Parliament in the case of the Greek situation, for example, it is a decree signed by the King.

Senator HOLLAND. You haven't yet said which countries.

Mr. MANN. Greece, I meant to say.

Senator YOUNG. What you are saying now is not in the statement?

Mr. MANN. No, sir. Somebody asked for a list of the countries.

Senator YOUNG. Yes.

Senator HOLLAND. Senator Stennis asked for the countries. There was only one country receiving food and commodities which has shipped in the trade, recently has had ships in the trade.

Mr. MANN. I might say the biggest part of the shipping problem that remains after these actions has to do with vessels which are based in Hong Kong.

Senator HOLLAND. Britain, or the United Kingdom gets no aid under Public Law 480?

Mr. MANN. No, sir.

EXTENT OF TRADE BY NORTH VIETNAM

Insofar as trade is concerned, our intelligence community has come up with no information that any of the trade by free world countries could be called strategic in character.

North Vietnam's trade with the free world accounts for about 15 percent of its total trade. During 1964 North Vietnam's exports to the free world totaled \$23.4 million and its imports from the free world amounted to \$12.3 million.

Senator HOLLAND. What is the source of this information?

Mr. MANN. As I say later on in the statement, we are not absolutely confident of the accuracy of our data. We have to rely on such things as published reports of the International Monetary Fund on the volume of trade by various countries with all of the other countries in the world.

The figures, for example, for 1965, the IMF figures, have not yet been published. Our intelligence picks up scraps and pieces here and there. For example, the press announced that the Yugoslavian Red Cross were sending foods and medicines to North Vietnam. By piecing bits of information I think we get a pattern of trade which is fairly clear but the precise figures I think must be open to some question.

NATURE OF FREE WORLD TRADE

Senator HOLLAND. What is the nature of the exports from North Vietnam to the free world?

Mr. MANN. The great bulk of it consists of anthracite coal. That is both to the Communist countries and free world. They really have a limited quantity of things they can export.

The second largest item in North Vietnam exports is a thing called apatite. The committee may know more about it than I do. I understand it is a calcium phosphate, and I presume its principle use is in fertilizers.

Senator HOLLAND. It is exported in its natural state, is it?

Mr. MANN. Yes, sir. We have tables here showing the kind of goods that are going country by country and the type of trade.

For example, North Vietnam's trade with Japan for the year 1965. North Vietnam exports to Japan such things as food and live animals for human consumption, certain crude materials, which are

inedible, except fuels, a small trade in chemicals, which is not broken down, manufactured goods, excluding machinery and equipment. And coal, which constitutes the great bulk of it. These are North Vietnamese exports to Japan.

EXTENT OF FREE WORLD IMPORTS

In terms of what North Vietnam imports from Japan—crude materials, which are inedible, some chemicals, some manufactured goods, except machinery and equipment, and a small item on machinery and equipment.

Senator HOLLAND. No machinery and equipment moving from Japan to North Vietnam that would be regarded as strategic for military purposes?

Mr. MANN. No, sir. Yes; only \$272,000 from Japan, and none of this is strategic in character.

We do not yet have data on North Vietnam's trade in all of 1965. Two-thirds of North Vietnam's exports during 1964 and the first half of 1965 consisted of coal, shipped primarily to Japan and France. Apatite and cement were also exported. We believe these three commodities continue to be the principal export categories.

Imports from the free world have consisted mainly of foodstuffs, fertilizers, and some machinery and industrial raw materials.

TECHNICAL OBJECTION TO THE AMENDMENT

Before discussing the substantive reasons for our opposition to the amendment, I should like to call your attention to one technical point. The Findley amendment in its present form prohibits the use of funds "so long as North Vietnam is governed by a Communist regime." I would assume that this committee would agree that it would be more in keeping with our foreign policy to make the limitation run "so long as there are hostilities in Vietnam" or similiar words. President Johnson has stated that we are willing to consider a cooperative effort for economic development throughout southeast Asia just as soon as peaceful cooperation is possible.

I should like to make clear that the administration would have no difficulty with the suggestion that shipping and trade with North Vietnam by potential food-for-freedom recipients is a factor that should be taken into account in deciding upon a program. If the Findley amendment were modified to give the President discretion on national interest grounds, we would have no difficulty with it, but in its present form the amendment affords no flexibility at all.

POSSIBLE ALTERNATIVE AMENDMENT

Alternatively, the administration would have less difficulty with a bill which, even though it did not vest in the President discretionary authority, limited the sanctions to any country exporting arms and other strategic materials to North Vietnam. There are a number of reasons why we think changes of the nature I have suggested are desirable from the point of view of the U.S. national interests:

First, the amendment as it is now drafted applies to governments which have any export trade with North Vietnam no matter how small or nonstrategic, and no matter how important it might be for the United States to help that country meet its food requirements.

For example, we have no information that India, which is by far the largest food-for-freedom recipient, has currently any trade with North Vietnam. It does ship jute bags to Cuba, for example, and it would seem to us unwise to introduce the element of whether it was legally possible to meet the threatened famine in India because the Government there shipped or might ship some jute bags to Cuba or to North Vietnam.

SCOPE OF PRESENT AMENDMENT

Senator HOLLAND. This covers not only government shipments but also private shipments; does it not?

Mr. MANN. That is not clear, Senator. Our lawyers have construed this, and there is some considerable ground, I think, for debate, to apply it to government-to-government transactions.

The bill, as it is now worded, the pending amendment, I think, leaves it somewhat unclear.

Senator HOLLAND. Do you think it ought to be clarified if the amendment be changed in the Senate or by conference so as to make the prohibition applicable to recipients of Public Law 480 aid who ship military strategic goods to North Vietnam in such a way as to cover only government shipments of all kinds whether it is government or private?

PROPOSAL TO LIMIT AMENDMENT

Mr. MANN. I think we would be inclined to say if the amendment were changed so it is limited to strategic and military, that it might apply to all exports to North Vietnam regardless of whether they came from the private sector or the public sector.

Senator HOLLAND. That would be my opinion also, but I wanted the record clear on that. Maybe there are other questions.

Mr. MANN. On the other hand, Mr. Chairman, if the committee and the Congress were to give the President discretion, there is some advantage in leaving this a little bit vague because it would be helpful to us in our negotiations with foreign governments to reduce even the private sector trade. We would like to eliminate that, too, if we could.

Senator HOLLAND. Do you mind suspending just a moment. I have a call. I must take it and don't want to miss any of this. I would be glad to put Senator Stennis in charge, but if we could suspend, I would like to hear it all.

Senator STENNIS. No, thanks, Senator; I will wait.

(Whereupon, a brief recess was taken.)

Senator HOLLAND. Pardon me for having to run out but this was an appointment I made to come in for a call just before this meeting and it came in a little late. Go right ahead, sir.

IMPACT OF RESTRICTIVE AMENDMENTS

Mr. MANN. Second, it has been suggested that governments which export goods to North Vietnam for whatever purpose and in quantities however small and nonstrategic would have the option of choosing between that trade and food for freedom. The response I would give to this line of reasoning is a tactical one. I am sure Americans would find it offensive if we were required, by the unilateral fiat of another

country, to change our laws or policies. Even if we were in agreement with the objectives of the other country, we would not like to act under duress.

I have found that the cost of provisions of this kind is very high in terms of resentment over what can be considered an invasion of sovereignty and respect for the dignity of others. This would be true in all cases; it would be particularly true where the exports consisted merely of Red Cross or other humanitarian supplies. If I may go off of the record here for just a moment.

(Discussion off the record.)

Mr. MANN. And if we assume that other countries would opt in favor of acquiring food from us, it is not always easy to foretell what the domestic political consequences might be on governments friendly to us. We may be sure the opposition would attack any government that failed to stand up for their country's national dignity and sovereignty. If I may again go off the record.

(Discussion off the record.)

Mr. MANN. Third, in the cases where governments might opt in favor of not cutting off small and insignificant trade with North Vietnam, major Public Law 480 programs could be affected. I don't know how likely it is, but, in the case of India, for example, it could loom as a major foreign policy possibility.

DIFFICULTIES OF ADMINISTRATION

Fourth, the committee will wish to take into account the extreme difficulties of administering a statute of this kind. As I said before, the figures on the export trade of other countries with North Vietnam for 1965 still are not available to us.

Another difficulty is the familiar one of trying to run down shipments through third countries. I know from my own personal experience during the Second World War, that with the advantages of a complicated proclaimed list of blocked nationals, with a large part of the world allied with us in the war effort, and with other means which we do not now have available to us, it was impossible to stop totally all trade with the Axis Powers. What is needed is flexibility for the President to deal with difficulties of this kind in a practical way, rather than a restriction that might require tying ourselves into knots on whether we are complying with the law.

Fifth, I should like to emphasize to this committee the fact that this administration, during the last two and a half years, has been more conscious of the importance of receiving something in return for our assistance under the Public Law 480 and aid programs than any other administration within my experience in the Department.

NEED FOR SOME DISCRETIONARY AUTHORITY

I personally believe that placing discretionary authority in the President for dealing with situations of this kind in light of overall U.S. interests is far preferable to a course which puts the administration in a legal straitjacket, as it were. I think the Congress can have confidence that the President, with or without a legal requirement, will continue in the future to administer our foreign assistance programs with emphasis on our own national interest.

Senator HOLLAND. Well, it is not the question of whether we have confidence or not. The question is, we are confronted with a black and white amendment in the bill which we have to deal with.

Mr. MANN. Correct.

PROPOSED ALTERNATE LANGUAGE AMENDMENTS

Senator HOLLAND. If I understand the earlier parts of the statement, you feel there would be no real objection if the limitation were applied to military strategic shipments.

Mr. MANN. That is correct, or alternatively, as it is, with discretion vested in the President to decide whether the national interests will be served by applying it in a particular case.

Senator HOLLAND. Which of those two methods do you prefer?

Mr. MANN. I somewhat prefer the discretion in the President. I think it would give us more flexibility.

Senator HOLLAND. As I understand it, you have alternative suggestions to offer for us, if the committee desires to do so, as substitutes for the House amendment, is that correct?

Mr. MANN. That is correct. We have two separate paragraphs, alternative approaches to the problem.

Senator HOLLAND. Now, this is an executive hearing for the purpose of further handling of this matter. These alternatives can't very well be an executive session. They must be available for open discussion. Do you have those alternatives now available?

Mr. MANN. Yes, sir. Your staff has copies of them now, Mr. Chairman.

Senator HOLLAND. But they must be available also for general discussion.

AVAILABILITY OF HEARING RECORD

Mr. MANN. Yes, we could make them so, Mr. Chairman.

Senator HOLLAND. All right, you want to make the two part of the executive hearing with the understanding that part of the executive hearing is to be available for open discussion.

Mr. MANN. I have no objection if the statement which I have read to the committee, if the chairman would find it useful to refer to it, I would have no objection to it.

Senator HOLLAND. I see nothing in it that would require it to be off the record. You would require that it all be in the record for general discussion?

Mr. MANN. Yes, except for references to foreign governments, whatever they might be.

Senator HOLLAND. What I suggest is this: That the hearing generally be regarded now as an executive hearing but that the hearing record with such exceptions as you may make will be printed as an open hearing available for open discussion. How is that?

Mr. MANN. That is entirely agreeable, Mr. Chairman.

Senator HOLLAND. Is that agreeable to you?

Senator YARBOROUGH. Yes; of all the questions we asked, this is to be printed as an open hearing?

Senator HOLLAND. Yes; with certain deletions. For instance, they made specific references to certain countries, and as I understand it,

they will want to take those out and those specific references were not in the prepared statement but where in addition?

Mr. MANN. That is correct.

SUBMISSION OF ALTERNATIVES AMENDMENTS

Senator HOLLAND. I am willing to comply with that as chairman of the subcommittee, with that suggestion, and I haven't seen anything in your prepared statement that can't be made public, but I have seen in some of the addenda you offered us here in the way of data of trade with specific countries and problems with specific countries which might well be off the record.

So I would suggest that you work it out with the committee staff so that we will have a printed record as a supplement to our other printed record.

That will enable us to make use of it both with the full committee and also on the Senate floor.

Now these two alternatives will be placed in the record at this time with an explanation of each.

Mr. MANN. Go right ahead.

(The letter of transmittal and memorandum follow:)

DEPARTMENT OF STATE,
Washington, May 31, 1966.

Hon. SPESSARD L. HOLLAND,
Chairman, Subcommittee on Agricultural Appropriations, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: This letter is in response to your request for additional information during the course of the hearings on H.R. 14596 on May 24, 1966. The Under Secretary of State for Economic Affairs suggested that the Administration's difficulties with the so-called Findley Amendment to H.R. 14596 would be considerably reduced if an element of Presidential discretion could be added, and would also be reduced if the restriction of that amendment were limited to arms and strategic materials.

The enclosed memorandum contains the texts which we have suggested for these two alternatives, and the explanation which you have requested.

Sincerely yours,

DOUGLAS MACARTHUR, II,
Assistant Secretary for Congressional Relations.

MEMORANDUM

SUBJECT: EXPLANATION OF MODIFICATIONS OF FINDLEY AMENDMENT, H.R. 14596

On May 24, 1966, the Administration offered the following two provisions, listed in order of preference, for consideration as amendments to H.R. 14596:

ALTERNATIVE A

"*Provided*, That unless the President determines that the national interest requires otherwise, no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities, so long as hostilities are in progress in Vietnam."

ALTERNATIVE B

"*Provided*, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its

registry to transport to North Vietnam any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, Eighty-second Congress, as amended, arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war, so long as hostilities are in progress in Vietnam."

A. Alternative A provides authority for the President to use funds appropriated under H.R. 14596 for sales of agricultural commodities under titles I and IV of P.L. 480, notwithstanding the fact that the purchasing country trades or permits its ships to carry equipment, materials or commodities to North Vietnam. The exercise of this authority would be contingent upon the President's making a determination that the national interest requires the use of funds for that purpose.

This provision is similar to special Presidential authority found in other Acts to carry out programs which are otherwise prohibited, if the President determines that the program is required by our own national interest. Similar provisions are found in section 107 (b) of the Foreign Assistance and Related Agencies Appropriation Act, 1966 (79 Stat. 1002); section 109 (b) of that Act; and in Public Law 89-2, making supplemental appropriations for the Department of Agriculture for fiscal year 1965 (79 Stat. 4).

B. Alternative B does not contain a provision for Presidential discretion, but applies the restriction against sales only to those countries which sell or furnish, or permit their ships to carry, items to North Vietnam which are, for purposes of title I of the Mutual Defense Assistance Control Act (Battle Act), "arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war."

Pursuant to title I of the Battle Act, the United States and other countries of COCOM (the NATO nations and Japan) issue and keep under continuous review an international control list of arms and other strategic materials. Alternative B would draw on the existing worldwide control and reporting system to embargo those items which would contribute to the military capability of North Vietnam.

C. A third alternative, as discussed informally with the staff of the Committee, would be to combine A and B and to add petroleum products to the definition of strategic goods for purposes of this statute. Under this version trade in or carriage by ships of Battle Act items would render countries ineligible for P.L. 480 sales without possibility for a waiver; petroleum products which are not ordinarily on the Battle Act list but which, as the discussion during the hearing brought out, may have strategic significance in the Vietnam context would be placed in the same category as Battle Act items, i.e., without possibility of a waiver; and trade in or carriage by ships of other goods would also render the country ineligible for P.L. 480 sales, but with provision for a Presidential waiver on national interest grounds.

Alternative C might read as follows:

"*Provided*, That so long as hostilities are in progress in Vietnam no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam: (i) any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, Eighty-second Congress, as amended, arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war; (ii) petroleum products; or (iii) unless the President determines that the national interest requires otherwise, any other equipment, materials, or commodities."

All alternatives.—In accordance with Under Secretary Mann's testimony, all the alternatives discussed here use the formulation "so long as hostilities are in progress in Vietnam" rather than the formulation "so long as North Vietnam is governed by a Communist regime".

MODIFICATION OF FINDLEY AMENDMENT—ALTERNATIVE A

“Provided, That unless the President determines that the national interest requires otherwise, no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials, or commodities, so long as hostilities are in progress in Vietnam.”

MODIFICATION OF FINDLEY AMENDMENT—ALTERNATIVE B

“Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any items which are, for the purposes of title I of the Mutual Defense Assistance Control Act of 1951, Eighty-second Congress, as amended, arms, ammunition and implements of war, atomic energy materials, petroleum, transportation materials of strategic value, or items of primary strategic significance used in the production of arms, ammunition, and implements of war, so long as hostilities are in progress in Vietnam.”

EFFECT OF INFLEXIBLE STATUTE ON FOOD FOR FREEDOM PROGRAM

Mr. MANN. Mr. Chairman, as I understand it, we will be free to look this over since it is going to be published with a view of its impact on foreign relations.

Senator HOLLAND. That is true. I would expect you to eliminate those parts which you think would be troublesome in connection with your relations with other nations. I don't find them in the prepared statement, but merely in the assertions or additions which you made during the course of your statement.

Mr. MANN. Thank you, Mr. Chairman.

In conclusion, the administration is in sympathy with the desire of the Congress to seek to reduce free world trade and shipping with North Vietnam. But we think that an inflexible statutory requirement would fail in this purpose, and in the process could do serious damage to the food for freedom program. Thus, we urge—and I am deleting from the statement “deletion or,” and it will read: “Thus, we urge modification of the amendment to this appropriation bill.”

Senator HOLLAND. You are not asking deletion?

Mr. MANN. No, sir.

Senator HOLLAND. I would think since these alternatives are to be printed or mimeographed for our full committee, that a brief explanation of what each of these would accomplish might well be advanced.

Mr. MANN. All right, sir.

Senator HOLLAND. Thank you. I have no further questions.

Senator YARBOROUGH?

Senator YARBOROUGH. I have some, but, Mr. Chairman, these perhaps ought to be off the record.

(Discussion off the record.)

Senator HOLLAND. Thank you very much, Mr. Mann. Are there any of your associates that have some testimony they want to give in addition to what you have stated?

Mr. MANN. I believe not, Mr. Chairman.

Senator HOLLAND. Well, we thank you very much, and we say again we are going to miss you very badly.

Mr. MANN. Thank you. It has been a pleasure to work with all of you. You have my highest respect as public servants in this country. I think I know something about the difficulties of Senators and Congressmen.

SUBCOMMITTEE RECESS

Senator HOLLAND. It is not a bed of roses. Nice to see you, gentlemen.

(Whereupon, at 11 a.m., Tuesday, May 24, 1966, the hearing was completed and the subcommittee was recessed subject to the call of the Chair.)





