

in economies exceeding \$100 million in the current fiscal year and predicted that in the next 5 years the savings should exceed \$400 million a year.

#### FANTASTIC WASTE IN DEPOT'S PURCHASES OF TEXTILES

Mr. PROXMIRE. Mr. President, a very fine editorial appeared in yesterday's Washington Star entitled "Sloppy Spending," in which it was pointed out that the General Accounting Office, in an audit of a military depot at Philadelphia, found a stock of \$1.1 billion of uniforms and other textile items, of which it says more than \$467 million worth is wholly in excess of needs. The writer of the editorial warmly praises the distinguished Senator from Delaware [Mr. WILLIAMS] for his fine work in calling the subject to the attention of Congress.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### SLOPPY SPENDING

The General Accounting Office, in an audit of a military depot at Philadelphia, found a stock of \$1.1 billion worth of uniforms and other textile items, of which it says more than \$467 million worth is wholly in excess of needs. At another supply installation, it found that the Navy spent millions in "unnecessary" purchases of aviation equipment because central records did not accurately show large stocks already on hand.

Presumably, although we have no way of knowing it to be a fact, these purchases might ultimately be utilized. But certainly, as Senator WILLIAMS of Delaware has charged in calling the GAO reports to Congress' attention, they are examples of loose and irresponsible spending. Indeed, he might well be right when he says that if the Kennedy administration wants to cut taxes, "all it has to do is squeeze the waste out of our present budget." Senator WILLIAMS, and commendably so, has made it something of a personal campaign to ferret out and condemn wasteful practices in military procurement. The depressing thing is that his disclosures seem to cause hardly a ripple in either Congress or the Pentagon. Have we really reached the stage that half a billion dollars spent needlessly is nothing to worry about?

#### ADJOURNMENT

Mr. PROXMIRE. Mr. President, in accordance with the unanimous-consent agreement previously entered, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 40 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, July 10, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate July 9, 1962:

##### IN THE ARMY

The following-named officers to be placed on the retired list in the grades indicated under the provisions of title 10, United States Code, section 3962:

##### To be general

Gen. Clark Louis Ruffner, XXXXXX, Army of the United States (major general, U.S. Army).

##### To be lieutenant general

Lt. Gen. William Peirce Ennis, Jr., XXXXXX, Army of the United States (major general, U.S. Army).

## HOUSE OF REPRESENTATIVES

MONDAY, JULY 9, 1962

The House met at 12 o'clock noon.

The Right Reverend Monsignor Leo J. Martin, pastor, Our Lady Star of the Sea Church, Bayonne, N.J., offered the following prayer:

Almighty and most benevolent God, the plans of whose divine providence rest upon wisdom and love for the welfare of nations and peoples, look down with paternal kindness and goodness on this august assemblage of our Nation's rulers. Not by earthbound wisdom, but with the light of Thy infinite knowledge direct their minds, and strengthen with fortitude their deliberations; for upon them rests the welfare and security of those over whom they rule, and to whose good they are committed.

Enlighten and bless with prudence and justice each Member of this assemblage. May they, by Thy help, faithfully keep the stewardship entrusted to them; so that through them in the faithful discharge of their office, our Nation and its people will continue to be blessed in the order of nature and of grace by Thee, who art in truth nature's God and the source of all strength. Amen.

#### THE JOURNAL

The Journal of the proceedings of Thursday, July 5, 1962, was read and approved.

#### RECEIPT OF MESSAGE FROM THE SENATE

The SPEAKER laid before the House the following communication:

OFFICE OF THE CLERK,  
HOUSE OF REPRESENTATIVES,  
Washington, D.C.

The Honorable the SPEAKER,  
House of Representatives.

SIR: Pursuant to authority granted on July 5, 1962, the Clerk received from the Secretary of the Senate today the following message:

"That the Senate agree to the amendment of the House of Representatives to the bill (S. 1264) entitled 'An act for the relief of Capt. Dale Frazier';

"That the Senate has passed Senate Concurrent Resolution 83 requesting the return of, and providing for the reenrollment of, S. 3350, to amend the District of Columbia Hospital Center Act;

"That the Senate passed with amendments the bill (H.R. 8050) entitled 'An act to amend the act relating to the importation of adult honeybees'; and

"That the Senate disagree to the amendment of the House of Representatives to the bill (S. 2970) entitled 'An act to amend the Small Business Act' and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon.

"That Mr. PROXMIRE, Mr. ROBERTSON, Mr. SPARKMAN, Mr. DOUGLAS, Mr. LONG of Missouri, Mrs. NEUBERGER, Mr. BEALL, Mr. BENNETT, Mr. JAVITS, and Mr. TOWER be the conferees on the part of the Senate."

Respectfully yours,

RALPH R. ROBERTS,

Clerk of the House of Representatives.

#### PERMISSION TO SIT DURING GENERAL DEBATE THIS AFTERNOON

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Subcommittee on National Parks of the Committee on Interior and Insular Affairs may sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

#### AMENDING SMALL BUSINESS ACT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (S. 2970) to amend the Small Business Act, with House amendments, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

The Chair hears none and appoints the following conferees: Messrs. PATMAN, RAINS, MULTER, BARRETT, McDONOUGH, WIDNALL, and DERWINSKI.

#### PRIMARY ELECTION BILL

Mr. DENTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. DENTON. Mr. Speaker, I have today introduced legislation which would provide that all primary elections for Members of Congress be held at the same time. The date I fixed in my bill is the first Tuesday after the first Monday in May, and if there is a runoff primary, the date would be the first Tuesday after the first Monday in June. Possibly, other dates would be more satisfactory, but I selected the date on which many of the State primaries are held.

There are 58 primary and runoff primary elections in 48 States held on 31 different dates. It is absolutely essential, of course, that the Members of Congress be present to vote in these primaries and by agreement in the House, it is generally provided that there will be no rollcalls on the day of these primary elections. Generally, the Monday preceding Tuesday is also included in this agreement when the election is held on Tuesday. This means that so far this year there were 17 days on which there could be no rollcalls, and there are 14 on which primary elections are yet to be held.

Furthermore, Members are required to participate in their primaries when they have a contest, because if they don't, they will not represent their constituents. All in all, I think it would be extremely advantageous if we could have all primaries on the same day.

Congress, by statute, has fixed the date for the general election of Members of Congress. While the time, place, and manner of holding elections for Representatives is prescribed by the States, Congress may at any time by law, make

or alter such regulations, as provided in section 4 of article I of the Constitution. It was held in the case of *U.S. v. Classic*, 313 U.S. 299, that this section applied to primary elections.

#### TAX REDUCTION

Mr. CURTIS of Missouri. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, there has been a great deal of talk about tax reduction, and some emphasis has been placed upon a statement of the U.S. Chamber of Commerce. I am very happy that the U.S. Chamber of Commerce has clarified its position by pointing out also a request that Federal expenditures be cut.

I think we are kidding the public when we talk about reductions in taxes to stimulate the economy in the context of an unbalanced budget and further deficit financing. This will only result in the public and the consumers paying the bill through inflation. Inflationary forces come through in increased prices of various commodities or in increased unemployment under the discipline of foreign competition.

Mr. Speaker, we have to balance the budget, and this is no myth and never has been a myth.

#### MISLEADING FOREIGN-AID PROPAGANDA

Mr. DERWINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I have repeatedly objected to the intense, deliberately misleading propaganda barrage which the State Department and its agencies carry on in pressuring the Congress for legislative approval of foreign aid and their favorite global schemes.

Last week Members of Congress received a release from the Agency for International Development, reminding them of the funds spent in their home State under various parts of the program. The rather broad implication was that we should continue supporting foreign aid since it was profitable to our State and local communities. In the specific release that I received, directed to Illinois Members of the House, we were told that Illinois received \$121.2 million in U.S. foreign assistance business during the last 8 years, out of a total of \$4.43 billion spent during this same period.

The facts neglected in the AID release were that the funds spent were first collected in taxes from our citizens, and the net result of the foreign-aid program is to export our dollars abroad.

In the case of Illinois, using the figures supplied by the Department of State, Illinois taxpayers would have provided \$317 million in taxes to receive the \$121.2 million in return.

When an appeal for funds is aimed at selfish interests, it is self-defeating, since the figures prove the fallacy of foreign-aid spending in this respect.

However, Mr. Speaker, the main issue is not the dollars-and-cents figures spent in each State, but the much broader question of the cost, value received, long-range benefits to our Nation and its citizens, as related to the entire program. All practical methods of reviewing the various foreign-aid programs over the years have revealed far more in waste than practical use of funds, many more failures than accomplishments. The program has harmed rather than helped the economies of many nations and has adversely affected the economic status of the United States.

#### CALL OF THE HOUSE

Mr. ADAIR. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. MILLS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 147]

Addabbo	Frazier	Multer
Alford	Friedel	Nix
Andersen,	Giulmo	O'Neill
Min.	Gilbert	Osmons
Andrews	Glenn	Peterson
Anfuso	Granahan	Philbin
Bailey	Green, Pa.	Pike
Baker	Griffin	Powell
Barrett	Hall	Price
Barry	Harding	Purcell
Bass, N.H.	Harrison, Va.	Rains
Bennett, Mich.	Harrison, Wyo.	Randall
Betts	Hays	Reece
Blatnik	Healey	Riehlman
Blitch	Hébert	Riley
Boggs	Hechler	Rivers, Alaska
Bolling	Hoffman, Ill.	Roberts, Ala.
Bonner	Hoffman, Mich.	Robison
Brademas	Horan	Rogers, Tex.
Bromwell	Ichord, Mo.	Rosenthal
Broyhill	Jennings	Rostenkowski
Buckley	Jones, Mo.	Saund
Byrnes, Wis.	Keogh	Scranton
Cahill	Kilburn	Shelley
Carey	King, Utah	Shipley
Celler	Kitchin	Smith, Miss.
Chelf	Kluczynski	Spence
Church	Knox	Stratton
Coad	Kornegay	Taber
Colmer	Kowalski	Teague, Tex.
Cook	Laird	Thompson, La.
Cooley	Landrum	Thornberry
Corman	Lesinski	Tuck
Curtis, Mass.	Libonati	Utt
Davis,	McCulloch	Vanik
James C.	McSweeney	Van Zandt
Davis, Tenn.	Macdonald	Wallhauser
Donohue	Martin, Mass.	Whalley
Dooley	Marrow	Whitten
Farbstein	Miller,	Wickersham
Fino	George P.	Willis
Flood	Miller, N.Y.	Wilson, Calif.
Fogarty	Minshall	Wilson, Ind.
Fountain	Moorhead, Pa.	Wright
	Morrison	

The SPEAKER. Three hundred and four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

#### FOREIGN ASSISTANCE ACT OF 1962

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 689 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

*Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, and all points of order against section 253 of said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed five hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments hereto to final passage without intervening motion except one motion to recommit. After the passage of the bill H.R. 11921, it shall be in order in the House to take from the Speaker's table the bill S. 2996 and to move to strike out all after the enacting clause of said Senate bill and to insert in lieu thereof the provisions contained in H.R. 11921 as passed by the House.

The SPEAKER. The gentleman from Virginia is recognized for 1 hour.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. Brown] and yield myself such time as I may consume.

The SPEAKER. The gentleman from Virginia is recognized.

Mr. SMITH of Virginia. Mr. Speaker, this resolution makes in order the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The resolution waives points of order against section 253. It provides for 5 hours of general debate; and I am glad to report that it is an open rule, making the bill subject to amendment.

Mr. Speaker, I have no requests for time on this side.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Iowa.

Mr. GROSS. I am glad to see that the Rules Committee is still in business. I thought for a time that it had been compelled to abdicate its functions. I am glad to see that this is an open rule for change.

I wonder if the gentleman can tell me what point of order might be raised against section 253? What reason was given for that?

Mr. SMITH of Virginia. Because the Parliamentarian thought it might be subject to a point of order and we wanted to give the House an opportunity to consider it.

I am glad to reassure the gentleman from Iowa that the Rules Committee is still in being and doing business at the same old stand.

Mr. GROSS. Perhaps, then, this business of loading us up with suspensions



can be dispensed with, if the Rules Committee is still in business, and the House be allowed to work its will on legislation.

Mr. SMITH of Virginia. We will be glad to entertain any suggestion anyone wants to make.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, House Resolution 689 provides for the consideration of H.R. 11921, a bill to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward economic and social development and internal and external security, and for other purposes. This legislation, in my opinion, is of the most vital importance to this Nation, for it continues to provide a critical weapon with which our policymakers hurl back, without resort to massive force, Communist efforts to expand the realm where totalitarianism holds sway. This resolution provides for an open rule, waiving points of order, with 5 hours of general debate.

The proposed bill is essentially an extension of last year's authorization act which constituted a complete revision of the basic legislation governing the provision of U.S. economic and military assistance to foreign countries. It contains four parts, the first two of which are designated as acts, each bearing a short title.

Part I, to be cited as the "Act for International Development of 1961," provides the authorization for programs of economic assistance to other nations.

Part II, with the short title "International Peace and Security Act of 1961," authorizes military assistance to foreign countries.

Parts III and IV do not bear short titles and include a variety of general, administrative, and miscellaneous provisions applicable to the foreign assistance program generally, including parts I and II.

The entire bill is designated the "Foreign Assistance Act of 1962."

Perhaps its most significant addition to the existing corpus of foreign assistance legislation is the creation within part I of a new "Title VI: The Alliance for Progress." It provides new authority for furnishing economic development assistance to Latin America by authorizing the appropriation of \$2.4 billion over the 4 fiscal years 1963 to 1966, with no more than \$600 million to be appropriated in any 1 year. Assistance given under this title must meet the same criteria that are applicable to development loans and grants in the rest of the act, and must also conform to the principles of the Act of Bogota and the Charter of Punta del Este.

The bill's multiyear authorization for the alliance is regarded as an extremely important means for persuading the Latin American countries to continue at an accelerating pace to implement the principles of self-help and social and economic reform which lie at the heart of

the Alliance for Progress. As you know, needed self-help measures and reforms are being vigorously, sometimes violently, opposed by a bizarre combination of traditionalist and Castroite-Communist elements. Therefore, if governments are to undertake the very immediate and substantial risks inherent in a real program of reform, they must be assured of continued, long-range support from the United States. They must have confidence, for example, that if a land-reform program is initiated, they can obtain the capital to finance agricultural extension services, farm loans on reasonable terms, and the other devices that are the essential companions of an effective land-reform program. If, after initiating a program of redistribution or colonization, the whole project is aborted by an inability to provide ancillary services, the government concerned, as well as the farmers, may well be in a far worse position than before the effort was made. So to me it seems only fair that if we are going to ask these governments to assume the political—and in some cases the actual physical—risks of reform, this House should go on record as being determined to back them up. I want to add, however, that this multiyear authorization does not amount to any kind of blank check to the executive branch. Far from it, since the program will still require an annual appropriation.

Other major funding categories for which new obligational authority is provided by this bill include development grants—\$300 million compared with the executive branch request of \$335 million—supporting assistance—\$440 million compared with the executive branch request of \$481.5 million, and the contingency fund—\$275 million compared with the executive branch request of \$400 million.

It has become rather trite to say that the past year has been a year of transition for our economic aid programs; but like many trite expressions, it is true. What also is true is that the assistance program which has been evolving appears to follow the guidelines we laid down in last year's bill and the committee report and the debate which preceded its passage. As you recall, we were particularly concerned about three things: Improved administration; increased self-help; and the necessity of both increasing economic aid from other free world sources and effectively coordinating such aid with our own. I think there has been encouraging progress in all three areas.

In the area of administration, we note first that the new agency created to administer the program, AID, has obtained as its No. 1 man a lawyer, Fowler Hamilton, who has had a very great deal of experience with the problems of foreign investment and doing business abroad. Perhaps of the greatest significance in the long run—not merely because administrators come and go but because a complex program like this requires considerable decentralization of authority—is the success of Mr. Hamilton's campaign to recruit businessmen of proven capabilities, and often with foreign in-

vestment or operations experience, to head our missions out in the field.

A second step forward in the administrative area has been the organization of AID into four geographic units each headed by an Assistant Administrator. This has resulted in both a pinpointing of responsibility and a significant delegation of operating responsibility. This change should, in conjunction with improved manpower in the field, produce more rapid program implementation.

Turning to self-help, it appears that at last our continued admonitions that we cannot develop countries that refuse to help themselves are beginning to bear fruit. To begin with, an increasing number of our AID recipients are—with the encouragement and assistance of AID—producing carefully considered national plans which establish priorities and provide real development roadmaps. These plans assure that our funds and their funds and the contributions of other countries are intelligently coordinated, and they indicate whether or not the recipient country is genuinely dedicated to development. Moreover, they provide us with a yardstick for measuring achievement.

In the realm of social and economic reform, a significant number of the underdeveloped countries have begun to chip away at ancient encrustations of inequity. Despite armed insurrection, political quixotism, Castro-Communist propaganda, and the rigidity bordering on rigor mortis of some vested interests, the responsible advocates of reform have pushed ahead. Although in comparison to what is required these first steps seem small, in contrast to the immobility of past centuries they often appear giant sized.

Passing finally to the necessity for encouraging aid from other prosperous free world countries, it is highly gratifying to note that our strenuous efforts in this area are proving quite successful. Gross official aid disbursements from the other OECD countries and Japan increased 90 percent from \$1 billion in 1956 to \$1.9 billion in 1960. It is estimated that the upward trend continued into 1961, though final figures are not yet available. It is inaccurate to suggest, as some have, that this merely reflects increased prosperity, for foreign aid has also risen as a percent of gross national product, from 0.36 percent in 1956 to 0.53 percent in 1960; during the same period U.S. disbursements increased only from 0.51 percent to 0.59 percent. While this still leaves us ahead of our industrial competitors taken as a group, we are far from leading the pack, since France spends 1.59 percent of her gross national product on foreign assistance and a major portion of that assistance is in the form of grants.

Of course, these and many other matters have been examined with great diligence and in great detail by the Foreign Affairs Committee and its distinguished chairman, who along with various members of his committee will shortly seek to answer the variety of questions I am sure most of us have. I think that the chairman and his committee are to be commended for the care and effort which are so clearly reflected in their report.



This legislation which we are about to debate, while in part an expression of our Nation's deeply rooted humanitarian instincts, is primarily the product of a hard-nosed appraisal of the most effective means for preserving our basic national security interests. That is why it has received consistent support on both sides of the aisle. Like most of you, I have supported foreign aid legislation because, if one thing is clear, it is that the cost to the taxpayer of foreign aid is negligible compared to the economic and human costs of maintaining the U.S. troops that would be required around the globe to maintain non-Communist governments in power if those governments were unable to lead their people to a higher standard of living. It is also negligible compared to the peril of losing the vast populations and resources of the underdeveloped countries to the Communist bloc.

Sometimes, the burdens of free world leadership weigh heavily on us. We are engaged in a desperate struggle with a powerful and clever enemy that pursues its vicious objectives in a multitude of forms. Wise enough to avoid a major war with the most powerful country in the world—the United States—the Reds seek victory through trade, aid, and subversion. Because we are thus not engaged in a struggle that assumes the traditional form of massive armies locked in mortal combat, it has been more difficult for the American people to comprehend the urgency of the programs we have legislated which are designed to counter this protean threat. But though it has been difficult, the vast majority of Americans have, with amazing quickness, come to appreciate the importance of these complex programs, like foreign aid, with which we are giving the Commies a bout of competition they are finding pretty painful.

Mr. BROWN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this resolution, as the chairman of the Rules Committee, the gentleman from Virginia [Mr. SMITH], has stated, makes in order the consideration of the annual foreign aid authorization bill, H.R. 11921, under an open rule, with 5 hours of general debate, following which, of course, there will be the usual reading of the bill and amendments will be in order for consideration under the 5-minute rule.

This is the same old story, as I said a moment ago, that we have heard year after year in this House, that we must spend a great many billions of dollars to give assistance and aid, in one form or another, to practically all of the nations, governments, and peoples of the world, with a limited few exceptions.

Throughout the years I have been a Member of Congress, since these foreign aid programs were first instituted, we have been told annually if we would just adopt this particular piece of legislation, this particular foreign aid program, our problems in the world would be solved, we would soon be at peace with all the nations of the world, that our international troubles would be over; that prosperity would sweep the continents of this old world of ours, and everything would

be all sweetness, light, happiness, and contentment.

We have spent, as I recall, something better than \$90 billion of American taxpayer funds in giving help and assistance to the peoples and the governments of other lands and other nations since 1946, or after the end of World War II. That, of course, does not include the billions we have spent and given away in that great holocaust called World War II.

Yet, despite the fact we have spent these many billions, better than \$90 billion, every dollar of which has been borrowed at one time or another and is a part of the huge national debt we now owe, which required this House, by a bare or slight margin to recently vote for legislation to increase our national debt limit to \$308 billion, we have fewer friends around the world today than when we started on these programs 16 years ago.

Mr. Speaker, I have been convinced there has been untold waste and extravagance in connection with the administration of our foreign aid programs. In fact, practically everyone, every committee of this Congress, and every Member of this House who has investigated, on the scene in foreign countries the use of our foreign aid funds, and the expenditures made under our foreign aid programs, have come back with reports they have found great and intolerable waste and extravagance; that the administration of these aid programs has been very poor, that we have gained but little benefit from them.

There will be many issues here today as to just what we should do. There will be the question before the House, undoubtedly, as we proceed in this debate, as to whether or not we should continue something that many of us believe is wrong; that is, furnishing aid, either military or economic—in many instances in the past it has been military aid—or even food and other substances that would help strengthen the economy of various countries, nations, and peoples who are controlled and dominated by communism, and are actually Communist states, Communist nations, and Communist peoples.

Of course our hearts bleed for those who may be hungry, for those who may need our help; yet I want to point out, if I may, that there has never been, in all human history, any nation, any government, or any people as generous to others as have been the United States of America and our own American people. No other nation, no other people, have ever done as much for others as we have done for the peoples and nations of other lands.

And then, of course, we will have other questions arise. What about some of the so-called neutralist nations? I was rather amazed and startled the other day when I read a statement by Prime Minister Nehru of India—the man who has always talked about how he believes in peace, and how we must live in peace and must understand each other, and yet whose government, by force, invaded the little enclave of Goa, a Portuguese possession, and took it by force of arms, directly contrary to everything he had

preached throughout the years. This was from the head of a country to whom we have given billions of dollars, not millions but billions upon billions of dollars, in foreign aid and assistance—attacking the United States in a speech before the Parliament of India, in which he said this country was “anti-Indian,” because our Ambassador to the United Nations, along with other representatives of other member nations of the U.N., had criticized the action of India and Nehru in the attack on Goa. And, of course, Nehru criticized also our questioning of his purchase of military planes from Russia; our questioning of some of the activities of the Indian Government against Pakistan and against Kashmir. Yet, this man and his government never once have stood with the United States and the free world against the actions of the Communist world whenever an issue has joined in the United Nations. India has always voted with the Communist bloc or has abstained from voting. The same thing is true of Indonesia. I could give you many other similar illustrations of the way our generosity has not been returned in kind, at least, by many of these nations that claim to be neutrals, but actually have not been in fact.

Mr. RIVERS of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. BROWN. Briefly.

Mr. RIVERS of South Carolina. I have searched the Congressional Library and the CONGRESSIONAL RECORD, every periodical I could find, and there is no instance on record when Nehru or his hatchetman, Menon, have ever said a kind word for America or have voted with us in the Tower of Babel, the United Nations. They have never been on our side. We have already given them \$3 billion. They are not neutral. They are against America, plain and simple. If you want to help somebody, we ought to help little Pakistan.

Mr. BROWN. I thank the gentleman. I think he is eminently correct, except I believe, if he checks on some of the other things given to India, that the total will run to about \$5 billion.

So, Mr. Speaker, I am hoping that when we go into general debate careful attention will be given to the many problems that confront us in connection with this foreign aid authorization bill. It is my opinion, and I believe it is the view of the average American citizen, the time has come to wean some of these nations who have been taking of our substance throughout the years and returning nothing in the way of friendship or support for the ideals of the free world, and the objective of the United States to attain peace in this world.

Mr. Speaker, I yield to the gentleman from Kansas [Mr. AVERY] 5 minutes.

Mr. AVERY. Mr. Speaker and Members of the House. If you will recall, those of you who were present 1 year ago in August, we debated the mutual security bill on August 14, August 16, 17, and 18.

Mr. Speaker, it was my impression that by authorizing a 5-year program we were thus disposing of an annual authorization for the mutual security program. But it appears that the De-



partment of State has thought up four or five more new programs, or new uses for the American dollar. Therefore, we have been asked today to authorize an additional \$2 billion which includes an annual authorization of \$600 million for the Alliance for Progress program with the Latin American nations.

Now, really, ladies and gentlemen, we should all be very grateful that we are privileged to be present today because we are making history. If you have read this bill, you will observe that there are only 16 pages in the bill which in addition to previous authorizations will amount to about \$4 billion for fiscal 1963. So, I think we are authorizing more money with less wordage than at any time since I have been a Member of the House of Representatives. I do not know if that means that that gives the Department of State more latitude in its operations and utilization of the funds, or whether it means we overcommitted the Congress to a 5-year program last year.

Mr. Speaker, there are two special items in this bill to which I would like to call attention. One will observe that on pages 11 and 12 of the bill there is a section dealing with expropriation of property belonging to U.S. citizens or corporations in foreign nations. These provisions of the bill I think are written rather carefully because they provide that if the property of a U.S. citizen or U.S. corporation is expropriated without just compensation or if there are discriminatory taxes levied against the U.S. property, the President shall suspend aid authorized in this bill to that particular country. But then comes along two more lines which completely negate this, in my opinion, because it further provides that the President may suspend this particular provision if he concludes that withholding this aid to those particular countries who have expropriated U.S. property would adversely affect the national interest. This language should be amended to restrict the discretion of the President.

Mr. Speaker, in conclusion I would like to merely suggest careful consideration of one more item. I would hope that some members of the Committee on Foreign Affairs will address themselves to this point during the general debate. We have had a sugar bill on the floor twice now in the last 2 weeks. Yet we are advised by the press that we are not through with it yet, that there will be a bill back before the House again further amending or supplementing the action the House has taken with respect to the sugar program for 1963, and 4 years hence.

Mr. Speaker, it seems to me that the sugar program, the sugar bill, the sugar authorization, is becoming completely involved in the mutual security bill. Now, what justification there is or how the national interest is served by commingling the Sugar Act—the provisions of the Sugar Act—with the mutual security bill, I have not been able to ascertain. So I would hope, Mr. Speaker, that in the deliberations that will follow, some knowledgeable Member—and of course they are all very knowledge-

able, the members of the Foreign Affairs Committee—I would hope that they might address themselves to this point so those of us can understand why discontented countries, countries that take issue with what the judgment of the Congress has been in relation to sugar allocations, should further plead for further consideration in what amounts to foreign aid.

Mr. Speaker, I cannot come to any other conclusion when I read in the paper that after we have authorized as much sugar procurement as is determined to be needed for 1 year, the other body has provided by an amendment to a separate House bill that the President may acquire 150,000 more tons. It would seem to me that that would merely supplement the Mutual Security program and should be charged to that program, and not under the guise of a commodity that is in short supply.

Mr. Speaker, I know of no opposition to the rule. I assume the rule will be adopted. However, I hope several amendments will be seriously considered by the House.

Mr. BROWN. Mr. Speaker, I yield 1 minute to the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Speaker, I want to say that I just came from the Committee on Appropriations and their figures show that in the last few years something over \$6 billion in U.S. gold has gone overseas. I have become convinced that this program not only is wasteful and costly, but that by injecting ourselves into the internal affairs of foreign countries it has become downright dangerous.

I wanted to make this observation at this time, but we will hear more of it when the appropriation aspects of this matter come before the House.

Mr. BROWN. Mr. Speaker, I thank the gentleman very much. I intended in my extemporaneous remarks on this rule to mention the fact that I thought the foreign-aid program has done more to make unfavorable our balance-of-payments position with foreign countries than any other single activity this Government has carried on at any time.

Mr. Speaker, I yield 10 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, first of all I want to compliment the gentleman from Ohio [Mr. BROWN] for the excellent statement he has made in connection with the opening of debate on this annual multibillion dollar giveaway bill. This bill used to be regarded as the credit card and passport to Utopia, but that place in the sun of a foreign Utopia was usurped about 10 days ago by the free trade bill. This is in effect the second major foreign giveaway bill that we will have considered in a matter of about 10 days.

Mr. Speaker, I have asked for this time, although 5 hours of general debate is provided under the rule, because I have had a little experience with what happens when the foreign giveaway bill comes to the House floor. Somehow or other, as with the 8 hours of general debate on the free trade bill, the time disappears and is shortchanged quite frequently. I did manage to get 3 minutes

during general debate on the free trade bill and I know that when my cousin, the distinguished gentleman from Minnesota [Mr. JUDD], gets busy on the annual foreign giveaway bill, the minority share of the 5 hours of general debate will disappear all too rapidly. So I asked for this time that I may propound a few questions concerning the bill, either to my distinguished cousin, or to some other member of the Foreign Affairs Committee.

First of all, I would like to ask the gentleman from Minnesota or some member of the committee why there is a civil rights provision in the bill?

Mr. JUDD. Because there has been discrimination against American citizens in some countries receiving American aid.

Mr. GROSS. Perhaps the gentleman can help me out with some information in connection with the Alliance for Progress gimmick on page 5. Please note lines 17 through 20:

The President is authorized to furnish assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

Why this delegation of power to the President? This is another untrammeled, unconscionable delegation of power to a President of the United States. Why?

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Yes.

Mr. JUDD. The gentleman will have to ask that question of those who insisted on that language.

Mr. GROSS. Is the gentleman opposed to that language?

Mr. JUDD. Yes, I believe that guidelines should be spelled out for the President.

Mr. GROSS. I will be glad to have his support when I offer an amendment to strike it out.

Mr. JUDD. In committee I offered some amendments that I thought would tighten up and improve some of the conditions in the bill. They did not carry.

Mr. GROSS. On page 8, section 253 under "Fiscal Provisions," does that make this now a revolving fund?

Mr. JUDD. It does with respect to that particular program, title VI, which has to do with the Alliance for Progress.

Mr. GROSS. So that with respect to the alleged loans made to South American countries, if the money is repaid, it does not go back to the U.S. Treasury; it goes into a bigger and better fund, to be loaned to these people; is that correct?

Mr. JUDD. I do not know that it will be a bigger and better fund but receipts from loans will go back into the fund and can be used for the same purposes for which the original funds were made available.

Mr. GROSS. I presume that is the reason points of order were waived against this section?

Mr. JUDD. That is probable. I hope we will get more money back in repayment of principal plus interest than we spend, and thus make the fund bigger.

That would be an outcome devoutly to be hoped for.

Mr. GROSS. Will the gentleman tell me how much is in this bill? How much do you ask be appropriated by this bill? I know the gentleman will be asked this question later, or somebody will be, and we might as well get started now.

Mr. JUDD. The gentleman will find on the second page of the committee report, a summary of the amounts requested, the amounts the committee authorized, and the amounts the committee reduced.

Mr. GROSS. How much is in the bill now?

Mr. JUDD. One billion, nine hundred and fifteen million, four hundred thousand dollars, plus an authorization for development loans in Latin America in succeeding years.

Mr. GROSS. But what is the total of this bill?

Mr. JUDD. It depends on whether the gentleman means what we are authorizing for appropriation right now or whether he means authorization for appropriation in the next 3 years if sufficient evidence in support thereof is presented.

Mr. GROSS. What are you asking for? Is it \$4, \$5, or \$6 billion? It is well above \$4 billion, is it not?

Mr. JUDD. Five billion, six hundred and sixty-eight million, five hundred thousand dollars.

Mr. GROSS. Is that an increase over last year?

Mr. BROWN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. BROWN. I think it should be kept in mind that this \$4,668,500,000 that is carried in this authorization bill either directly or indirectly does not include the \$6,600 million, the estimated amount which was carried over into this fiscal year of unexpended, perhaps obligated, some of them, but unexpended foreign-aid funds, so that altogether there would be \$11 billion involved in the foreign-aid program carried over and authorized by the bill.

Mr. GROSS. I thank the gentleman.

Mr. JUDD. To make it complete, actually this bill authorizes the appropriation of \$1,915,400,000, as I said earlier. The total of \$4,668,500,000 is arrived at by adding the \$2,753,100,000 authorized last year, as the gentleman will recall.

Mr. GROSS. While the gentleman is on his feet, included in the provision that apparently is designed to stop aid to countries that nationalize or expropriate property, American investments, in foreign countries, we find this language, "unless the President determines such suspension to be inconsistent with the national interest." Does the gentleman agree with that kind of language?

Mr. JUDD. No. I might say that in committee I proposed language which would say that aid would be banned unless the President determines it is vital to the security of the United States. That is stronger, but my amendment did not prevail.

Mr. GROSS. Will the gentleman offer an amendment or support an amendment to knock out this provision?

Mr. JUDD. There may be such an amendment offered. But I hope something like my original amendment will be adopted, because I believe the restrictions should be tighter, but not absolute. I believed that under previous administrations, and I believe so under this administration.

Some will say that we are trying to tie the hands of the President. No, we are trying to give him the authority he ought to have as the person charged by our Constitution with the direction of our foreign affairs, but with the Congress retaining its proper control over these funds. I have said this each year that we have had this matter up and it is a position I still maintain.

Mr. GROSS. Is this not approximately the same language as is contained in the Battle Act, and the Battle Act is almost a dead letter because no President has seen fit to enforce its provisions in the matter of selling strategic materials to Communist nations and Communist satellite nations?

Mr. JUDD. I am sorry we do not have our papers here yet because the Committee on Foreign Affairs is not in charge of the debate at the moment, but it is my recollection that the language of the Battle Act is stronger than this language.

Mr. GROSS. Let me ask the gentleman this question. Was this bill supposed to come up today? Was it not programmed for tomorrow? Was not the gentleman under the impression that it was to come up tomorrow?

Mr. JUDD. No; I was advised at least 3 weeks ago that it was coming up today, the 9th of July.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. BROWN. Mr. Speaker, I yield the balance of the time to the gentleman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, this bill comes before us again and again, and I can only say when it comes up, as it does, and as it passes every year, I am reminded of a story of a Chinaman who was out in a junk in a fog. He heard a big ship close by blowing its fog horn and he said, "She blow and she blow and she blow, but the fog she come in just the same." And I think the fog comes in here just the same too.

Now we were very successful once in a foreign aid program that I certainly have never quarreled with, and I wish it had been followed more closely thereafter. That was the Marshall plan. The Marshall plan set out to do a job. It set a time limit in which that job could be done and accomplish its purpose. Western Europe today is a monument to the strength of that plan. Since then it has been our custom to continue pouring money out all over the world under the very mistaken impression—and we all agree that it is a mistaken impression—this is no new idea of mine that has suddenly been discovered—we know full well it has not made us friends and on the contrary, in many instances, it has made us ridiculous.

The other day in the Committee on Post Office and Civil Service we were

hearing testimony on raising the salaries of postal and civil service employees. These things have dragged on for many moons. I asked a witness who also happens to be a distinguished member of the Committee on Foreign Affairs how much he thought the most lavish bill for the raising of these salaries would cost this Government and cost us taxpayers. He replied it would amount to \$2 billion. I then asked him if he did not believe it would be quite a simple thing to save at least \$2 billion in waste in this particular foreign aid bill. And after talking, as we always do when we are questioned about something that is near to our heart, for several minutes, my distinguished colleague was obliged to admit it would not be very difficult to tighten this thing up and save at the very least \$2 billion.

In the minority report, it is stated, and I think wisely so:

Individual committee members, as well as a committee staff survey team, have made visits overseas within the last year. Their findings are an impressive catalog of poor planning and faulty administration. Nine years ago the undersigned made an extensive trip to study our program abroad. Upon their return they reported that money is the measure of our interest, not the yardstick of our success.

I think that is something that we should bear in mind when this bill comes up for amendment on the floor of this House.

Another thing I think we should look into and also consider for amendment is the whole program for the Alliance for Progress. The Alliance for Progress is a magnificent title. Nobody can oppose it, but I would like to ask the Members of this House to just take a few minutes and ask themselves: What progress? Just recently, since the Alliance has supposedly gone into effect, we have seen Brazil, Argentina, and Peru all go over more and more firmly to military dictatorships. It may well be that military dictatorship is the type of government those countries desire, but it was hardly my idea of an alliance for progress to strengthen and build up military dictatorships south of the border.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House of the State of the Union for the consideration of the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11921, with Mr. MILLS in the chair.

The clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. MORGAN. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, the President has asked the Congress to provide \$4,878,500,000 for fiscal 1963 to carry on the



foreign aid program. In addition, he asked for a total authorization of \$2,400 million for the 3-year period including fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

H.R. 11921 deals with only part of these funds. It includes a total authorization of \$1,915,400,000 for fiscal 1963 and authorizes appropriations of \$600 million a year for each of the 3 fiscal years 1964, 1965, and 1966 for the Alliance for Progress.

In addition to the funds authorized in this bill, the President is asking for \$2,753,100,000 against authorizations made last year.

This bill includes authorizations for eight specific purposes. The Executive requested \$2,125,400,000 for these eight purposes. The committee authorized \$1,915,400,000—a cut of \$210 million. In addition, the committee cut the authorizations for 3 future years for the Alliance for Progress \$200 million a year—a total of \$600 million.

If you add the Alliance for Progress funds for 3 fiscal years after 1963, the total authorization in this bill is \$3,715,400,000.

The President's request for funds for fiscal 1963 to finance foreign aid operations is larger than his request last year, \$4,762,500,000, and substantially larger than the \$3,914,600,000 which Congress appropriated for fiscal 1962.

Mr. Chairman, I am aware that there are those who will say that this bill, authorizing this large sum of money, is not realistic. I have heard it said that the President and the Foreign Affairs Committee should have given consideration to the widespread dissatisfaction with the foreign aid program and to the frequent criticisms of its operation which appear, and that the President, instead of asking for more money than he requested last year, should have reexamined the nature and scope of the foreign assistance program, and that committee, instead of being satisfied with a 10-percent cut in the funds authorized for fiscal 1963, should have insisted on a drastic revision of the program.

Now, I am sure that the President is aware that there is criticism of the foreign aid program, and I can assure the House that the Committee on Foreign Affairs not only is aware of this criticism, but as a result of its own investigations, has assured itself that at least some of the criticism is justified.

Let me say a word about the nature of these criticisms and the extent to which they are justified.

One category of criticism is that we are going at the job of fighting the cold war, carrying on our foreign policy and operating the foreign aid program in the wrong way; that our generalship is bad, and that our money is being spent for the wrong things.

Most of the other criticisms have to do with waste, inefficiency, and poor management in the conduct of foreign aid operations.

The attention given by the press and by commentators to the words and the acts of the leaders of Yugoslavia, Indonesia, India, and some of the recently emerged African countries, tends to leave

the impression that most of our foreign aid money is being spent for the benefit of governments who do not appreciate it, who are not sure whether they are for or against communism, and who find more that is wrong with U.S. policy than that there is to approve.

Now let me urge the Members of the House to be realistic and to face the facts. This bill contains an authorization of \$440 million for what is called supporting assistance. Seventy-five percent of this total is programmed for five countries which are cooperating with the United States in maintaining military forces for defense against Communist aggression which forces are substantially larger than these nations could afford to support if they had to depend on their own resources. I am talking about such countries as Turkey, Korea, and Vietnam. All five of these countries to which 75 percent of the supporting assistance money goes are on the edges of the Sino-Soviet empire and are directly faced with the threat of Soviet aggression.

Is it bad strategy to provide economic aid to these nations which have allied themselves with us in standing up against Communist aggression and which count on our support? I do not believe that there is anyone who feels that it would be sound cold war strategy to abandon these governments by terminating our assistance to them.

Mr. GROSS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-four Members are present; not a quorum.

The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 148]

Addabbo	Flood	Magnuson
Alford	Fogarty	Martin, Mass.
Andersen,	Fountain	Morrow
Minn.	Frazier	Miller,
Anfuso	Friedel	George P.
Auchincloss	Gialmo	Miller, N.Y.
Baker	Gilbert	Minshall
Barrett	Glenn	Moorhead, Pa.
Barry	Granahan	Morrison
Bass, N.H.	Grant	Multer
Bennett, Mich.	Gray	Murphy
Betts	Green, Oreg.	Nix
Blitch	Green, Pa.	Norrell
Boggs	Griffin	Osmer
Bolling	Hall	Peterson
Bonner	Hansen	Philbin
Boykin	Harris	Pike
Brademas	Harrison, Va.	Pillion
Bromwell	Harrison, Wyo.	Powell
Broyhill	Hays	Price
Buckley	Healey	Purcell
Byrnes, Wis.	Hemphill	Rains
Cahill	Hiestand	Randall
Carey	Hoffman, Ill.	Reece
Celler	Hoffman, Mich.	Riley
Chelf	Horan	Rivers, Alaska
Church	Ichord, Mo.	Roberts, Ala.
Coad	Jennings	Robison
Colmer	Jones, Mo.	Rodino
Cook	Kearns	Rogers, Tex.
Cooley	Keogh	Rosenthal
Corman	Kilburn	Rostenkowski
Curtis, Mass.	King, Calif.	Saund
Davis,	Kitchen	Scranton
James C.	Kluczynski	Selden
Davis, Tenn.	Knox	Shelley
Dawson	Kowalski	Sheppard
Delaney	Laird	Shipley
Diggs	Landrum	Smith, Calif.
Dingell	Lane	Smith, Iowa
Donohue	Lesinski	Spence
Dooley	Libonati	Taber
Evins	McCulloch	Teague, Tex.
Farbstein	McSweeney	Thompson, La.
Fino	Macdonald	Thompson, N.J.

Thornberry	Van Zandt	Willis
Tuck	Wallhauser	Wilson, Calif.
Utt	Whalley	Wright
Vanik	Wickersham	Young

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11921, and finding itself without a quorum, he had directed the roll to be called, when 290 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] is recognized.

Mr. MORGAN. Mr. Chairman, when the Committee rose, I was discussing supporting assistance. The normal category of supporting assistance also includes a small amount of money we pay a few governments for overseas bases. This amounts to about 77 percent of the money in supporting assistance.

Again I want to say I do not believe anyone will argue that foreign aid money has been misspent when it provides economic assistance so that we may have military bases located in strategic locations overseas.

This category of supporting assistance also includes a small amount of money for those few governments who insist on some sort of compensation on the part of the United States for the right to maintain military bases within their territory. Most of the foreign nations where we have bases do not require such compensation. They regard themselves as our allies and are glad to make such contributions as they are able to the common defense. But, there are a few nations who are not allied with us and who take the position that we must do something for them in return for the right to maintain our bases.

Let me say again that I do not believe there is anyone who would argue that our foreign aid money is being misspent because we provide economic assistance to countries in order to have military bases at strategic locations overseas.

The largest authorization contained in this bill is \$600 million for the Alliance for Progress for fiscal year 1963, together with authorizations of similar amounts for the fiscal years 1964, 1965, and 1966. I wonder how many critics of our cold war strategy are prepared to argue that it is a mistake for us to offer substantial economic assistance to our Latin American neighbors.

Everyone is aware of the widespread dissatisfaction and unrest among the masses of the population in that area. Everyone is aware that the Communists are going all out to take advantage of this unrest in an effort to follow the Cuban pattern in other Latin American countries. The President is giving top priority to the effort to prevent Latin America from going Communist, and I am sure there are very few people who disagree with that policy. I am sure that the Congress and the American people want the President to have all

the money that he can use effectively for this purpose.

This bill also includes an authorization of \$300 million for development grants and technical assistance. This category of aid provides the funds for continuing the point 4 type of operation. This money goes to the less developed countries which lack the engineers, technicians and other skilled personnel to evaluate and develop their resources. Many of these countries are just starting out as independent nations. Their governments are inexperienced and unsophisticated. Many of them do not know much about the evils of international communism and most of them are more afraid of foreign domination than anything else.

In general, it is our policy to assist such nations with their economic development without insisting that they sign up with us in the cold war. If we do not offer them this opportunity, the only alternative would be for them to follow the road leading to communism, not by deliberate choice but by force of circumstances.

The other large authorizations in this bill are \$275 million for the contingency fund and \$148,900,000 for U.S. voluntary contributions to a number of international organizations.

There are a few who fail to recognize that in the world in which we live, where almost every day we face a new crisis, a contingency fund for dealing with unforeseen emergencies is absolutely necessary. There can be disagreement as to how large such a contingency fund should be. Experience with the use of the contingency fund in the past indicates that much of the contingency fund money has been spent for purposes other than meeting emergencies. With this in mind, the Committee on Foreign Affairs cut the Executive request for \$400 million for the contingency fund to \$275 million. We believe that this amount can be justified as a necessary provision so that we can meet new problems promptly when they occur.

The sum authorized for U.S. contributions to international organizations is determined by the budgets voted by these organizations to which the United States belongs. If we fail to make these contributions, we will be regarded as being in default. In view of the present world situation, this would be a bad time to find ourselves in such a situation.

Mr. Chairman, I believe that I have amply demonstrated that if you take a realistic look at the money in this bill in terms of cold war strategy, we are not authorizing its expenditure for the wrong things.

We cannot win the cold war if we abandon our military allies.

We cannot win the cold war if we pull out of the Alliance for Progress and tell our neighbors to the south that from now on they must go it alone.

We cannot win the cold war if we drive the new countries of Asia and Africa into the Soviet bloc.

I do not mean to say or to imply that there are no valid criticisms of the use of our foreign aid money. I think we should always treat our friends and allies

better than we treat governments who constantly complain about our policies and straddle basic issues. We should make sure that governments which expropriate U.S. property without prompt and adequate compensation do not find that they are better off as a result. Let me point out that this bill contains a comprehensive and carefully worked out provision dealing with this matter.

I believe that Congress has not only a right but an obligation to make known to the Executive how it stands on policy as well as on practice. In this connection let me remind you that existing law clearly expresses the opposition of Congress to providing aid to Communist countries and to giving assistance to Yugoslavia. Let me make the point, however, that it is one thing to make the President aware of the position of the Congress on important issues, but it is another thing to tie the President's hands so that he cannot take necessary action to meet critical problems.

We all recognize that we cannot spell out in legislation the strategy and conduct for a hot war, and I am convinced that this is equally true of a cold war. Congress cannot see in advance what will happen nor determine the appropriate action to take.

One particular danger which we should avoid is for the Congress to take action which will drive any nation into the Soviet bloc. If a government, after wavering, bargaining, or maneuvering, makes its own choice to join the Communists, we can regret such action and perhaps feel that our policies have failed. There is no advantage to the United States, however, in forcing a waiverer to stop wavering and to go Communist.

Mr. Chairman, let me say a word about waste, inefficiency, and poor administration in connection with the foreign aid program. I can report with confidence that the Foreign Affairs Committee is reasonably well informed on such matters. We have, during the last couple of years, added to our staff two top accountants with years of overseas experience with the General Accounting Office, and we receive from them continual reports of deficiencies in our foreign aid operations. Some of these reports have been published. We take up with the Executive all the evidence of waste and inefficiency which we collect, and then from time to time check up on the remedial action which the administrators of our foreign aid program have taken.

In this connection, let me point out one thing: All the 20 top officials of the Agency for International Development are new and many of the chiefs of the overseas missions are being replaced. If new blood is needed to correct the shortcomings of the program, we are getting it.

I do not think we should expect miracles. The new people are finding the going harder than they anticipated. It takes skill and experience to run a foreign aid program, and there are not enough qualified people. The new officials are beginning to take hold, however, and the committee has found them receptive to our reports. They appear to be more anxious to correct deficiencies

than to defend past actions. I believe we can look to an improvement in the administration of the program.

No one is ever satisfied with the progress of a war while it is being fought. Victory is the only conclusive evidence that our strategy is right. The way to cure dissatisfaction with our cold war effort is not to quit or to reduce our effort. There were a lot of dissatisfied people in this country in the trying days of 1943. A cold war must inevitably be long drawn out. The way to get quick and decisive results is to change the cold war to a hot war. We have to reconcile ourselves to the frustrations of the slower and less decisive course which all of us prefer.

Mr. Chairman, in closing, let me say that this is a realistic bill. Let us face the facts concerning foreign aid, but let us face all the facts. The big money authorized in this bill goes to key programs, the vital importance of which everyone must recognize. You cannot carry on a cold war without money, and you cannot win the cold war without foreign aid.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Ohio.

Mr. HARSHA. I would like to ask the gentleman in regard to this \$148.9 million appropriation for fiscal 1963: Is not a great majority of that sum to be used by the United Nations in its programs?

Mr. MORGAN. It is used by international organizations most of which are affiliated with the U.N. The United Nations Children's Fund is included. The United Nations economic assistance to the Congo is here. Our contribution to the United Nations Technical Assistance Fund is in here.

Mr. HARSHA. The great bulk goes to the United Nations?

Mr. MORGAN. It goes to the international organizations to which we belong.

Mr. HARSHA. In addition to that, we have our assessed share for the support of the United Nations.

Mr. MORGAN. Yes, we have our regular assessment to the United Nations, not included in this fund.

Mr. HARSHA. How much does that amount to?

Mr. MORGAN. Thirty-two percent of the budget. The budget of the United Nations is about \$74 million, and 32 percent would be our assessed share.

Mr. HARSHA. In addition we contribute to some 65 different international organizations for which funds are not in this bill; do we not?

Mr. MORGAN. We belong to many international organizations, funds for which are not included in this bill; that is correct.

Mr. HARSHA. And those funds vary with the different departments' and agencies' budgets; do they not?

Mr. MORGAN. That is correct.

Mr. HARSHA. Does the gentleman happen to know how much they amount to?

Mr. MORGAN. Many of the annual budgets are smaller amounts. I would not know the total, sir.

Mr. HARSHA. This sum does in no way reflect upon the so-called bond



issue; it is not commingled with the bond issue. That is to be in addition to these funds?

Mr. MORGAN. That is to be in a separate piece of legislation. None of the funds in this bill are for the same purposes as the bond issue.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. ADAIR. Along the line of the questions just put, is it not also true that out of the President's Contingency Fund sums may be paid to the United Nations or its agencies?

Mr. MORGAN. The Contingency Fund could be used for this purpose to meet emergencies.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Has the United Nations raided the United Nations Children's Fund, UNICEF, lately for money to support the United Nations?

Mr. MORGAN. I think there has been some borrowing from some of the international funds. I am not certain whether the Children's Fund has been involved or not.

Mr. GROSS. Well, it has been in the past, I can say to the gentleman. Money has been taken from the Children's Fund. I thought this was a sacrosanct fund; that it was for the purpose of aiding children of the downtrodden all over the world, and yet we find it goes to the support of bar north and bar south at United Nations headquarters. Does the gentleman think it is good business to allow the Children's Fund to be used to aid this polyglot setup in New York?

Mr. MORGAN. I think there has been a small amount borrowed from the Children's Fund.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Minnesota.

Mr. JUDD. We have been assured that borrowing from those various funds took place only when the U.N. faced a situation such as a businessman faces when he has a major payment coming due on the 1st of July and he runs out of cash 30 days or so ahead of that date. He goes to the bank and gets a 30-day loan to carry him over until his payment will be received. We were told that the borrowings from these various funds, which I myself do not like even in these circumstances, were due to the fact the U.N. was short of money because of the Congo and other operations. They knew that certain payments were coming due on certain days in the near future, and they borrowed funds which were not needed at that time by the Children's Fund and several others to carry the U.N. through until the regular payments were received.

Mr. GROSS. Mr. Chairman, will the gentleman yield so I may ask the gentleman from Minnesota a question?

Mr. MORGAN. I yield to the gentleman from Iowa.

Mr. GROSS. Have we been oversupplying UNICEF with money to the ex-

tent that it has such funds that it can finance these super-duper organizations?

Mr. JUDD. No, I do not think we have been oversupplying them. But UNICEF expenditures were so scheduled that the money was not going to be needed until some months later, which happens in the operations of any organization.

Mr. GROSS. If the gentleman will yield further, what happens to the poor children who are starving?

Mr. JUDD. I can assure the gentleman from Iowa that no funds that were programed for taking care of children during the particular period were taken away and used for other purposes, even temporarily.

Mr. GROSS. The gentleman says none of the funds were taken away, even temporarily?

Mr. JUDD. No; I said that funds that were needed for care for children in that period of time were not taken away and used for other purposes, even temporarily.

Mr. GROSS. Well, evidently the need is not very great.

Mr. JUDD. The need is spread over a period of 12 months. When it receives its money in the beginning of the year, it does not need some of that money until the 6th, 8th, or 10th month and, therefore, some of the funds were available for temporary use for other purposes. None of the operations of UNICEF or specialized agencies were in anywise impaired, so we were assured.

Mr. BALDWIN. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from California.

Mr. BALDWIN. Even though it has been stated by the gentleman from Minnesota [Mr. JUDD] that the borrowing from UNICEF has not actually affected the operations of UNICEF, it has caused serious doubt throughout the United States over the whole procedure under which the UNICEF funds are administered. For example, I think every Member present knows that on Halloween there was a concerted drive, nationwide, to get youngsters to go around the various districts with collection boxes for UNICEF. Many of these little children were being subjected to very serious objections this last October because of the reports that had been heard about the funds being diverted to other parts of the United Nations; that if the United Nations desires to protect this source of voluntary contribution, it seems to me that the Foreign Affairs Committee should make the Department of State fully aware that this source of voluntary contribution is likely to be greatly restricted or eliminated if they use these funds for any other purpose, no matter how soon they are paid back.

Mr. MORGAN. It is my understanding that the borrowing was from the balance on hand collected from the regular assessment, and was not from the funds collected by voluntary contributions. The borrowing was from the regular assessments paid by the countries. This would include the assessment of \$12 million, paid in by the United States. But the borrowing was not from the voluntary contributions that went

into the UNICEF fund. The borrowing was only from funds on hand but not yet needed by the children's fund to pay its expenses. It was able to pay its bills when they came due.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I would like to ask about section 101 of the bill. Are we inserting some new language in this bill on page 2 thereof?

Mr. MORGAN. If the gentleman will go back to the Ramseyer print of the bill he will see that this is just an extension of the "freedom of navigation" amendment that was written into the original act.

Mr. WINSTEAD. I do not understand who is going to make judgment on the question whether a community or a country discriminates against some of our citizens because of race, creed or color. Who will make that decision, the State Department?

Mr. MORGAN. Under this provision the Secretary of State would make the determination.

Mr. WINSTEAD. What is the necessity for the additional language?

Mr. MORGAN. We have had Members of the U.S. Congress who have traveled in various areas of the world and were refused entrance to certain countries which are receiving our aid under this program.

Mr. WINSTEAD. I will be frank with the gentleman. I do not know that I want to interfere very much with some of those countries, but I do not see the necessity of having this language in this bill. We have not been carrying that language. This seems to me to be nothing more than political propaganda at home to try to satisfy certain groups of people broadcasting all over the world that there is a great deal of friction and confusion here, that does not exist. I do not see any sense to it myself.

Mr. MORGAN. The committee has received testimony that Members of Congress traveling on official duties were refused admission to two or three countries in the Middle East.

Mr. WINSTEAD. What kind of official duties were the Members performing when they were refused admission?

Mr. MORGAN. A Member of Congress was refused entrance to several countries in the Middle East.

Mr. WINSTEAD. Why should we continue to give them aid? We can withhold aid, if the conditions justify it, without writing this provision into this bill.

Mr. MORGAN. This amendment puts a limitation on the aid, if the condition continues.

Mr. WINSTEAD. I do not see why we need an amendment. It seems to me we should have enough judgment ourselves to cut off aid if our officials have been mistreated by some other country.

Mr. MORGAN. Under the amendment, we are supposed to take into account such discrimination in determining the amount of aid we make available.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?



Mr. MORGAN. I yield to the gentleman from New York.

Mrs. KELLY. Mr. Chairman, at this point I want to congratulate my chairman for the magnificent way he handled the committee during the consideration of this bill. I should like to comment on the matter just brought up. I am one of those who has been long opposed to any aid to countries behind the Iron Curtain, and to any country which did not live up to those principles on which our country was founded.

With reference to the Member of Congress or several Members of Congress who sought to go into certain areas of the Middle East, and whose right to do so was questioned because of their religion, that was the issue which we attempted to deal with in this section of the bill.

I offered an amendment which would cut off all aid to any country which did not respect the principles of freedom of travel, freedom of the press, freedom of worship, and the like, which are written into our Constitution and which were reinforced and reaffirmed in the first 10 amendments thereto.

The committee adopted a rather strong amendment on this subject in the hope that the countries of the world would endeavor to eliminate infringements on those freedoms and permit American citizens to travel freely to all the countries of the free world. I believe that amendment is in the bill before us, and I support it, although I wish it were more strongly worded; is that correct?

Mr. MORGAN. That is correct.

Mrs. KELLY. I thank my chairman.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Mr. Chairman, the gentleman has discussed previously with the gentleman from Oklahoma the very helpful assistance which the Agency for International Development has rendered during the past year through the medical assistance and health program known as Project Hope. In a previous discussion of this legislation in the last Congress another spokesman for the committee, the gentleman from Ohio [Mr. HAYS], made it very clear that funds within this bill were available under the provisions of section 214(b) involving American schools and hospitals abroad to assist in endeavors such as Project Hope. Some of the assistance which has been given to Project Hope during the last 12 months, as I understand, has come from contingency funds. I wanted to make sure in the discussion which the gentleman has given with regard to contingency funds that the committee still holds to the position which it stated earlier that these funds should be made available to Project Hope when merited.

Mr. MORGAN. That is correct. As I remember it a small amount of contingency fund money was used to fix up the vessel which was used but I am not sure whether this was during the last 12 months. I am familiar with the Project Hope. I watched the mission last year, and I am very familiar with their pres-

ent mission. I feel that the money has been well used and I support the project.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Indiana.

Mr. HARSHA. Did I correctly understand the gentleman to say there were some uses of the contingency fund which the committee found were not proper, or at least were subject to criticism?

Mr. MORGAN. That is correct.

Mr. HARSHA. Will the gentleman tell us what those uses were?

Mr. MORGAN. They are referred to in the committee report. The primary objection has been that some of the uses of contingency fund money did not involve emergencies, one of the uses we felt was doubtful was buying two bookmobiles for one small country. Another was using some of the contingency fund by transfer for administrative expenses.

Mr. HARSHA. Does the gentleman know how much these misuses amounted to?

Mr. MORGAN. They were a very small amount of money. I do not know exactly.

Mr. HARSHA. Was there any gift of money to a country named Samoa?

Mr. MORGAN. Yes, I believe that is where the two bookmobiles went.

Mr. HARSHA. I thank the gentleman.

Mr. AVERY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from Kansas.

Mr. AVERY. I think the gentleman may have been on the floor when I spoke on the rule. I expressed some apprehension then that this sugar program is being commingled with our mutual assistance program. Does the gentleman have any concern about that? Does he think it is a good policy to commingle these programs, or does he think it is so being administered?

Mr. MORGAN. I am absolutely opposed to commingling our sugar policy with the mutual security bill.

Mr. AVERY. We considered the conference report on the sugar bill the other day, on a Saturday, as I recall. It was my understanding that bill was to provide all of the domestic demand that would be appropriate for sugar each year for the next 5 years. Yet we learn that the other body is bringing an amendment back here on a different House bill to provide another 150,000 tons of sugar. If we already have as much as we need, what else would that be but mutual security?

Mr. MORGAN. I think there has been some criticism from the Latin American countries as to their quotas under the legislation passed by Congress a week ago Saturday. I am opposed to any attempt to tack it onto this legislation.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman from New York.

Mrs. KELLY. I should like to say at this point I would enjoy very much having the sugar bill brought here. I guarantee that all countries which are anti-Communist would receive their proper quotas.

I would also like to urge that the Public Law 480 programs be brought under the jurisdiction and review of the Foreign Affairs Committee. There is a great deal of misunderstanding about those programs. There is a great deal more money spent under Public Law 480 and relevant programs for the support of our domestic agriculture than under the foreign aid bill. Over the years, Public Law 480 has been the real means for accumulating local currencies abroad for our Government. So I think those opposing this bill, who come from those areas of our country where the agricultural surpluses are so great, should consider their vote on this because of the very fact that the foreign aid programs aids and encourages the disposal of our farm surpluses abroad under Public Law 480.

Mr. AVERY. If the gentleman would yield, I would like to make this observation. I am not particularly opposed to giving further consideration to these certain Latin American countries as far as sugar quotas are concerned, but I am becoming frustrated, if you please, I have been trying to support the Committee on Agriculture, and we came in here with two different bills and now we are told that neither of these bills is acceptable so far as the State Department is concerned. I assume they are bringing out an arrangement now under the mutual security bill, and then I object to it.

Mrs. KELLY. I am not aware of the situation to which the gentleman refers.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MORGAN] has consumed 29 minutes.

Mrs. BOLTON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, it is always interesting to come into the well of this House on this bill, we find so few people here. It is particularly interesting this year because so few people seem to want to speak on it. Is it a demonstration of an apathy that can be very dangerous to the future of our country to say nothing of the future of the world? If so, one would certainly regret this being the case.

The debate on foreign aid is just like the usually hearty annuals, the perennials and the decennials. It comes up and up and up each year, and each year somebody gets up, as one of my very distinguished colleagues from Ohio did, and says, "We were told long ago that if we did this and this and this, it would be over in a short time—2 years or 5 years or 10 years." We may have been told that by a few people, but anybody with any commonsense and any knowledge of the situation in the world would not have thought it—much less said it. The whole world went down into a very deep hole in its swing toward a new way of doing everything. We pulled some of it out with the Marshall plan. We pulled some more of it out with the Greek-Turkish aid program. Otherwise, Europe would have been Communist without any question or doubt. Surely that is not anything to be ashamed of, rather should we be exceedingly proud. Of course, the fact is that we have made mistakes—who does not make mistakes?



Do you think the Standard Oil Co. and a few of the big concerns all over the world do not make mistakes? Of course they do, and they lose money. They lose some of their good personnel. Well, so do we; and I do not think this is so different that it should make someone get up and say that we had better stop it all.

There have been a great many arguments made in the course of the years about our deficiencies—the deficiencies of the program—its failures, its frustrations, its expectations. Seldom is anything said about its accomplishments. But our world is what it is today because we have given other countries aid. It seems to me that it would be very well if more people would leaf through the pages of the CONGRESSIONAL RECORD and find out some of the cold facts—some good and some bad—and come up with a little clearer picture in their minds of what is going on in the world.

It is invariable that the debate coincides with some dramatic crisis or some development abroad. This year is not any exception. The proponents seize on these events to argue that we must not weaken now while the opponents are equally firm in arguing that foreign aid has not produced the kind of world that we want or that we expected it would.

I find it helpful in formulating my own views to back away from the discordant events of the present to take a longer view.

If we could first know where we are and whither we are tending, we could then better judge what to do and how to do it.

These words were uttered a hundred years ago by Abraham Lincoln but they sum up the dilemma we face today. They are an eloquent plea for perspective—an ingredient that is so often lacking in our debate on foreign aid.

I leave to others to discuss the details of the bill before the House. My concern is whether the foreign aid program addresses itself to the symptoms or to the causes of our international problems.

The symptoms show themselves in the daily crises that span the headlines. The harassed citizen, preoccupied with his immediate problems, despairs of understanding and impatiently urges settlements and expects solutions. The ordinary citizen has a very hard time these days. I know we are all getting letters from him. He is frightened, he is discouraged, he is frustrated, he does not like what is going on. He does not know how to put his finger on just what it is or where it is. It is pretty hard for any of us in the Congress to put our hands down and pick up the quicksilver that is running around all around us, but I would think that anybody who really looks at life as it is today would realize that we are living in a century of constant ferment, and that peace will be the exception and not the norm in our lifetime. I doubt if even the youngest of the Members here on the floor today will live to see any kind of real peace. That I can promise you.

As I analyze our foreign aid program over the years it is directed toward dealing with the two great challenges of our time. First is the persistent pressure of

communism; and second, the developing world of new nations.

As individuals and as a Nation we are "against" communism. But what is the nature of our opposition? Too often it consists only of strong words and vigorous resolutions of denunciation. Many of us make ourselves into the "paper tigers" the Communists claim we are. We continue to refuse to face up to the facts of today and not admit that we are in a state of war. It is a state of war that neither words nor righteous indignation will halt. It is war.

This is a struggle of minds. I have contended for a long time that we have not prepared ourselves or our oncoming generation at all adequately. The Russians have, and unless we take a leaf from their book—and we should not be ashamed to do so—and find ways to outdistance them right speedily, we will be in a pretty pass. We are still arguing about whether schools shall teach anything about communism—it might be too dangerous. The only safety we have is to know everything we possibly can know about communism. The only security we can give our young is knowledge of what communism means, what it is, what it does to the countries it controls; and the answers here are in a passionate understanding of what it is that we as Americans believe and practice.

History furnishes us numerous lessons upon which we ought to draw. The relentless refrain of Cato that "Carthage must be destroyed" went unheeded by those who thought they had reached a settlement with Rome.

For more than a century Rome and Carthage coexisted. The Carthaginians carried on business as usual at the same time that they doubted Rome's ultimate objective. And Carthage was leveled. Does this contain a moral for us when Khrushchev says he will "bury us"? Or do we take comfort in his camaraderie with Benny Goodman at a Fourth of July reception?

But the lesson does not end there. Rome itself was the source of law, the possessor of technical skills that made possible roads and aqueducts, the progenitor of public administration that wove distant lands into an empire. By any standard of its time Rome had a gross national product. Yet none of these qualities saved it from the ravages of the Vandals and the Visigoths who substituted determination and weapons for a gross national product. That is a lesson we had better look at.

At other times other civilizations and countries succumbed to the pressures of those whose resources were sparse and whose talents were less developed. Nations with a high standard of living have been extinguished by nations with a low standard of living.

Mr. Chairman, the simple fact is that we are in a state of war today as much as we were on December 7, 1941. The present struggle demands of us the same sustained determination to fight to a finish. It is not enough that we arm ourselves. The global character of the conflict requires that we deploy our resources in concert with those who share our views and values.

It seems to me it is quite impossible to continue the vacillating point of view that we have today. We must know what to think, what we believe, and we must go after it.

The second and more recent focus of our foreign aid program is directed toward the emerging nations. The speed with which old imperial bonds have been replaced by new political entities is unparalleled in history. Some of these new nations may regroup themselves much as the scattered colonies of our own country found greater strength in unity. What is important is their growing recognition that the maintenance of a political form of their own choosing is contingent upon the effectiveness of their domestic policies.

Just to say they should not have become nations, that they should not have been taken into the United Nations overnight, as they were, does not help. I was in the United Nations in 1953 at the Eighth Assembly, and I tried my utmost then to get the four or five large countries to sit down and see what could be developed by way of better leadership in the United Nations itself so that it would not happen as it has happened, that every little nation would come in and have as much to say as we.

Are these new nations going to draw their inspiration from us? from the Chinese? or from the Russian Communists?

The real and pressing confrontation of capitalism and communism is not in Washington or Moscow. It is in the scattered capitals of the underdeveloped countries around the world.

It is difficult for us, committed as we have been to the strength of private initiative, to acknowledge and to participate in programs that are laid in a governmental framework. The simple fact is that for most of these nations there is no acceptable alternative to a large role for government. The challenge this poses for us is to direct our efforts in their development so that there will ultimately emerge social and economic institutions compatible with our interests. It took us 11 years, did it not?

It is easy to dismiss a concern for these countries, to belittle their efforts and to discount their potentialities. Yet these are the uncommitted one-third of the world's population. Is it not in our interest that we accept the challenge to provide them with leadership and assistance in this formative period of their national life?

Of necessity these countries must temper their traditional outlook in the light of their new responsibilities. But so must we. The imagination and inventiveness which mark our scientific and technical advances must be applied with equal zeal in our assistance programs. We can plan with purpose for a better world. We did that when we undertook the Marshall plan. Our European allies are doing that in the process of developing the Common Market. The enlarged dimensions of the problems posed by the underdeveloped countries are not beyond our capabilities or capacity. I can think of no better way to hasten the abandonment of communism than to encourage the abundance of capitalism.



Mr. Chairman, in closing may I just say this: The foreign aid program has had its shortcomings. Committees of this House as well as individual Members have revealed some of them. I have no doubt that others will be dilated upon in the next few days. When deficiencies have been exposed in our agricultural or space programs, have we scuttled those programs? No. We have tried to eliminate the weaknesses. The Committee on Foreign Affairs does not propose to scuttle its program, but it does propose to strengthen and to cut out the weaknesses and to change the personnel, where necessary, to do everything that is humanly possible to make this a constructive force in the world.

If we measure our national interest in decades and even centuries rather than months or years, are we not bound to employ our resources and skills wherever we find the opportunity? We have to devise a grand strategy that will encompass those principles in our domestic and our foreign policies that best serve our national interest.

Barbara Ward has eloquently observed that it is incumbent upon us to "challenge communism at its most vulnerable point, saying to the world, we can give you cooperation, abundance, growth, more equal sharing—and we can give you freedom, too."

Mr. KYL. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Iowa.

Mr. KYL. The gentlewoman from New York [Mrs. KELLY] a moment ago stated, if my memory is correct, that the aid given by the United States to foreign countries under Public Law 480 probably exceeds the total of the other foreign aid. Is that a true statement?

Mrs. BOLTON. I believe it is a true statement. In addition to that, she did not say that Public Law 480 really was started by the Committee on Foreign Affairs and should never have gone from there. But, as is often the case in fights between committees, we lost out. Had it remained with us, we would have been able to control it.

Mr. KYL. Now, pursuing that just a little further, before the trade bill came to the floor, and visiting with people from the State Department, I was informed by some of those people that exports under Public Law 480 were counted as actual exports from the United States; in other words, this would indicate a discrepancy in figures on one side or the other, would it not?

Mrs. BOLTON. I would think so.

Mr. KYL. Now, again pursuing it just a little further, the gentlewoman has again said that this program has had many shortcomings. I suppose there are many Members of this body who have the same basic feeling that I do, that a certain amount of this type of effort is a necessity, but I have difficulty in making up my mind to vote for this legislation each time it comes before us when we always have these admissions of inefficiency. Now, I am not talking about the errors that result from calculated risk, where something goes wrong and we do not get the benefit we thought we might. I am talking simply about the

administration, the inefficiency, the things which were brought out by the Hardy committee, for instance; the Cambodian situation, where Communists actually got credit for work done by the United States with U.S. materials.

How has this bill been written to remove these inefficiencies or the waste which has been a part of this program in the administration of the program?

Mrs. BOLTON. May I say this to the gentleman from Iowa [Mr. KYL]: The mistakes are very difficult sometimes to find. I have always been very grateful to the Hardy subcommittee for its work. We who are members of the Foreign Affairs Committee do not have a large enough staff which we can send out to make these investigations. Personally, I think our staff should be very much larger and should include the kind of men who could go out and do that kind of investigating. I realize the fact that everyone feels a little upset when this bill comes around for us to vote on it.

Mr. KYL. If the gentlewoman will yield further, in the present financial condition of our country, with the worries that we have about balance of payments and all the rest which we need not elaborate upon, we cannot tolerate this inefficiency in administration, can we? Why cannot we write something into the bill that will prevent this sort of thing that goes on year after year after year?

Mrs. BOLTON. I am sure the committee will be very happy to have the words from the gentleman from Iowa, but I might say that there has been great effort made on the part of the administration in this direction. We have new heads of AID. There has been a new head to come along for these various agencies, and each time he is supposed to be a miracle worker; he was going to change everything and make it all come out all right, and there would not be any more mistakes. But that has happened right on. You see, the miracle worker has not been found. I think we are, in a way, closer to it now because we see more clearly the circumstances.

Mr. KYL. If the gentlewoman will yield further, am I right in noting that there is nothing new in this bill which should eliminate these evils of waste and inefficiency in the administration of this program?

Mrs. BOLTON. I think it would be quite impossible to put in a paragraph which would accomplish that purpose.

Mrs. KELLY. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I am delighted to yield to the gentleman from New York.

Mrs. KELLY. Mr. Chairman, I would like to take this opportunity to compliment our distinguished colleague from Ohio for her efforts in behalf of this program over the years, for her continuing interest in the undeveloped nations, as well as for her reports on her trips to those countries which she undertook at her own expense, which have been most helpful to those of us who are members of the Committee on Foreign Affairs.

Mr. Chairman, I would like to, if possible, answer the question which the gentlewoman from Ohio was just asked, and to enlarge upon my earlier statement.

Since the enactment of Public Law 480, \$15,796 million worth of surplus farm commodities, valued at the Commodity Credit Corporation costs, have been disposed of under the authority provided in that law. Most of those surpluses were disposed of abroad. In this same period of time, we have provided approximately \$13 billion worth of economic aid to our friends abroad. In many respects, the two programs—the Public Law 480 program and the foreign aid program—have gone hand in hand. Foreign assistance has frequently helped to develop markets for our farm surpluses. On the other hand, title I sales under Public Law 480 have resulted in the accumulation, by our Government, of local currencies. These local currencies are spent to pay our expenses in those countries, to develop the economies and, we hope, to benefit the people of those countries. So, I am in favor of that particular program. I am, however, against selling the surplus products of our country under Public Law 480 to any Communist nation or Communist government. I would endorse giving it to those countries, and have in the past voted for Public Law 480 contributions, on grant basis, for the purpose of combating famine, and under the condition that they were distributed there by us with due credit to the United States. I will support an amendment to forbid further sale of Public Law 480 products to any Communist nation.

Mrs. BOLTON. I thank the gentlewoman for her contribution.

Mr. CONTE. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to take this opportunity to compliment the gentlewoman from Ohio for the constructive statement she has made here on the floor of the House today, and to commend her for her dedication to the people, the underprivileged people of the world, and to the underdeveloped nations of the world, and the newly independent nations. I wonder if the gentlewoman would agree with me that the Congress, and the people of our country as a whole, are generally in favor of appropriating this year close to \$50 billion for the defense of this Nation, which is a defensive approach? Yet, many have reservations when a small percentage of that \$50 billion is appropriated for an offensive action instead of a defensive action. Does the lady agree with me that this has a great deal of merit; that a small percentage of the \$50 billion that we appropriate for the defense of this Nation should be appropriated for offensive action against communism throughout the world?

Mrs. BOLTON. It is a very helpful thought.

Mr. CONTE. I recall when I was playing football in college our coaches taught us that the best defense was a good offense.

Mr. GALLAGHER. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, I would like to compliment the lady on



her discussion of the bill. Also I should like to add a word to what she has said concerning the efforts of the committee to eliminate waste and inefficiency. On page 2 of the report the committee points out some of the action that was taken in the past to eliminate inefficiency where it was found; and also that the Office of Inspector General was an office that came about as a result of the insistence of the Committee on Foreign Affairs.

Mrs. BOLTON. I thank the gentleman very much.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON. I yield.

Mr. BEERMANN. I was wondering about the \$15 billion that was given away under Public Law 480, or sent abroad under Public Law 480, whether if the Committee on Foreign Affairs took over jurisdiction of Public Law 480 they would also take over the responsibility, in their authorizations, for charging the \$15 billion to the Committee on Foreign Affairs rather than the Committee on Agriculture.

Mrs. BOLTON. We tried our best to do that in the beginning, and we were worsted in the battle.

Mr. BEERMANN. Of course, the Committee on Foreign Affairs does not raise crops, neither does the Committee on Agriculture.

Mrs. BOLTON. The Committee on Agriculture really does not handle any foreign affairs and it has not the authority to do so. But sometimes it messes things up by doing that.

Mr. BEERMANN. Has there ever been a discussion of this matter between the Committee on Foreign Affairs and the Committee on Agriculture?

Mrs. BOLTON. Not as committees; I suppose the chairmen have talked it over.

Mr. BEERMANN. It just so happens that a former Member of the House, Bob Harrison, from Norfolk, Nebr., who was then the Representative from our district, was instrumental in the passage of Public Law 480. It is my understanding that at that time the Department of State and others tried to get this bill through, but nobody wanted then to take the responsibility of the cost, although everybody wanted to take the credit for selling our products under Public Law 480. I think Public Law 480 has served a very worthwhile purpose.

Mrs. BOLTON. I do, too. I think it has done a great many very fine things.

Mr. BEERMANN. In one transaction last year—let us say it involved \$100 million, whatever amount it was, for wheat—the first thing that came off was 15 percent for the difference in foreign exchange. Then 42½ percent of that was given away and the other 42½ percent was sold. So it seems to me that we wind up on the short end of the stick; the farmers of the Nation and the Department of Agriculture are charged with this complete fiasco and nobody explains it properly to the people of the country. We are in entire sympathy in trying to help feed the world with our surpluses and as farmers we are glad to contribute. But when they charge it back to the Department of Agriculture

or to the farmers and do not give them any credit, then I think I disagree very much with what has been done.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Chairman, since this question has arisen, perhaps it would be well to review a little bit of the background. In 1953, two or three of us made a proposal to use in our foreign-aid program, surplus commodities, which had been bought and paid for under our agricultural price support program, in lieu of new dollars. I introduced a bill to authorize sale of surplus commodities for foreign currencies and went before the Committee on Agriculture in an effort to get the Committee on Agriculture to act favorably upon it. I am sorry to say some of the Members called it a giveaway program and refused to do anything about it. So I came back to the Committee on Foreign Affairs and got it into the Mutual Security Act of 1953 as section 550. In the conference with the Senate it was modified somewhat and accepted by the Congress.

During that first year we were able to use, as I recall, about \$245 million worth of surplus food and fiber in the form of sales to countries for their currencies, which were then used to help development projects in those countries. Thus we used our surpluses in lieu of new dollars which the countries would have used to buy similar products elsewhere. At that point the Committee on Agriculture discovered this was a wonderful way to dispose of farm surpluses, and the next year it took the program over and brought it out as title I of what is now Public Law 480, over the objections of many of us on the Committee on Foreign Affairs. Since the program has gotten out of bounds, in my view, I do not believe we should use our surplus commodities in a way that injures our foreign policy objectives, as has sometimes happened.

As an example, in Korea last fall I found that since we began to provide surplus cotton to Korea, under Public Law 480, Korea's own production of cotton has gone down each year over the last 9 years. Thus, what I regard as misuse of Public Law 480 has encouraged the Koreans to depend more and more on us for their cotton and reduce their own production. We have helped defeat the foreign policy goal of helping countries become self-supporting and self-reliant by our provision of more food or fiber than they needed from us.

So I agree with the gentleman from Ohio that while the Public Law 480 program was initiated by the Foreign Affairs Committee, it would have been better all around if it had been kept under the Foreign Affairs Committee, so that we would use our surplus commodities primarily to promote our foreign policy, and only secondarily to get rid of our surplus commodities. But to the extent that the program has become a dumping operation for getting rid of our agricultural surpluses abroad, I fear the law, much as we worked to get it, has in some respects become self-defeating.

I agree also with the gentleman from Nebraska that to the extent these surpluses are properly used to promote our foreign policy, their value is properly a charge against our foreign policy operations rather than against our agricultural price support operations.

Mrs. BOLTON. I thank the gentleman.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON. I yield to the gentleman from Nebraska.

Mr. BEERMANN. I should like to reply on this matter because in the farm belt area this year instead of using our surplus commodities we were asked to give the Secretary of Agriculture the authority to buy any commodity, whether surplus or not. This is what happens to what was a good program to start with but which now has probably worked around to be a welfare program for the United States or perhaps the world.

Mrs. BOLTON. I hope the gentleman can do something about that.

Mr. BEERMANN. I intend to try.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. I should like to compliment the gentleman on her very eloquent and forthright statement. I should like also to comment on the figures just submitted by the gentleman from New York with respect to the scope of Public Law 480. There seems to be some confusion regarding just what the scope of that program has been.

If I am not mistaken, the gentleman from New York has used as the basis of her figures a statement from the 15th semiannual report on Public Law 480, which indicates that somewhere under \$16 billion have been made available since the program was authorized in July 1954. I should like to point out for clarification of the record that this includes all the agreements entered into. It includes products at a cost estimated by the Commodity Credit Corporation of some \$10,872 million but these commodities had an export market value which was substantially less, or \$7,592 million. It should also be pointed out that a substantial part of this \$7,592 million or \$851,700,000, represents ocean transportation financed by the Commodity Credit Corporation.

I might add also, under Public Law 480, since its inception, that just over \$5 billion has actually been shipped. This is in contrast, I might say, to the total under agreements already made. These figures, perhaps, will provide a better indication of the actual scope of the program and, I hope, will clarify the situation somewhat.

Mrs. BOLTON. I thank my colleague very much.

Mr. BERRY. Mr. Chairman, will the gentleman yield?

Mrs. BOLTON. I yield to the gentleman from South Dakota.

Mr. BERRY. I would just like to add to that which has been stated here that this Public Law 480 program that we are talking about or this farm situation we are talking about not only disrupts



once—it not only disrupts the agriculture of these foreign countries once, but it actually disrupts three times. What happens is that these imports into this country, the agricultural imports of food and fiber into this country, first, disrupt the agricultural production in this country. In other words, our American farmers have to move over and make room for the food and fiber that is being imported. Secondly, the agriculture in these countries that are importing it here is disrupted because these farmers are producing what they can sell to America. Thirdly, by our giving it away or shipping it into these other countries, we disrupt those countries again, that is, the production of those countries, as the gentleman from Minnesota has just pointed out. So the whole thing is a round robin of disruption.

Mrs. BOLTON. And confusion. I thank the gentleman.

Mr. KYL. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Iowa.

Mr. KYL. This is illustrative of the difficulty that some of us have about this bill. I have been given a figure that we have already sent abroad under our Public Law 480, \$15,796 million. I have another figure here that says—no, it is not \$15.7 billion, it is actually valued at \$7.5 billion. But then, again, we have only shipped \$5 billion. What are the figures here?

Mrs. BOLTON. That would have to do with Public Law 480, about which I would not know the facts. I am sorry but some member of that committee would have to answer.

Mr. Chairman, I would like to say just one more word before I take my seat. It has been a very real pleasure all through this year, and in previous years as well, to work with our chairman, the gentleman from Pennsylvania, Dr. MORGAN. He is very fair and occasionally he does come out with a nice funny story that saves a situation. He is a most delightful person to have sitting at the head of the table. I want to thank him very much for his courtesy to my side of the table and his general courtesy to us all.

The CHAIRMAN. The gentlewoman from Ohio has consumed 37 minutes.

Mr. MORGAN. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, I wish to compliment our very able chairman and the very able gentlewoman from Ohio [Mrs. BOLTON] for the excellent way in which they have brought this bill to the floor in this bipartisan spirit. I would like to say that foreign aid is but one instrument of our foreign policy, a policy that must pragmatically view not only our national interests separate and apart from communism, but must also view our national interests in relationship to the problems that have been imposed by the very existence of communism in the world today. The execution of this national policy must be carried out politically, militarily, economically as well as educationally, if we are to maintain our security and advance our own national interest.

The mutual security program is but one instrument of our national policy. There have been many critics of the policy who view foreign aid as something alien to our own national interest and national policy and there are times when the panacea for all of our national ills seems to be the abandonment of foreign aid. Regrettably, there have been great misunderstandings in our national security program. The annual discussion that takes place here often contributes to this misunderstanding. Earlier in the debate great emphasis was laid on mistakes and the argument was made that we should provide an ironclad, fool-proof system to do away with waste and extravagance. The committee has been in a continuous process of trying to eliminate extravagance and waste wherever it exists. Our chairman, the gentleman from Pennsylvania [Mr. MORGAN] has personally brought on a device known as the Inspector General, which is independent and apart from the agency, which superimposes itself so that they can eliminate waste and extravagance wherever it may exist.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. GALLAGHER. I yield.

Mr. MONAGAN. I wonder if the gentleman would say that because there has been waste in the Military Establishment, that because there has been waste in the farm program, that because there has been waste in other governmental programs, that would be a reason for discontinuing the whole program?

Mr. GALLAGHER. No. I think the gentleman has made an excellent point. Because there has been waste in the military we certainly would not advocate abandoning our Armed Forces.

The overall goal of the United States is the establishment of a peaceful society of world order based on a system of independent nations. In the achievement of this goal the compelling need exists not only to meet the challenge of communism wherever it is applied, but similarly we bear a responsibility as a mighty "have" nation to assist those poorer societies in their effort to achieve their own legitimate aspirations. Both of these purposes are served by our foreign aid program.

The great success of the foreign aid program I think can be best demonstrated by the very fact that the Communist bloc nations are now imitating the programs we initiated. We seek not only to extend aid and assistance, but also to encourage the growth of those who have common purposes with us. This imitation is a very good barometer of the success of the program. We had great success with the Marshall plan. The Marshall plan was an act of statesmanship for war-ravaged Europe, that prevented Europe from falling into the Communist orbit as Marx predicted it would following a series of wars that would eventually lead to the capitalist nations falling into political and economic collapse. These same nations we assisted under the Marshall plan have now joined with us in making their contribution to the societies of underdeveloped nations who seek our assistance.

We are not giving any aid to Yugoslavia at the present time. Included in this bill is the enabling legislation authorizing the President to grant up to \$10 million in development loans if he finds it to be in the national interest.

President Eisenhower had this authorization. It was granted in the spirit of bipartisanship and it should be extended to President Kennedy in the same spirit.

The issue is whether we are going to have a policy in this area or not. If so, it requires patience and staying power. It is a long-range policy that requires understanding and faith in our Government. The Polish people individually are perhaps the greatest friends we have—the Public Law 480 help we give them goes to the people. We have access and we have influence in Poland.

Shall we hurt those who are our friends in Poland by depriving them of food? I have heard the argument that sometimes freedom is more precious than food and to let Poland ferment into a revolution. We are not offering an alternative of food or freedom—we gave no food to Russia or China and they have no freedom. But if there was a revolt would not the helpless civilians of Poland be stomped on? We can never make a profit on the distress of others. Russia adopted this policy on Hitler and 20 million Russians died before Hitler had run his course. And Germany is still not a Communist nation, which proved Stalin's policy incorrect.

If Public Law 480 were cut off from Poland an economic disaster would set in. There would be a default on debts or they would have to be further mortgaged to the U.S.S.R.

Bloodshed could follow—30 million Poles would suffer. What would be our gain at the expense of a great loss of prestige to ourselves and the abandonment of trust and hope of our good friends who believe in us? I have been to Poland and nowhere in the world are Americans greeted with greater warmth. And nowhere in the world is communism treated with greater contempt than in Poland, despite the Russian divisions which surround them.

A heavy responsibility rests on this legislative body. For the action that we take will affect the actions of our Government.

Section 620(g) of the Senate version of the Foreign Assistance Act of 1962 provides that "no assistance shall be furnished under this act to any country known to be dominated by communism or Marxism. This restriction may not be waived pursuant to any authority contained in this act." Our Ambassador to Yugoslavia, George Kennan, has stated that senatorial adoption of this provision is "the greatest windfall Soviet diplomacy could encounter in this area."

Although partially generated by some recent provocative statements and actions of Marshal Tito, this provision is in part a reflection of a deeply rooted American disposition for dividing the world into the stark black and white of friend or foe, and in part the consequence of the elevation of unproven assertion into the realm of established fact. Of course, Yugoslavia is not a conscious ally



of the West; nor are its existing political and economic institutions completely congenial to Western eyes. But, as is normally true, consideration of the present without comparison with the past produces a highly deceptive image. At the time of Tito's break with Stalin in 1948, Yugoslavia was an ardent supporter of every aspect of the Soviet Union's foreign policy. It provided a haven and materiel support for Greek Communist guerrillas and its armed forces were applying pressure on Trieste and Italy. There was virtually no trade or communication with the West. The country's economy was highly centralized after the Russian pattern.

In the 14 years that have elapsed since 1948, sweeping—almost revolutionary—changes have occurred in both Yugoslavia's internal and external policies. Internally, forms have been decollectivized since 1951 and industry highly decentralized. Important elements of a free market system are now operative in the country. Even more important, the people of Yugoslavia have been granted a very large measure of social and religious freedom. While criticism of the regime's fundamental tenets is repressed, administrative criticism is permitted, and criticism of the Soviet Union has been openly tolerated.

In its external relations, Yugoslavia has become increasingly tied to the West. Seventy-two percent of its trade is now with the West. It is an active participant in such free world organizations as OECD, GATT, IMF, and the World Bank, all of which are boycotted and castigated by the Sino-Soviet bloc. Its United Nations voting record, while not in agreement with ours, is similarly out of phase with the Soviet Union's. On some important issues, we have stood together. For example, Yugoslavia opposed the Russian troika plan which would have paralyzed the United Nations. It also supported the resolution requesting the Soviet Union not to explode its 50-megaton bomb.

Perhaps most important of all in terms of our long-range relations with this country, the Yugoslav Government has facilitated extensive contacts between its people—particularly the younger generation—and the West. Free world tourists to Yugoslavia totaled somewhat over 1 million in 1961, contrasted with an estimated 14,000 persons to Rumania and about 40,000 to Czechoslovakia. Even more significantly, the Yugoslavs have sent many of their younger people to the United States and other Western countries for intellectual and technical training.

The beneficial consequences for Western security of Yugoslavia's independence have been manifold. The Greek Communist guerrillas, abandoned by the Yugoslavs, have been crushed and Greece has become a stable partner in the NATO alliance. Albania has been geographically isolated from the Soviet bloc and has thus been able to go off on a tangent of its own. The Soviets have been denied access to the Adriatic. Perhaps of equal importance to our broad security interests is the model Yugoslavia provides for leftist elements in the underdeveloped countries. Its continued

avoidance of military or economic alliance with the Soviet Union provides concrete proof of the validity of the proposition that nationalist aspirations cannot be pursued by a nation that subordinates itself to Soviet policy. The country's increasing internal liberalization accompanied by economic progress indicates that such progress need not be, and possibly cannot as effectively be, sought through rigid centralization and fierce social repression. Finally, the benefits Yugoslavia has derived from its relations with the West and the United States in particular are living rebuttal to the Soviet Union's dogmatic assertion that social revolutionaries must seek assistance solely from the Soviet Union, whatever the price exacted, if they are to achieve economic progress.

The opponents of aid to Yugoslavia have simply disregarded or denied the existence of these enormously beneficial incidents of Yugoslavia's independence and have based their opposition on a number of unproven assertions. They have asserted first that Belgrade is the principal link in the intelligence chain running from Moscow to Havana. According to our Government's intelligence information, there is no evidence whatsoever for this charge. More concretely, some of them have implied that Yugoslavia gave American-made jet trainers to the Castro government and have trained Cuban Communist pilots in Yugoslavia. The charge in turn stems from a press allegation early in 1962 that Yugoslav ships carrying U.S.-manufactured jet aircraft sold to Yugoslavia stopped in Havana under maximum security precautions; that the Yugoslavs did not deny these stories, and that these "facts" were acknowledged by both the State and Defense Departments.

The press allegation was described by the Yugoslav Government as a complete fabrication and information available to our Government disproved the principal elements of the allegation. For example, the Yugoslav ships which carried the jet aircraft in question to Yugoslavia, were known not to have stopped in Havana or any other Cuban port. Moreover, there is no evidence that Cuban pilots have been trained in Yugoslavia.

In sum, Yugoslavia remains a country whose independence from Soviet domination has redounded to the benefit of the West. She does not neatly fit into the rigid category of friend or foe, but if realistic definitions are used, it seems hard to regard a country that has voted against the Soviet Union in the U.N. and has proclaimed the virtues of national independence, as opposed to economic and military commitment to the Soviet Union, as a "foe" of the United States.

The following are the answers to some of the charges that have been made in connection with this policy.

Charge: We have been recently told that Yugoslavia did not close its borders to Greek guerrillas on its own initiative, but on the direct order of Stalin. The recent book by Milovan Djilas has been cited as evidence of this.

Facts: It would be difficult to debate here what Stalin really intended, and it would be pointless to challenge Djilas' account of what Stalin said on February 10, 1948. We do know that Stalin was an accomplished liar, and that his words were scant evidence of intent. But more importantly, it is a historic fact that Stalin broke with Tito in 1948; that Yugoslavia was expelled from the Cominform in June of that year; that Stalin applied every pressure short of military means to unseat Tito in the ensuing months; and that Tito did not close the border to Greek guerrillas until July 10, 1949—more than a year after the break with Stalin had become public knowledge.

We are asked to believe, by opponents of the sound policy of three administrations, that at a time when Tito had been opposing Stalin's control with all his means for more than a year, and even though Tito continued to resist Stalin bitterly as long as the Soviet tyrant lived, he nonetheless closed the Greek border on Stalin's orders in July 1949. This flies in the face of historic fact.

Charge: There is intelligence information indicating that Yugoslavia contributes substantially to Communist activities in areas of the world other than South America, including southeast Asia and Africa. The only question which remains unanswered is how the amount of money which Yugoslavia spends in these activities compares with the amount the United States contributes through its foreign aid program to Yugoslavia.

Facts: This sort of charge has been rebutted again and again. In furnishing assistance to Yugoslavia, the President is charged, as President Eisenhower was charged before him, with the responsibility—in the words of the Mutual Security Act of 1954, as amended—to "assure himself, first, that Yugoslavia continues to maintain its independence; second, that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and third, that the furnishing of such assistance is in the interest of the national security of the United States." President Eisenhower's administration found Yugoslavia eligible for assistance under these provisions. The present administration has also so found. I am assured by responsible high officials of this Government that they have no information that Yugoslavia is participating in any way in the Communist conspiracy of world conquest. Yet we are told that, "The only question which remains unanswered is how the amount of money which Yugoslavia spends in these activities compares with the amount the United States contributes through its foreign aid program to Yugoslavia." Where is the evidence for this charge? It is denied by this Government, and I would like to see evidence brought out in the House in this matter before we conclude that both President Eisenhower and President Kennedy erred on this question.

Charge: A filmed interview with Tito by Edward R. Murrow in 1956, although



containing nothing which should be of a classified nature, has been kept secret and its existence is not generally known.

**Fact:** The Edward R. Murrow interview with Tito in 1956 was shown nationwide on CBS-TV over 102 stations on June 30, 1957. This "See It Now" program had a Nielson rating indicating it was seen in 1,773,000 homes, or by approximately 4,000,000 people. The interview was also carried on CBS radio from 9:30 to 11 p.m. on the same day. It is perfectly apparent that this interview is not and has not been secret.

**Charge:** Tito has stated that his aims and those of the Soviet Union are the same.

**Fact:** Tito and Khrushchev have both pointed out that they believe in the ultimate triumph of socialism, that is, communism. And this has each and every time been interpreted by those who wish to do so as "proof" that Yugoslavia is really a member of the bloc. The most recent case was just a few months ago. Every one of us in this Chamber is aware of this so-called evidence that Tito is really in the bloc. But what did Tito really say? I want to put this into the RECORD. Tito said:

As regards building socialism with respect to the realization of final goals, there can only be differences concerning methods. There are almost as many roads leading toward socialism as there are countries. There exist elements of dispute between us and the Soviet Union but they are not so great.

Now let me just interrupt this quotation to point out that the very difference Tito mentions is just the difference we are concerned with in this debate. It is the difference "concerning methods." In short, the Soviets believe in creating socialism, that is, communism, by international conspiracy and conquest, while Tito does not. And let me ask whether we could expect Tito, in the circumstances of Yugoslavia's position between East and West, to make this difference clear in the same language I have just used? I submit that we could not. But he tried to make it perfectly clear to anyone who would read what he said. Tito went on to say:

The basic difference concerns relations between Socialist countries. According to their concept, each country building socialism must be in the camp. We feel, however, that socialism can be built without participation in the bloc, because the division of the world into blocs constitutes a danger. \* \* \* The basic difference between us and the Soviets is that we are not in the camp, that we consider it erroneous to divide the world into blocs and feel that socialism can be built outside as well as inside the camp.

So there it is. Tito says the difference between his view and that of Khrushchev is not so great. Tito feels that he does not have to belong to the bloc to be a Communist, while Khrushchev believes that he does. This difference may be not so great to Tito, but it is the heart of the matter to the West and to this country.

**Charge:** In 1961 the Yugoslav freighters *Trbovlja* and *Gundelec* left San Diego loaded with jet trainers bound for Yugoslavia. It has been reliably reported that at least one of the ships had a port of call in Havana en route to Yugoslavia.

The fact that Cuban Communist pilots have been trained in Yugoslavia lends credence to the belief that at least some of these trainers got no farther than Cuba.

**Facts:** This charge apparently stems from a press allegation early in 1962 that Yugoslav ships carrying U.S. manufactured jet aircraft sold to Yugoslavia stopped in Havana under maximum security precautions; that Yugoslav officers were in Havana to train Cuban military personnel; that the Yugoslavs did not deny these stories, and that these facts were acknowledged by both the State and Defense Departments.

The press allegation was totally false. It was described by the Yugoslav Government as a complete fabrication, and information independently available to our Government disproved the principal elements of the allegation as well. The Yugoslav ships, for example, which carried the jet aircraft in question to Yugoslavia, are known not to have stopped in Havana or in any other Cuban port.

Moreover, there is no evidence that Cuban pilots have been trained in Yugoslavia. Indeed, it would be strange to train Cuban pilots, presumably to fly the Mig's of Castro's air force, in a country which does not fly or produce Mig's but which has during the past decade depended on the West for its airforce materiel. I cannot help but wonder, in the course of examination of these and numerous other charges concerning Communist arms and training for Castro, whether the sources of this information in the newspapers are really aware of the Czechoslovak role in these activities, and whether they are really aware that Czechoslovakia and Yugoslavia are not one and the same country. Certainly we in this Chamber have every reason to suspect these sources in view of the complete lack of evidence for their charges.

**Charge:** First, Tito's report at the Seventh Congress of the LCY, the Communist Party of Yugoslavia, in April 1958, was a complete retraction of his earlier statement to the Sixth Congress 5½ years earlier; second, the LCY program of 1958 stressed the concept of "proletarian internationalism." This opposes any idea of national communism, which was explicitly rejected in the program of 1958. It was on the basis of the earlier statement that the program for aid to Tito developed; third, furthermore, the program emphasized that Yugoslavia was ready to lend a militant hand to encourage the world communizing process.

**Facts:** The facts of the matter are that the Seventh Congress of the LCY in 1958 put the finishing ideological touches on Yugoslavia's break with Moscow 10 years earlier. The tough bloc line adopted at the Moscow Conference in November 1957, in reaction to the Poznan riots and the Hungarian revolt, ended the brief 1955 to 1957 period of normal Yugoslav-Soviet relations, and placed Belgrade on notice that its "separate roads to socialism" was no longer to be tolerated. When the Soviets balked at an early draft of the Yugoslav program and then engineered a boycott of the Yugoslav Congress, the Yugoslav

leaders launched a general counterattack against Soviet attempts at dictation and charges of ideological heresy. The Congress steadfastly defended Yugoslavia's position apart from both East and West. Both were attacked in principal as threats to peace and progress and the delegates stressed that the foreign policy of the Yugoslav peoples was based on "their resolve to safeguard their independence at all cost." This independence, as my colleagues are aware, is exactly what we have been seeking to foster.

The reaction from the Soviets and the Communist Chinese proved just how wise our investment has been, how divisive an effect Yugoslavia has had on the Communist world. Khrushchev cut off all Soviet aid to Yugoslavia. Moscow and Peiping continued to denounce the Yugoslav program as contrary to Marxism-Leninism and leading to disunity among Socialist countries. Yugoslavia was threatened with ostracism from the Communist world.

This is the main import of the Seventh Congress. Not all of the stands were satisfactory from our standpoint. Not all of the things said and done by our allies are satisfactory either, for that matter. What is important is that the Congress' interpretation of various Marxist slogans such as "proletarian internationalism" all bore the imprint of Yugoslavia's emphasis on the struggle for socialism in one's own country. Far from abandoning previous Yugoslav policies, the program of the Seventh Congress of the LCY in 1958 was a major reaffirmation of the revisionist "separate roads to socialism" philosophy in Yugoslavia.

**Charge:** The Yugoslav record in the U.N. demonstrates that Yugoslavia maintains strict adherence to the Soviet bloc line.

**Facts:** This was brought out in debate on this bill in the Senate, where I believe the significance of Yugoslavia's record in the U.N. was not made entirely clear. It was conceded that Yugoslavia does not vote with the Soviet bloc all the time, but it was stated that on the important issues, such as the Hungarian question, the Yugoslavs—and I quote from the RECORD—"maintained strict adherence to the Communist line and unflinching loyalty to the international Communist movement."

This is a curious analysis. The voting records of the U.N. are public records, and by a similar analysis we could observe that many of the neutralists vote on certain subjects—if I may use the phrase again—with "unflinching loyalty to the international Communist movement." But on other matters in the U.N., the neutralists and the Yugoslavs apparently do flinch from such loyalty. The vote on the resolution appealing to the U.S.S.R. not to explode the 50-megaton bomb was such a matter. Senators AIKEN and COOPER noted the important differences between the Yugoslavs and the Soviets in the U.N.

I think that we have to face this matter squarely and honestly. Either the Yugoslavs do vote consistently as members of the Soviet bloc or they do not.



The Department of State has pointed out that while we are well aware the Yugoslavs do not vote consistently with the United States, we are also aware—and the facts speak for themselves—that the Yugoslavs do not vote consistently with the Soviet bloc.

I think we would all agree that we need not try to establish that the Yugoslav voting record in the U.N. is different from ours; if this were the point, we could as easily demonstrate that the voting records of our NATO allies are also different from ours. But this is not the point. To reach a meaningful conclusion of this subject we need to know whether the Yugoslav voting record is different from that of the Soviet Union. We need to know whether or not the Yugoslavs vote in the same way as the Czechoslovaks or the Bulgarians in support of the U.S.S.R. And the record shows that they do not.

Charge: Tito declared in a 1956 speech:

Yugoslavia, in time of war, as well as in time of peace, marches shoulder to shoulder with the Soviet people toward the same goal—victory over the enemies of socialism.

Fact: This quotation which was read into the Record several times in debate in the Senate, is a distortion of a statement made by Tito in Stalingrad. Tito's statement, as actually made, could not be construed by a fairminded person as any sort of reference to future cooperation in war. Tito did refer to cooperation with the U.S.S.R. in war, but he referred to the same war in which we too cooperated with the U.S.S.R. And he did not refer to "victory over the enemies of socialism." He referred to peaceful cooperation toward the "goal of the victory of socialism." The difference is not without significance. It is a good example of the editorial changes that promptly appear in any of Tito's speeches when they are quoted by those who are so obsessed with the compulsion to strike at Tito that they lose sight of the other 18 million Yugoslavs and the importance to our policy of this strategic Balkan country.

Tito's speech was broadcast; what he said at Stalingrad is a matter of record. He gave his warm greetings to the people of the "heroic town" of Stalingrad which inflicted a "decisive blow upon the Fascist invaders." He pointed out that Yugoslavia too had suffered invasion during World War II and had shared in the struggle against the Nazis. The content of his brief talk was concerned with World War II and the important role played by the battle of Stalingrad. He then praised the citizens of Stalingrad for their work in rebuilding the city. He wished them, and here I pick up the quote, "many successes in your construction and creative work for an even better life, for the victory of communism throughout the Soviet Union."

Please note where he wishes the victory of communism to take place. It is certainly pertinent to the context of his closing paragraph, when he said, and I quote in full:

We, in Yugoslavia, have likewise made a big step since we ejected the Fascist occupiers. Our country, too, was much

ravaged. And we have reconstructed our country, and are building new factories, a new life. In peace as in war Yugoslavia must march shoulder to shoulder with the Soviet people toward the same goal, the goal of the victory of socialism.

I think it is clear that Tito did not predict that "in time of war, as well as in time of peace" the Yugoslavs would be shoulder to shoulder with the Soviets. He clearly said that in time of peace, as well as during World War II, the Yugoslavs should cooperate shoulder to shoulder with the Soviets. But in case there is doubt, let me inform the House that the distortions of Tito's remarks by some writers in the West brought an immediate complaint from Tito, made to our Ambassador in Moscow even before Tito returned to his own country. Tito clearly and firmly held that his remarks referred to association with the U.S.S.R. during World War II, and not to the future.

Let me say that our Ambassador rose to this occasion promptly, and replied that if the Western press had not accurately interpreted Tito, the reason should be sought in the care—or lack of care—which was taken to keep the Western press informed.

I think our Ambassador was right. The responsibility for our misunderstandings lies with Tito, I am sure. But the facts have been made plain to us on this and other allegations many many times. The question we must all answer is more direct and I want to pose it now. Which are we going to put first: the real needs of our country's foreign policy, or our desire to show our dislike of Marshal Tito?

Charge: Belgrade is the principal link in the intelligence chain running from Moscow to Havana. Yugoslavia has lent very active support in furnishing arms and technological advice and training to Cuban Marxists. Thus Yugoslavia is aiding Castro in the export of Communist revolution throughout South America.

Facts: According to our Government's intelligence information, there is no evidence whatsoever for these charges. Moreover, we know from bitter experience that the Soviets are quite capable of organizing their own intelligence network, and that there is a Soviet Embassy in Havana which is in nothing less than ideal circumstances to guide, control, advise, equip and finance any intelligence venture believed by Castro and Khrushchev to be feasible and desirable. Yet I am sure our colleagues are sincere when they ask us to believe that Tito's Yugoslavia is the link between Moscow and Havana. I am sure they are sincere when we are told this is well known. But I have asked for confirmation based on our intelligence information, and I am told there is no evidence to support this questionable charge.

I have also endeavored to obtain evidence that the Yugoslavs have furnished arms to Castro, or have assisted in the export of the Communist revolution to South America. I am told our Government has no such evidence. It seems to me that if there is any such evidence—and I note that in the debate in the Senate it was stated that there is every

indication of this—then the evidence should be brought out and made available to the House and to our intelligence agencies.

Charge: Tito has explained his foreign policy as one of coexistence. At the same time he states flatly that he is in complete accord with Mao Tse-tung. He reiterates what he terms as "my point by point" agreement with Mao. Without a doubt the coexistence of which Tito speaks is the same as that practiced by the U.S.S.R. under Khrushchev.

Fact: Let us just review some of the violent attacks which Communist China has leveled against Yugoslavia. In the Chinese publication People's Daily on May 5, 1958, the Peiping government charged that the Yugoslav brand of revisionism "aimed at splitting the international Communist movement and undermining the solidarity of the Socialist countries, and is directly harmful to the fundamental interests of the Yugoslav people." One month later the Chinese castigated the Yugoslavs, stating that "Yugoslavia follows a foreign policy of praising the United States and slandering the Soviet Union" and that "in contrast to the neutralists in general, the Tito elements, putting out the signboard of Marxism-Leninism and a Socialist country, mix themselves in the ranks of the international proletariat to corrode, disintegrate and subvert."

This is the attitude which the Chinese Communists have consistently held toward Tito, and which they continue to hold. In the February 10, 1962, edition of Red Flag, the organ of the Chinese Communist Party Central Committee, Tito's milder brand of communism was reviled as "more evil, more debased, and more cunning" than previous brands of revisionism to which it was allegedly related.

I believe this material speaks for itself. There is no point-by-point agreement between Mao and Tito. There is only the bitterest of feeling, and I think you will agree that we should keep the facts straight on this point in this Chamber.

I would like also to touch on Indian and the United States national interests.

In considering the foreign aid bill with regard to India, it is important to keep the focus on the U.S. foreign policy objectives. During the past 2 or 3 years India's foreign policy objectives and ours have come increasingly closer. In south-east Asia the Indians have played a very constructive role with regard to Vietnam—a situation in which we have a vital interest. In the Congo we and the Indians have seen eye to eye and Indian troops have made a great contribution toward the easing of that crisis. These are but two of the more important examples where matters affecting the Indian national interest and ours coincide. There are many others to be found in the technical bodies of international organizations.

From the viewpoint of the U.S. national interest per se, it is most important that a nation which is striving to achieve the modernization of its social and economic structure succeed in doing so through a democratic political system similar to that which we in the West have. In a free democracy pros and cons



of problems affecting war and peace are more openly discussed and public opinion must be taken into account. Thus it is very much in our interest that the developing nations preserve and develop democratic systems of government in order to avoid the irrationalities and rash acts that frequently result from totalitarian rule.

India and Communist China are at odds with each other over frontier questions. India is determined not to yield its territory to Communist Chinese threats and actions. It has backed up this resolve by placing Indian armed forces into trouble spots on the frontier with Communist China and has actually regained territory initially claimed by the Communist Chinese. Thus India and Communist China are not only competitors in the ideological field—democracy versus totalitarianism—but also in the power struggle in Asia. We and the Indians have, therefore, a common concern; that is, the threat of Communist China.

The Goa incident, India's posture in the United Nations on the Kashmir issue and the matter of the Soviet Mig's are indeed distasteful to us partly because these situations cause problems for us with other free nations and partly because we see certain dangers in the acquisition of Soviet arms by a nonaligned country. But let us not overlook the fundamental factor which is that these are situations which while annoying to us are not vital to the U.S. national interest. They are essential problems of Indian national interest.

We in this country believe that political and social progress and stability are difficult to achieve without continuous economic progress. It has been our experience during the last 14 or 15 years that underdeveloped countries experience great difficulty in achieving economic gains despite heavy financial assistance from abroad. Yet in India we have had and are having a most interesting and important development in the field of economic achievement. These people have poured enormous sums from their own resources into a well organized and sustained effort leading toward specific economic goals. We have confidence in what they are trying to do and it is in our interest that this progress be maintained. For further progress to be achieved our assistance is vital. A faltering or collapse in the Indian economic development effort would have such psychological and political repercussions throughout Asia, Africa, and the Middle East that the price of picking up the pieces in the aftermath might well become intolerable for the West.

In brief there is no question in my mind of the necessity to continue to assist India because it is in our national interest to do so. We must demonstrate the maturity and the steel nerves of a nation which knows where it wants to go, what its policy objectives are, and not let ourselves be swayed from the task ahead of us because of emotionalisms more appropriate for a new nation than for the leader of the free world.

Question: Why does India increasingly oppose the United States on so many critical issues?

Answer: India increasingly, and to a greater extent than is generally realized, does not oppose us in those areas which most vitally affect United States national interests.

#### BALANCE SHEET

On the negative side: Indian opposition to our foreign policy has become concentrated during the past years on certain issues in the south Asia area. These are ones about which India feels strongly, such as Goa, Kashmir, and supersonic aircraft, and where the United States has taken issue with the Indian approach to dealing with the problem. As significant as these questions may be they do not strike at the center of United States national security.

On the positive side: Despite these problem areas, the trend of events in recent years has shown a growing convergence of basic national interests of our two countries:

First. Against Red Chinese aggression: Chinese incursions across India's northern border opened Indian eyes to the long-term threat the Peiping regime poses to Indian security. India is now alarmed at the potential for Chinese Communist expansionism. India has been actively improving its position on its northern border in order to prevent further Red Chinese incursions and to be in a position to regain at least some of the territory occupied by the Chinese. Furthermore it has recently been performing a helpful role as Chairman of the International Control Commissions in Laos, Cambodia, and Vietnam in order to minimize the possibility of Chinese expansion into that area. Thus, the recent finding by the Indian Chairman of the ICC that North Vietnam is providing active support to guerrillas in South Vietnam provides the United States with legal justification for its support of South Vietnam.

Second. United Nations: India shares with the United States a strong interest in maintaining an effective U.N. During all of Khrushchev's campaign against the Secretary General, Nehru publicly opposed the troika suggestion and upheld the idea that a unitary SYG was essential.

Third. In the Congo: When there was a threat in the winter of 1961 that the U.N. forces would be withdrawn from the Congo, India responded positively to Hammarskjöld's request for more men and sent a full combat battalion to the Congo over Soviet objection.

Fourth. Inside India: By virtue of its size as well as other factors, India is democracy's principal Asian representative in the power struggle with Communist China. India's development program is gathering additional momentum under an increasingly effective democratic structure at the very time that the Chinese Communists are increasing economic difficulties under the most totalitarian government in the world today.

#### CONCLUSIONS

In those areas where basic U.S. national interests are involved, such as southeast Asia, the United Nations, and the Congo, Indian policy and attitudes parallel and reinforce our own. This is not always a smooth process because India frequently states its positions in terms of nonalignment which obscure the basic community of our interests and the fact that India is democracy's principal representative in Asian power struggle with Communist China.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ADAIR].

Mr. ADAIR. Mr. Chairman, this afternoon we have heard from those who very strongly support this program. I think it is time now that we hear something of the shortcomings of the program, something of the dollars involved, and something of proposals which might make it better and more workable.

In the first place, it is sometimes said that those of us who have opposed and have voted against foreign aid legislation in past years are unaware of the fact that we live in a world where nations must cooperate. Nothing can be farther from the truth. We have a full realization of those facts. But we do feel that this program has not yielded the results which its friends and proponents through the years have said it would yield, and which we have all hoped against hope that it might yield.

Mr. Chairman, first of all I think it might be worthwhile to look at something of the sums of money involved in these expenditures. Since the end of the Second World War when the programs which have a relationship to foreign aid were first undertaken, we have up to the end of the fiscal year just concluded appropriated about \$95 billion in direct foreign aid. If we add to that sum other moneys which are not so easily identifiable as foreign aid, we bring the total to \$107 billion that has been appropriated since 1946 in our efforts to win friends and influence people, as well as to combat communism throughout the world.

Mr. Chairman, some good results have been achieved. On the other hand, there have been very many shortcomings in this program. Since I do not have the time this afternoon to detail all of them, I would invite the Members of the House to read the views of the gentleman from Georgia [Mr. PILCHER], the gentleman from Maryland [Mr. JOHNSON], and myself, contained in a report of a study mission completed last fall. In those views, which deal principally with the situation which we found in Asia and the Middle East, we point out more specifically some of the shortcomings of this program.

Mr. Chairman, getting back to the matter of dollars and cents, what is the situation with respect to the cost of this program this year in relation to other years? I think Members would be interested to recall that last year, speaking in round numbers, this House authorized \$4,253 million for the foreign aid program. There was appropriated, pursuant to that authorization, \$3.9 billion.



This year the President has requested \$4,878 million. This committee has brought out additional authorizing legislation which would make possible the appropriation of about \$4,660 million for this coming fiscal year. Based upon the President's request, please observe that there was only actually something in excess of \$200 million cut for this year. When the figure of \$800 million is used, it includes cuts made from the Alliance for Progress programs for the 3 succeeding fiscal years. So, actually, on a program of \$4,700 million we have reduced the dollar amount only slightly in excess of \$200 million.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Iowa.

Mr. KYL. According to the gentleman's figures, for each of the 40 Members who are now on the floor, this represents an expenditure of about \$100 million each; is that correct?

Mr. ADAIR. I think the gentleman is correct.

Mr. KYL. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Seventy-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 149]

Addabbo	Fino	Miller,
Alford	Flood	George P.
Andersen,	Fogarty	Miller, N.Y.
Minn.	Frazier	Minshall
Anfuso	Friedel	Morrison
Ayres	Fulton	Moulder
Baker	Gialmo	Multer
Baring	Gilbert	Murphy
Barrett	Glenn	Nix
Barry	Granahan	Osmer
Bass, N.H.	Gray	Peterson
Bass, Tenn.	Green, Pa.	Philbin
Bennett, Mich.	Harrison, Va.	Pike
Betts	Harrison, Wyo.	Powell
Blatnik	Hays	Price
Blitch	Healey	Purcell
Bolling	Hoffman, Ill.	Rains
Bonner	Hoffman, Mich.	Randall
Boykin	Holifield	Reece
Brademas	Horan	Riley
Breeding	Ichord, Mo.	Rivers, Alaska
Bromwell	Inouye	Robison
Brooks	Jennings	Rodino
Broyhill	Jones, Mo.	Rogers, Tex.
Buckley	Kearns	Rosenthal
Cahill	Kee	Rostenkowski
Carey	Keogh	Saund
Celler	Kilburn	Scranton
Chelf	Kling, Utah	Sheppard
Chiperfield	Kitchen	Shipley
Church	Kluczynski	Smith, Miss.
Coad	Kowalski	Spence
Colmer	Laird	Steed
Cook	Landrum	Taber
Cooley	Lane	Thompson, La.
Corman	Lesinski	Thornberry
Curtis, Mass.	Libonati	Utt
Davis,	McCulloch	Van Zandt
James C.	McMillan	Wallhauser
Davis, Tenn.	McSweeney	Whalley
Dawson	Macdonald	Wickersham
Delaney	Magnuson	Williams
Diggs	Mason	Willis
Donohue	Meador	Wilson, Calif.
Dooley	Morrow	Wright
Farbstein	Michel	Young

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill

H.R. 11921, and finding itself without a quorum, he had directed the roll to be called, when 296 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

The CHAIRMAN. The gentleman from Indiana [Mr. ADAIR] is recognized.

Mr. ADAIR. Mr. Chairman, prior to the rollcall we were giving attention to the matter of the cost of this program. I had pointed out that there is an authorization this year of something in excess of \$4.6 billion. I think the Committee would want to know that in that figure there is authorization for military purposes of \$1.5 billion. The rest of the money is generally for economic purposes.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. At the start of your speech you were announcing the overall cost of this program since its start. I am wondering if you could break down the figures which you gave earlier to indicate how much of the total sum was for military expenditures and how much was for so-called economic aid in one form or another.

Mr. ADAIR. In response to the gentleman's inquiry, it can be said that since the beginning of this program roughly one-third of it has gone for military purposes and two-thirds for economic; in other words, up to the end of fiscal 1961 about \$90 billion had been used for the pure foreign aid programs of which about \$29 billion had been military and \$61 billion economic.

One reason why there was only this relatively small reduction this year in the amount authorized was because we, the Committee on Foreign Affairs, had recommended to the House that additional money be made available this year for the Peace Corps, amounting to something more than \$60 million. I think it can be said, therefore, that the additional money made available for the Peace Corps accounts in part for the rather small reduction in the overall request for money in this program.

Each year we speak about the pipeline. That is the amount of money unspent in this program. It is interesting, I think, to recall that this year the pipeline has in it more money than at any time since 1956. The amount available, according to the estimates which have been given at the end of the fiscal year just concluded, is \$6.6 billion. I think that is a figure worth keeping in mind with reference to the overall cost of the program. If the overall cost is \$4.6 billion, then we ought to recall also that there is in the pipeline unexpended at this time \$6.6 billion. If we keep that in mind, I think we can find real reason for further dollar reduction in this program.

There are two points particularly that ought to have special mention. One is the question of expropriation of American businesses by foreign governments or subdivisions of those governments.

The other is the question which has heretofore been touched upon, the matter of aid to Communist countries. On this matter of expropriation the Committee on Foreign Affairs did write into the bill a provision which is helpful and, I think, a start in the right direction. However, in my opinion it does not go far enough for two principal reasons. First, because it does not relate to some seizures which have been made earlier this year and which would not be covered, therefore, by the language in the amendment as it was written into the bill.

Secondly, because there is wording in the amendment which would give to the President of the United States wide powers of discretion, giving him the power to waive the operation of this amendment if he thinks it wise to do so.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mrs. BOLTON. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Illinois.

Mr. FINDLEY. I appreciated the gentleman's comment about aid to Communist countries. In the debate on the foreign aid bill last year several Members expressed concern about the extent to which the United States is aiding non-Communist governments which nevertheless are oppressive in character. One Member of this body offered an amendment which would prohibit any foreign aid to governments which curb the freedom of press, speech, and religion of their own people.

Can the gentleman inform me as to whether the language of this bill would also attempt to move in that direction, toward strengthening the area of individual liberty even in countries which are not of Communist character?

Mr. ADAIR. I will answer the gentleman by saying that there is some wording that we put in this bill having respect to discrimination against persons because of race, creed, or color. Perhaps that could be construed broadly enough to relate to the situation which the gentleman describes. But I do not believe there is any new language in this year's bill bearing specifically upon the point which the gentleman mentioned.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield further?

Mr. ADAIR. I yield further to the gentleman from Illinois.

Mr. FINDLEY. Perhaps the gentleman refers to the language at the top of page 2. In reading that language I have concluded, myself, that it applies only to the rights of American citizens in these foreign countries and would not relate to the rights of individual citizens within those countries.

Mr. ADAIR. The gentleman is right. That language does relate only to American citizens.

Mr. FINDLEY. I thought this point might be especially appropriate to make at this time, because in my annual legislative questionnaire this year to citizens

of western Illinois, I asked this question: Should the United States continue foreign aid to governments which curb freedom of the press, speech, and religion?

The responding answers were 2,274, which said "yes, we should continue this type aid," but 11,811 said "no, we should not continue U.S. foreign aid to governments which curb freedom of speech, press, and religion."

Mr. ADAIR. I thank the gentleman for his observation, and would point out to the gentleman that, of course, this is a very sensitive matter when we try to put in legislation here what shall be the relationship between governments and citizens of other nations. It is true that we are attempting to do just that to a certain degree as a part of the Alliance for Progress program, and elsewhere, but it is a very sensitive matter.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. I want to congratulate my Hoosier colleague on his excellent presentation of this particular legislation. I would like to pose this question:

It seems to me, as I have followed the events of the past few weeks, that our proposed Alliance for Progress proposition is being used by some of the potential recipients as a sort of a blackmail deal. They are saying in essence, "Well, if you do not do such and such, we will not take your help."

Does the gentleman think that that is a true state of affairs?

Mr. ADAIR. I would have to agree with the gentleman, and say that there is a great deal of truth in his remarks.

Mr. HARVEY of Indiana. If the gentleman will yield further, I think, certainly, the Department of State ought to be mighty sure in its treatment of this particular program or fund that we will not be indefinitely in that position insofar as these recipient countries are concerned.

Mr. ADAIR. I thank the gentleman for his contribution.

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from New York.

Mrs. KELLY. I thank my colleague. I would like to say that I introduced an amendment in line with the suggestions discussed earlier, which stated that U.S. assistance must not be extended or continued to any country which fails to comply with the principles stated in section 102 of the Foreign Assistance Act. However, the committee thought that my amendment went too far, on the grounds that we should not dictate the internal policies to be pursued by other sovereign nations. Nevertheless, we hope that, with the help of the principles embodied in section 102 of the act, and strengthened and extended by section 101 of the bill before us, we will emphasize aid to those countries which seek to respect the dignity of the individual, and to respect his freedom to speak, to travel, and to worship in ac-

cordance with the dictates of his conscience.

Mr. BEERMANN. Mr. Chairman, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman.

Mr. BEERMANN. Mr. Chairman, I appreciate the gentleman's comments on the subject of expropriation of American properties in these other countries. I wonder why we do not take care of expropriation acts committed by other countries back to January 1, 1962, or even prior to this year.

Mr. ADAIR. I will say to the gentleman that I feel quite sure that amendments to remedy that defect in the bill will be offered before we have taken final action.

Mr. BEERMANN. I thank the gentleman.

Mr. ADAIR. Mr. Chairman, in conclusion there is one further thing that ought to be underscored as we consider this legislation; and it is a matter which has been mentioned in my hearing by many of the important leaders of friendly nations abroad. Too often, Mr. Chairman, we fail to make a distinction between nations which are friendly to us and which are willing to stand up and be counted and to help us if need be and those which call themselves neutral but in fact have a very doubtful neutrality. I think it is high time, if we are going to continue this program of worldwide assistance, that we say to ourselves, "We will give aid to those who will help us, those who will stand up for freedom, those who will be of assistance, if necessary, and not give so much of our aid to the so-called neutral countries who are neutral perhaps in name only."

Mr. Chairman, thinking it may be of interest, I include here the minority views of the gentleman from Illinois [Mrs. CHURCH] and myself:

#### MINORITY VIEWS

It is an easy assumption that those who oppose foreign aid legislation must logically oppose the concept of mutual security. Nothing could be further from the truth. We recognize that friends and allies are basic to the security of the United States. Our objection to the program is that it has not accomplished the results expected.

Our principal comments and criticisms arise from the inadequacy of the legislative framework within which we are pursuing our national objectives. A year ago it was claimed that a complete reexamination of the Mutual Security Act would result in legislation that would be more responsive to our national needs and considerate of our fiscal situation.

The net result has been disappointing. The new law provided fewer checks upon Executive action than did the old law. Powers were widely delegated to the President. Limitations on the use and the sums of money authorized and appropriated could be waived. Laborious congressional scrutiny has become an exercise in futility and frustration. Country programs justified as necessary, even imperative, have been completely recast.

The contingency fund, the committee has been told, is needed to meet with speed and effectiveness "critical situations that threaten our national interest." We call attention to a few uses to which that fund has been put which indicate that the criteria stated were certainly not the reasons for action.

Guinea \* \* \* : The Government \* \* \* indicated during the summer of 1961, after the congressional presentation was drafted, an interest in economic relationships with the United States. A program involving several projects was offered and accepted.

Mali \* \* \* : In the summer of 1961, after the congressional presentation was drafted, the Government demonstrated an interest in receiving economic aid from the United States. A program has been developed to meet this opportunity.

Japan, \$533,000: The fiscal year 1962 presentation proposed no grant economic aid to Japan. However, the importance of the Japanese labor leader exchange program, administered by the Assistant Secretary of State for Cultural Affairs, dictated its funding for fiscal year 1962.

Other (western Samoa), \$25,000: As a gesture of U.S. interest in western Samoa on its achievement of independence, \$25,000 was programmed for an Independence Day gift (two bookmobiles).

Panama, \$9,900,000: For urgent development projects requested by the Government.

Individual committee members, as well as a committee staff survey team, have made visits overseas within the last year. Their findings are an impressive catalog of poor planning and faulty administration. Nine years ago the undersigned made an extensive trip to study our program abroad. Upon their return they reported that "money is the measure of our interest, not the yardstick of our success." Nothing has happened in the interval to alter that observation.

The achievements of the Marshall plan in Europe are often cited to show what our aid can do. But we would point up the fact that in Europe our program was one of reconstruction. European nations have a similarity to ourselves in culture, commerce, and legal structure. In the rest of the world it is one of construction. The difference is not one of semantics—it is one of philosophy. We can export the products of our society but we cannot readily export the climate in which these products can most effectively be used. Some would argue that the birth pangs of independence will readily give way to new outlooks and the acceptance of new ways and values that will encourage social and economic changes. We would only remind those individuals that most of the countries of Latin America, after 140 years of independence, have made small progress.

One reason for our criticism of the aid program is directed to the order of priorities with which it attempts to deal. Costly impact projects create more problems than they solve through their very magnitude and incompatibility with the local society. The undersigned have supported the Peace Corps because in it they see an effort which is directed to the foundations upon which development can proceed.

The foreign assistance program has become an indiscriminate instrument of our foreign policy. Hard decisions are avoided by soft loans and grants. We have given assistance to Yugoslavia and to Poland—with no perceptible advantage to us. The Netherlands is a NATO partner—but we are busily shoring up Indonesia's military establishment. Portugal is a NATO ally, but we are selling military equipment to India that seized Portuguese Goa. The Arab refugees whom we help to sustain have become political pawns of the Arab governments that we help to maintain. We are supporting the independence of Laos through foreign assistance while we urge a coalition government that will include Communists. The list of incongruous actions carried out in the name of foreign assistance is almost endless.

The unexpended balances of the foreign assistance program are estimated at \$6.6 billion at the end of this fiscal year. The majority report states that "these unex-



pended balances are available only to meet obligations already incurred. They are not available to move the program forward through the purchase of additional goods and services."

We do not question the accuracy of these observations. We do, however, ask whether additional goods and services are necessary—certainly in the amounts contained in this bill.

The report of the committee staff survey team, after a visit to three countries and an admittedly hurried review of the "hoarding" of unused funds "suggests that there may be substantial hidden reserves available in all countries which are being held either to finance planned operations in future years or to meet future contingencies."

We do not know, and neither do those administering the program, the magnitude of

idle money in this program. It is unreasonable that those responsible for voting taxes ask that we pause long enough to find out how much money can be recaptured?

The fiscal position of our Government is such that we cannot afford to leave unexplored every possible economy. Our national debt is mounting and we are being asked to raise the statutory debt limit to \$308 billion. If Congress approves the new limit, it will have raised it three times within the past year by a total of \$15 billion.

The balance-of-payments gold deficit is a matter of deep concern. Although the deficit last year was \$2.5 billion, the outflow of dollars through the foreign assistance program must be scrutinized for its baneful effect on the national economy. It is small comfort to be told that a large percentage of our aid funds is spent in the United States.

It still represents a drain on our national resources. U.S. exporters are already feeling sharpened competition from markets abroad and for the retention of markets at home. Is it not time that our aid program be more carefully integrated with our trade program?

Those of us who have studied the foreign aid program over the years find nothing new in the bill. The annual presentation is marked only by the appearance of new witnesses who repeat the familiar lines of last year's cast. The cost of administering the program mounts each year. But one looks in vain for evidence of firm management, clearer guidelines, and vigorous attacks upon maladministration.

The following tables reflect major foreign assistance financing by the United States from 1946 through fiscal year 1961.

### Mutual security program countries—Summary by fiscal year and program

#### U.S. FOREIGN ASSISTANCE—OBLIGATIONS AND LOAN AUTHORIZATIONS

[Millions of dollars]

	U.S. fiscal years														Total
	1946-48	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	
Economic, total.....	14,054.8	8,113.8	5,104.8	3,662.3	2,469.8	2,612.6	2,419.3	2,726.9	2,676.6	3,318.4	3,002.2	3,634.0	3,409.6	4,551.0	61,513.4
Grants.....	6,331.3	6,483.6	4,456.2	3,126.8	2,156.3	2,159.1	2,267.5	2,050.3	1,922.7	1,963.9	1,711.0	1,730.8	1,971.9	2,294.1	40,391.2
Loans.....	7,723.6	1,630.2	648.5	535.5	313.0	453.5	151.8	676.6	753.8	1,354.5	1,291.3	1,903.2	1,437.6	2,256.8	21,122.3
Mutual security economic program, total.....		6,283.0	3,614.4	2,626.8	1,980.6	1,958.2	2,227.8	1,862.0	1,549.9	1,664.9	1,641.1	1,927.0	1,887.7	2,081.4	31,062.5
International Cooperation Administration.....		6,163.3	3,614.0	2,611.8	1,888.1	1,877.5	2,159.0	1,749.0	1,468.7	1,534.0	1,234.0	1,255.0	1,254.0	1,271.9	27,846.2
Technical cooperation/development grants.....		2.5	13.0	16.5	53.9	67.5	135.1	118.8	133.9	132.8	147.0	166.8	185.6	310.8	1,420.4
Other.....		6,160.8	3,601.0	2,595.3	1,834.2	1,810.0	2,023.9	1,630.2	1,334.8	1,401.4	1,087.2	1,088.3	1,068.5	961.2	26,425.9
Development loan fund.....											267.4	564.9	523.8	630.0	1,986.2
Other mutual security program economic.....		119.7	.4	15.0	92.5	80.7	68.8	113.0	81.1	130.9	139.7	107.1	109.7	179.2	1,229.9
Other economic assistance.....	14,054.8	1,830.8	1,490.4	1,035.5	489.2	654.4	191.5	864.9	1,126.7	1,653.5	1,361.1	1,707.0	1,521.9	2,469.6	30,450.9
Public Law 480:															
Title I—Planned for grants and loans.....								227.1	482.7	771.8	414.4	646.0	890.9	830.1	4,262.5
104c—Grants for common defense.....								33.9	97.2	108.7	71.1	35.0	20.0	65.9	431.9
104d—Grants from triangular transfer.....								2.9	3.9	26.0	4.8				37.6
104e—Grants for economic development.....								45.3	51.3	59.0	24.8	101.0	321.0	255.1	857.4
104c—Loans to private industry.....										1.6	73.5	123.6	92.5	64.7	356.4
104g—Loans to governments (Total sales agreements).....								145.0 (354.3)	330.3 (653.4)	576.5 (1,003.0)	240.3 (722.3)	386.2 (867.4)	457.4 (1,126.2)	444.4 (1,126.2)	2,579.3 (5,859.8)
Title II—Emergency relief <sup>1</sup> .....								102.1	98.0	98.9	85.4	49.1	59.6	289.7	782.8
Title III—Voluntary relief agencies.....					82.5	4.2	69.4	194.9	294.4	267.1	287.1	233.4	164.9	227.6	1,825.6
Export-Import Bank long-term loans.....	2,033.1	148.4	330.5	263.0	111.6	389.2	37.9	331.7	212.1	446.6	558.4	765.6	316.0	1,042.6	6,986.7
Other U.S. economic programs <sup>2</sup> .....	12,021.7	1,682.4	1,159.9	772.5	295.1	261.0	84.2	9.1	39.5	69.1	15.8	12.9	90.5	79.6	16,593.3
Military, total.....	481.2	301.3	76.0	980.4	1,481.2	4,272.5	3,411.6	2,508.9	2,978.9	2,134.2	2,404.5	2,160.5	1,844.7	1,432.0	28,997.5
Grants.....	481.2	301.3	76.0	980.4	1,481.2	4,272.5	3,411.6	2,508.9	2,978.9	2,134.2	2,404.5	2,160.5	1,844.7	1,432.0	28,997.5
Loans.....															
Mutual security program (charged to appropriation).....			55.7 (33.1)	980.4 (289.1)	1,481.2 (190.7)	4,158.8 (140.0)	3,295.9 (107.2)	2,395.6 (41.9)	2,927.5 (106.1)	2,085.0 (53.2)	2,363.4 (257.3)	2,110.0 (197.3)	1,718.0 (289.0)	1,374.1 (328.1)	27,475.2 (2,185.8)
(From excess stocks).....			20.3			113.7	116.7	113.3	51.4	49.2	41.1	50.5	126.7	57.9	1,522.3
Other military assistance.....	481.2	301.3													
Total economic and military.....	14,536.0	8,415.1	5,180.8	4,642.7	3,951.0	6,885.1	5,830.9	5,235.8	5,655.5	5,462.6	5,406.7	5,794.5	5,254.3	5,983.0	90,510.9
Mutual security program.....		6,283.0	3,670.1	3,607.2	3,461.8	6,117.0	5,523.7	4,257.6	4,477.4	3,749.9	4,004.5	4,037.0	3,605.7	3,455.5	58,537.7
Other assistance.....	14,536.0	2,132.1	1,510.7	1,035.5	489.2	768.1	307.2	978.2	1,178.1	1,702.7	1,402.2	1,757.5	1,648.6	2,527.5	31,973.2

#### MUTUAL SECURITY PROGRAM EXPENDITURES

Mutual security fund expenditures, total.....	4,527.8	3,514.6	3,821.7	3,762.9	6,048.1	4,809.1	4,524.9	4,644.4	3,707.9	3,802.6	3,639.1	3,338.0	3,174.1	53,317.5
Economic, total.....	4,527.8	3,458.9	2,841.3	2,281.7	1,889.3	1,513.2	2,129.3	1,716.9	1,622.9	1,439.2	1,529.1	1,620.0	1,800.2	28,371.9
International cooperation administration.....	4,434.4	3,442.8	2,822.8	2,198.5	1,809.2	1,444.5	2,032.2	1,643.8	1,533.1	1,320.9	1,333.5	1,307.8	1,365.1	26,690.8
Development loan fund.....										1.5	66.6	204.4	269.5	542.1
Other mutual security fund economic.....	93.4	16.1	18.5	83.2	80.1	68.7	97.1	73.1	89.8	116.8	129.0	107.8	165.4	1,139.0
Military.....		55.7	980.4	1,481.2	4,158.8	3,295.9	2,395.6	2,927.5	2,085.0	2,363.4	2,110.0	1,718.0	1,374.1	24,945.6

<sup>1</sup> In fiscal year 1961, also includes economic development programs.

<sup>2</sup> Includes contributions to international organizations, \$1,210.4 million; civilian supplies, \$5,051.6 million; British loan, \$3,750.0 million, UNRRA; post-UNRRA and

interim aid, \$3,046.8 million; surplus property credits, \$1,429.7 million; Philippines rehabilitation, \$634.6 million; civilian relief in Korea, \$420.2 million, and other, \$1,050 million.

U.S. foreign assistance to mutual security program countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance													
			Total economic		Mutual security program					Non-mutual security program						
			Total	Of which loans	Total MSP economic	ICA	DLF	Other MSP economic	Total	Public Law 480			Export-Import Bank long-term loans	Other non-MSP programs		
										Title I	Title II emergency relief and economic development	Title III voluntary relief agencies				
									Total sales agreements	Grants	Loans					
Total all countries	90,510.9	28,997.5	61,513.4	21,122.3	31,062.5	27,846.2	1,986.2	1,229.9	30,450.9	(5,859.8)	1,319.3	2,943.3	782.8	1,825.6	6,986.7	16,593.3
Europe	44,097.5	15,475.4	28,622.2	10,503.1	15,218.7	15,001.9	137.0	79.7	13,403.5	(1,603.9)	138.5	631.2	166.3	744.0	2,403.2	9,320.3
Austria	1,170.9		1,170.9	79.1	723.5	723.5			447.4	(40.9)		26.3	24.6	27.3	41.1	328.1
Belgium-Luxembourg	1,984.3	1,243.2	741.1	249.0	558.7	558.7			182.4					.2	150.0	32.2
Denmark	866.4	566.1	300.3	54.3	279.3	279.3			21.0						20.0	1.0
France	9,394.4	4,207.7	5,186.7	1,901.9	3,183.8	3,183.8			2,002.9	(35.6)		7.8		11.9	1,274.1	709.1
Germany (Federal Republic)	4,999.2	951.5	4,047.7	1,243.8	1,470.0	1,470.0			2,577.7	(1.2)			3.4	136.0	10.0	2,428.3
Berlin	131.0		131.0		118.1	114.4		3.7	12.9							12.9
Iceland	69.1		69.1	34.4	59.4	59.4			9.7	(11.6)		9.0			.3	.4
Ireland	146.2		146.2	128.2	146.2	146.2										
Italy (including Trieste)	5,664.8	2,217.7	3,447.1	624.8	1,645.1	1,645.1			1,802.0	(150.3)		104.1	87.4	223.7	215.8	1,171.0
Netherlands	2,449.2	1,230.7	1,218.5	388.8	990.2	987.2	3.0		238.2	(.3)				.1	202.2	36.0
Norway	1,084.7	734.9	349.8	113.4	274.8	274.8			75.0					(1)	50.0	25.0
Poland	514.5		514.5	138.7	61.1	.1		61.0	453.4	(365.3)				11.7	40.0	401.7
Portugal	407.7	328.8	78.9	39.5	49.8	49.8			29.1	(7.1)		3.4		25.7		
Spain	1,631.6	503.0	1,128.6	510.3	564.6	547.6	17.1		564.0	(506.1)	9.9	253.0	3.8	139.7	157.6	
Sweden	108.9		108.9	22.0	106.8	106.8			2.1							2.1
United Kingdom	8,689.0	1,629.8	7,069.2	4,215.4	3,828.9	3,828.9			3,839.3	(48.5)				.3	2.1	3,836.9
Yugoslavia	2,279.9	693.9	1,586.0	521.8	575.6	443.6	117.0	15.0	1,010.4	(437.0)	127.8	227.6	47.1	167.2	105.0	335.7
Regional	2,505.7	1,787.3	718.4	238.0	582.6	582.6			135.8		.8				135.0	
Far East	20,489.4	7,503.0	12,986.4	1,663.1	7,047.7	6,527.3	273.7	246.6	5,988.7	(673.6)	298.1	248.5	72.3	300.5	607.6	4,416.7
Burma	94.2		94.2	59.3	49.5	49.5			44.7	(40.7)	11.0	26.6		2.1		5.0
Cambodia	295.7	76.3	219.4		217.1	217.1			2.3				2.3	(5)		
China, Republic of	4,150.3	2,180.8	1,969.5	315.6	1,330.2	1,066.4	114.1	119.7	639.3	(62.2)	34.0	12.8	2.9	54.1	33.2	502.3
Indochina, undistributed	1,535.2	709.6	825.6		825.6	825.6										
Indonesia	598.9		598.9	353.3	221.7	210.1	11.6		377.2	(168.0)	54.1	85.2		6.7	163.5	67.7
Japan	3,574.6	980.4	2,594.2	324.8	22.0	22.0			2,572.2	(146.3)	.6	105.6	37.0	23.0	205.2	2,198.8
Korea	4,968.0	1,720.7	3,237.3	58.3	2,052.3	1,905.4	25.3	121.6	1,185.0	(215.4)	178.6	3.1	28.4	115.5		859.4
Laos	371.6	107.7	263.9		262.8	262.8			1.1				.8	.3		
Malaya	22.2		22.2	20.0	20.0	20.0			2.2					2.2		
Philippines	1,675.1	390.2	1,284.9	362.0	276.3	236.2	40.2		1,008.6	(13.8)	3.3	5.9		32.9	189.2	777.3
Thailand	649.9	359.2	290.7	68.9	263.8	241.3	22.5		26.9	(4.3)		3.7		.5	16.5	6.2
Vietnam	2,135.3	591.2	1,544.1	95.6	1,465.2	1,425.3	39.9		78.9	(22.9)	11.5	5.6	.7	61.1		
Regional	427.8	386.7	41.1	10.3	41.1	35.7		5.3								
Near East and south Asia	15,307.4	4,841.8	10,465.6	4,475.7	5,668.6	4,463.6	1,202.5	2.5	4,797.0	(2,958.6)	866.1	1,596.3	249.4	466.4	724.4	894.4
Near East	9,686.4	4,183.6	5,502.8	1,769.4	3,569.2	3,084.4	417.6	.4	2,000.2	(809.8)	119.5	471.7	124.7	263.3	425.3	595.7
Cyprus	9.5		9.5		(9)	(9)			9.5					9.5		
Greece	3,225.2	1,487.1	1,738.1	245.2	1,020.1	976.7	43.0	.4	718.0	(86.7)	7.5	53.5	4.1	90.2	17.1	536.7
Iran	1,192.0	528.1	663.9	299.2	515.2	400.3	114.8		148.7	(34.3)	5.8	18.5	15.2	6.8	75.1	27.3
Iraq	66.7	46.1	20.6	.9	17.4	17.4			3.2					2.3		.9
Israel	793.3	1.0	792.3	447.4	374.2	318.2	56.0		418.1	(193.7)	13.3	153.3		53.3	198.1	1.3
Jordan	300.4	20.4	280.0	3.7	230.9	227.2	3.7		49.1					35.5	12.3	1.3
Lebanon	88.7	8.6	80.1	10.7	58.3	52.3	5.9		21.8					16.9	3.2	1.7
Saudi Arabia	46.6	(2)	46.6	19.1	27.4	27.4			19.2						14.8	4.4
Syria	54.1		54.1	30.3	8.2	8.2	8.2		45.9	(28.2)	22.1	22.1	1.7			
Turkey	3,483.9	2,092.3	1,391.6	485.6	1,134.1	963.3	170.8		257.5	(246.9)	80.9	68.6	12.2	4.5	79.1	12.2
United Arab Republic (Egypt)	384.4		384.4	227.0	84.5	60.3	15.2		290.9	(219.9)	12.0	155.7		83.2	37.9	11.1
Yemen	16.6		16.6		7.3	7.3			9.3				9.3			
CENTO	25.0		25.0		25.0	25.0										
South Asia	4,866.7	2.7	4,864.0	2,686.5	2,085.8	1,301.0	784.8		2,778.2	(2,148.9)	746.5	1,124.7	109.6	199.4	299.1	298.7
Afghanistan	192.5	2.7	179.8	52.2	96.7	96.0	.7		83.1				42.8	.9	39.3	.1
Ceylon	74.1		74.1	23.6	24.1	17.8	6.3		50.0	(25.0)	4.3	14.8	9.3	21.4		
India	3,115.1		3,115.1	2,094.8	1,021.9	475.5	546.4		2,093.2	(1,694.0)	525.3	942.1	5.2	143.7	246.2	230.7
Nepal	44.3		44.3	1.4	23.8	23.4	.4		20.5		15.8	1.0	3.7			
Pakistan	1,450.7	(2)	1,450.7	514.4	919.3	688.3	231.0		531.4	(429.9)	201.1	166.8	48.6	33.4	13.6	67.9
Regional	754.7	655.6	99.1	20.0	80.3	78.2		2.1	18.8				15.2	3.6		
Latin America	5,485.5	479.4	5,006.1	3,903.1	823.4	574.2	227.7	21.5	4,182.7	(608.5)	14.0	462.5	39.2	148.5	3,125.2	393.3
Argentina	538.0	15.4	522.6	520.0	33.3	2.5	30.8		489.3	(62.3)		42.9			446.3	.1
Bolivia	222.9	2.2	220.7	40.2	157.2	149.3	7.8	.2	63.5	(3.3)		2.5	17.4	6.6	26.4	10.6
Brazil	1,711.2	175.5	1,535.7	1,440.5	58.5	53.3	.2		1,482.2	(282.9)	14.0	222.9		21.4	1,178.4	45.5
Chile	517.3	53.6	463.7	369.5	76.3	46.9	19.0	10.5	387.4	(71.2)		56.6		42.5	283.1	5.2
Colombia	327.2	37.8	289.4	245.8	40.5	15.5	25.0		248.9	(69.5)		51.0		26.1	169.0	2.8
Costa Rica	78.8	.1	78.7	31.9	20.8	12.0	8.9		57.9				.2	.8	21.0	35.9
Cuba	51.9	10.5	41.4	37.5	2.8	2.8			38.6					.6	37.5	.5
Dominican Republic	8.8	6.1	2.7		2.1	2.1			.6							.6
Ecuador	100.5	23.0	77.5	53.2	39.0	22.3	16.7		38.5	(11.6)		8.5		3.1	23.2	3.7
El Salvador	16.8	.3	16.5	5.3	9.9	8.3	1.6		6.6					1.1	3.7	1.8
Guatemala	150.3	1.7	148.6	33.1	91.0	78.1	12.9		57.6				3.2	1.9	16.7	35.8
Haiti	90.8	4.0	86.8	30.2	49.9	45.1	4.9		36.9				3.5	5.4	25.0	3.0

See footnotes at end of table.



U.S. foreign assistance to mutual security program countries by region and country, cumulative, fiscal year 1946 through fiscal year 1961—Con.

[Millions of dollars]

Region and country	Grand total	Total military	Economic assistance													
			Total economic		Mutual security program				Non-mutual security program							
			Total	Of which loans	Total MSP economic	ICA	DLF	Other MSP economic	Total	Public Law 480					Export-Import Bank long-term loans	Other non-MSP programs
										Total sales agreements	Planned for—		Title II emergency relief and economic development	Title III voluntary relief agencies		
											Grants	Loans				
Latin America—con																
Honduras	41.5	1.2	40.3	16.4	27.5	19.7	7.8		12.8			.2	2.7	3.5	6.4	
Jamaica	6.6		6.6		2.1	2.1			4.6				4.6			
Mexico	630.1	5.8	624.3	509.3	7.9	7.9			616.4	(25.2)	17.7	.2	7.6	491.3	99.6	
Nicaragua	54.4	2.1	52.3	23.3	18.3	8.1	10.2		34.0				.2	13.1	20.7	
Panama	74.9	.1	74.8	32.0	28.6	20.8	7.8		46.2				5.7	17.2	23.3	
Paraguay	50.5	.6	49.9	28.4	31.8	17.0	14.9		18.1	(2.9)	2.1		2.7	10.4	2.9	
Peru	376.1	64.4	311.7	256.8	57.2	26.7	30.5		254.5	(33.2)	23.4	14.1	11.0	195.4	10.6	
Uruguay	79.2	27.3	51.9	48.5	10.7	1.9	8.8		41.2	(46.4)	34.9		.5	2.6	3.2	
Venezuela	195.7	41.5	154.2	151.4	16.3	1.3	15.0		137.9					136.4	1.5	
West Indies and Eastern Caribbean	10.3		10.3		8.0	8.0			2.3				2.3			
British Guiana	2.0		2.0		1.4	1.4			.6				.6			
British Honduras	1.6		1.6		.6	.6			1.0			.3	.7			
Surinam	2.9		2.9		2.4	2.4			.5				.5			
Regional	145.5	6.3	139.2	30.0	34.2	18.4	5.0	10.8	105.0					25.0	80.0	
Africa	1,270.7	81.5	1,189.2	489.8	724.0	583.4	140.6		465.2	(15.3)	7.7	4.6	228.7	36.9	126.5	60.8
Cameroon	2.2		2.2		2.0	2.0			.2				.2			
Central African Republic	(1)		(1)		(1)	(1)			(1)				(1)			
Chad	.1		.1		.1	.1			(1)				(1)			
Congo (Brazzaville)	.1		.1		.1	.1			(1)				(1)			
Congo (Leopoldville)	13.3		13.3		2.5	2.5			10.8			10.1	.7			
Dahomey	3.1		3.1		2.0	2.0			1.1				1.1			
Ethiopia	180.4	55.8	124.6	67.4	76.6	46.9	29.6		48.0			8.9	.8	37.4	.9	
Gabon	.1		.1		.1	.1			(1)				(1)			
Ghana	26.4		26.4	20.0	24.1	4.1	20.0		2.3			.6	1.7			
Guinea	4.0		4.0		2.3	2.3			1.7			1.7				
Ivory Coast	2.1		2.1		2.1	2.1			2.2			1.6	.6			
Kenya	7.3		7.3		5.1	5.1			83.7			1.0	74.8	7.9		
Liberia	115.5	2.4	113.1	85.0	29.4	26.2	3.2		64.6			28.8	6.5		29.4	
Libya	179.0	3.7	175.3	8.5	110.7	105.7	5.0		(1)			(1)	(1)			
Malagasy Republic	.5		.5		.5	.5			(1)			(1)	(1)			
Mali Republic of	3.1	.6	2.5		2.5	2.5			.1				.1			
Mauritania	1.6		1.6	1.4	1.5	1.5			93.3			73.7	19.6			
Morocco	302.2	(1)	302.2	192.9	208.9	185.9	23.0		(1)				(1)			
Niger	2.0		2.0		2.0	2.0			.5				.3		.2	
Nigeria	19.3		19.3	3.9	18.8	15.0	3.7		22.4				(1)		22.4	
Rhodesia and Nyasaland	33.3		33.3	32.4	10.9	10.9			.3				.3			
Senegal	3.6		3.6		3.6	3.6			.3			.3	(1)			
Sierra Leone	1.0		1.0		.7	.7			(1)				(1)			
Somali Republic	13.1		13.1	2.0	12.8	10.8	2.0		.3			.3	(1)			
Sudan	51.2		51.2	10.0	51.2	41.2	10.0		(1)				(1)			
Tanganyika	4.4		4.4	1.9	2.5	.6	1.9		1.9			1.7	.2			
Togo	1.9		1.9		1.1	1.1			.8				.8			
Tunisia	254.7	(1)	254.7	51.9	137.4	95.3	42.1		117.3	(15.3)	7.7	4.6	101.2	2.0	1.8	
Uganda	1.0		1.0		.8	.8			.2				.2			
Upper Volta	2.0		2.0		2.0	2.0			(1)				(1)			
Other French communities and possessions	6.0		6.0		6.0	6.0										
Other Portuguese possessions	12.8		12.8	12.5	.3	.3			12.5					12.5		
Other British territories (sterling area)	.7		.7		.3	.3			.4				.4			
Regional	22.3	19.0	3.3		3.3	3.3										
Nonregional	3,860.4	616.2	3,244.2	87.4	1,580.3	696.1	4.8	879.6	1,663.9			26.8	129.5		1,507.6	

<sup>1</sup> Less than \$50,000.<sup>2</sup> Military data classified and included in Near East and south Asia regional total.<sup>3</sup> Includes Central American Bank formed by El Salvador, Guatemala, Honduras and Nicaragua.<sup>4</sup> Loan to France for Mauritania.<sup>5</sup> Military data classified and included in Africa regional total.<sup>6</sup> Loan to Portugal for Mozambique.

The foregoing tables are taken from the publication titled "U.S. Foreign Assistance and Assistance from International Organizations—Obligations and Authorizations" prepared by the Agency for International Development, Statistics and Reports Division.

MARGUERITE STITT CHURCH.  
E. ROSS ADAIR.

Mr. ZABLOCKI. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. RYAN].

Mr. RYAN of New York. Mr. Chairman, I rise to discuss an issue about which I have been deeply concerned for a long time, an issue which tests our fundamental commitment to our ideals and principles—Arab discrimination against citizens of the United States.

Last year at about this time we were considering the Act for International Development of 1961. The House version of that act contained language on

this subject similar to H.R. 11921, the bill before us today. The 1961 House bill declared:

Any attempt by foreign countries to create distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available is repugnant to our principles.

Unfortunately, the Senate version in 1961 contained language on this subject



which was much weaker than the House bill. Many of us were distressed when the House language was stricken in conference and section 102 of the present Foreign Assistance Act—Public Law 87-195—substituted in its place.

On August 15, 1961, I spoke in favor of the House version. At that time I pointed out that the Arab League economic boycott initiated in 1951 against Israel had been extended. This infamous boycott now includes American firms having Americans of the Jewish faith among their owners, officers, directors, and personnel. As part of the boycott Arab League countries have refused visas or admittance to American citizens who are suspected of being Jewish or who have visited or intend to visit Israel. In addition, U.S. citizens of the Jewish faith have been barred from serving in a military or civilian capacity in certain U.S. installations abroad. We have seen many examples of Arab discrimination. Last year Helen Hayes and the American Theater Guild Company were banned from Cairo when it was learned that they were planning to visit Israel. A former Washington, D.C., Wac on her way from Bombay to Rome was forced to remain on the airplane during a stopover at Dhaharan, Saudi Arabia, because the crew feared that the Saudis would learn that the woman was Jewish. In this connection a Member of this body was refused a visa to visit Saudi Arabia and the Dhaharan airbase, which was built with U.S. funds, because of his religion. Last fall a plane carrying a Foreign Affairs subcommittee chaired by our colleague from Georgia [Mr. PILCHER] was asked by the Lebanese whether there were any Jewish Congressmen or staff aboard. If the answer were in the affirmative, presumably the craft would not have been permitted to land.

Mr. Chairman, because discrimination against U.S. citizens on the basis of race, religion, creed, or color is abhorrent to the basic principles and beliefs of our democracy, on February 15, 1962, I introduced House Concurrent Resolution 420 which expresses the sense of Congress that—

Any such discrimination directed against U.S. citizens is incompatible with the relations that should exist among friendly nations, that the United States should issue a strong protest against such discrimination, that in all negotiations between the United States and any foreign state the United States should insist upon the elimination of such discrimination, and that the United States should not be a party to any agreement which allows a foreign nation to discriminate against U.S. citizens because of race, religion, creed, or color.

The sentiments expressed in this resolution have been echoed by seven State legislatures, including New York State, which have passed resolutions condemning Arab discrimination. In addition, on December 11, 1961, at its annual convention, the AFL-CIO adopted a resolution which included the following statement:

We insist that any attempt by Arab nations to create distinctions among American citizens because of their race or religion in the granting of personal or commercial access or any other rights otherwise available to U.S. citizens generally, is repugnant to our principles.

These resolutions are consistent with a longstanding policy of the American Government to protect the rights of U.S. citizens abroad. Thus the right of protection, under the act of July 27, 1868, admits no religious limitation. In 1885 Secretary of State Thomas Bayard in a note protesting Austro-Hungarian anti-Semitism directed at the family of an American diplomat made it clear that—

Religious liberty is the chief cornerstone of the American system of government and provisions for its security are imbedded in the written charter and interwoven in the moral fabric of its laws.

Anything that tends to invade a right so essential and sacred must be carefully guarded against, and I am satisfied that my countrymen, ever mindful of the sufferings and sacrifices necessary to obtain it, will never consent to its impairment for any reason or under any pretext whatsoever.

Woodrow Wilson, then Governor of New Jersey, eloquently protested Russian discrimination against American Jews. In a protest meeting at Carnegie Hall on December 6, 1911, he stated:

They are not Jews in America; they are American citizens. \* \* \* By our action for them shall be tested our sincerity, our genuineness, the reality of principle among us \* \* \*. There is here a greater stake than any other upon which we could set our hearts. Here is the final test of our ability to square our politics with our principles. We may now enjoy the exhilaration of matching our professions with handsome performance. We are not here to express our sympathy with our Jewish fellow citizens, but to make evident our sense of identity with them. This is not their cause; it is America's. It is the cause of all who love justice and do right.

Mr. Chairman, once again we have the opportunity to square our politics with our principles. I am happy to say that the language in section 101 of H.R. 11921 condemning the discriminatory practices of foreign nations against our citizens is much stronger than the present law and is more forthright on this subject than the House version last year. Again I urge all the Members of this body to support this statement. Let us be firm in our commitment to democracy and not have a repetition of what happened last year in conference. I am confident that with the wholehearted support of the House and with steadfastness on the part of the House conferees the present version of section 101 of H.R. 11921 will become law. It provides:

The Congress further declares that any attempt by foreign nations to make distinctions between American citizens because of race, color, or religion in the granting of personal or commercial access or in the exercise of any other rights available to American citizens, or the use by any foreign nation of assistance made available by the United States to carry out any program or activity of such nation in the course of which discrimination is practiced against any citizen of the United States by reason of his race, color, or religion is repugnant to our principles; and in all negotiations with any foreign nation with respect to any funds appropriated under authority of this Act, these principles shall be applied. The Secretary of State shall report annually on the measures taken to apply the principles stated above.

In addition, I understand that the Foreign Affairs Committee will seek to amend the bill before us to include sec-

tion 302(e) of this year's Senate foreign aid bill, S. 2996. This section would require the President to report to Congress after the close of each fiscal year "on the progress under the freedom of navigation and nondiscrimination declaration contained in section 102." This amendment will insure that the Congress will be able to judge whether its wishes are being carried out. It is most important that we approve of this amendment to show our sincerity and deep concern over the flagrant violation of American principles by the Arab States.

It is our obligation to insure that the ideals of our democracy are maintained. In order to meet this obligation I urge my colleagues to support the present language in section 101 of H.R. 11921 and to support the committee amendment requiring Presidential reports.

Mr. McDOWELL. Mr. Chairman, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from Delaware.

Mr. McDOWELL. The language to which the gentleman refers has been inserted in the act, and it was presented in an amendment offered by the gentleman from New York [Mr. FARBERSTEIN], a member of the committee, and is now a part of the act.

Mr. RYAN of New York. The language of section 101 is new language. It appears on page 2 of the bill. That is what I have been discussing. I understand that the Foreign Affairs Committee itself will seek to amend the bill now before us to include a provision which is in the Senate bill, which was passed by the Senate earlier this year, to require the President to report after the close of each fiscal year on progress achieved in carrying out the spirit and the principles enunciated in the language of section 101 of the bill before us.

Mr. McDOWELL. Is the gentleman aware of the language on page 47 of the committee report, which is chapter 1, the short title and policy, of the act?

Mr. RYAN of New York. That is the language which I am urging the House conferees to insist on without retreating. I believe the inclusion of an amendment similar to section 302(e) of S. 2996, which I understand will be offered, will go further than the bill now before us and will require the President to submit in his annual report a statement as to what steps have been taken to protect American citizens from Arab discrimination. I think that is good, and I hope that it will be adopted when it is presented.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. RYAN of New York. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. Mr. Chairman, the gentleman from New York [Mr. FARBERSTEIN], a member of the committee, has urged the adoption of this amendment.

Mr. RYAN of New York. I am glad to know the committee will offer such an amendment, and I am delighted to know it will have such support.

Mrs. BOLTON. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. GROSS].



Mr. GROSS. Mr. Chairman, this is an event. I do want to thank the gentlewoman from Ohio for the time she has yielded me.

Mrs. BOLTON. I am very glad to yield to the gentleman such time as he wanted.

Mr. GROSS. Mr. Chairman, the question has just been raised about the repugnancy provision, as it has been called—whether it is repugnancy or civil rights I do not know—but let me ask the chairman, does this apply only to appropriated funds or would it apply to aid to the nations where we were discriminated against for various reasons, including religion, color, race, and so forth? Would this apply only to funds or would it also apply to Public Law 480 agricultural products and other expenditures?

Mr. MORGAN. It would apply to both. It is a statement of general policy on a very basic issue.

Mr. GROSS. It would apply to anything, not just funds as specified here?

Mr. MORGAN. It would apply to the way we administer the funds carried here.

Mr. GROSS. I thank the gentleman.

We have heard it stated this afternoon that the world being in a swing, that this bill is necessary and these funds are necessary because the world is in a swing. I would like to add that the United States is also in a swing with a financial noose around its neck. That is one of the reasons why this bill ought to be cut down to about \$1 billion, that is, the total spending for foreign aid ought to be cut down to about \$1 billion and then this program wiped out entirely, except for some assistance to a few deserving nations.

Also, we have heard about the so-called flexible authority in this bill. I would like to ask the chairman a question about the provision to be found on page 5. I asked the question a while ago and did not get a very good answer to my question. The provision reads:

The President is authorized to provide assistance on such terms and conditions as he may determine in order to promote the economic development of countries and areas in Latin America.

That is not flexible authority; this is a complete blank check to spend the money provided for in this title of the bill.

Mr. MORGAN. This is the same language that has been in the bill regularly for the last several years with respect to development loans.

Mr. GROSS. For how many years?

Mr. MORGAN. I believe this phrasing has appeared for at least 6 years.

Mr. GROSS. It is a bad provision, I will say to the gentleman, to give to any President, and I do not care who he is, this kind of untrammelled and unconscionable authority, and I will offer an amendment, if no one else does, to strike it out. It is imperative that Congress retain control of the pursestrings.

I would like to call to the attention of the gentleman from Pennsylvania, the provision on page 11 dealing with Japan, and ask him why this provision is in the bill. I refer to section 618 having to do with the use of settlement receipts. Is this in the nature of rubberstamp

approval of the settlement that was made only a few months ago on the so-called loan which we made to the Japanese several years ago for \$1,889 million as I remember the figure; did we settle that for \$490 million with \$25 million of that amount earmarked for the promotion of culture and education between the United States and Japan, and the rest of the \$490 million earmarked to develop markets for Japanese products in Asia and elsewhere?

Mr. MORGAN. This has to do with that agreement. The Japanese made a settlement for the aid we gave them after the war.

Mr. GROSS. It does have to do with it?

Mr. MORGAN. Yes.

Mr. GROSS. Does the gentleman say that it does?

Mr. MORGAN. Yes, it does. This was the agreement worked out with the Japanese in that settlement.

Mr. GROSS. So we are now asked to rubberstamp approval of the agreement by which a loan of \$1,889 million or approximately that amount was settled for \$490 million? Is that what we are being asked to do when we vote for this bill?

Mr. MORGAN. I think the settlement was approximately \$490 million. The agreement has been concluded. This provision deals only with the use of the money which the Japanese are committed to pay.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. COLLIER. I wonder if I might ask any member of the committee this question. During the hearings on this bill, was there any indication that in the event this discrimination in any foreign nation against American citizens for reasons of race, color, or creed continued that there would be, in fact, definite steps taken in the way of reducing or eliminating or cutting out funds if it persisted or is it simply an indication that we would continue to find it repugnant?

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New Jersey.

Mr. GALLAGHER. There are continuing steps being taken in this area not only at the urging of the Congress, but also at the urging of the executive department seeking to eliminate these discriminatory practices wherever they may exist. I might also add that we have accomplished considerable in this very matter that we are now discussing.

Mr. COLLIER. Specifically, what, sir?

Mr. GALLAGHER. As to the specific cases, they are of a confidential nature, some of which I would be happy to show the gentleman, if he wishes. Some of them we try not to disclose at this time in order not to cut back further progress that we are making in certain areas, especially in the Middle East. The committee would be very happy to disclose some of this to the gentleman.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman.

Mr. JUDD. It should be said in connection with the gentleman's original discussion of settlement receipts from Japan, that the \$490 million which Japan is to pay and is herein authorized to be used for purposes of long-term development loans, is not in addition to other funds authorized in the bill. It is a part of the total. The Japanese themselves, as I recall, suggested that, in order for the agreement to be more, shall I put it, palatable to their people, the money repaid to the United States be used for long-term development loans in underdeveloped areas as part of the U.S. foreign assistance program. It is not an addition to, it is a part of the total amount authorized.

Mr. GROSS. Yes, it has come to the point where everything we do is for the purpose of making everything palatable all over the world.

Mr. JUDD. Surely, it is much better to do it in ways that bring good will, inasmuch as we would have to spend the same amount for that purpose anyway.

Mr. GROSS. As far as I can discover, there is not a line in this bill to indicate that the \$1.8 billion loaned to Japan is ever going to come back to the U.S. Treasury.

Mr. JUDD. The amount repaid will come back to the U.S. Treasury in the same way all loans come back.

Mr. GROSS. We have already written that down to \$490 million.

Mr. JUDD. That will come back to the Treasury.

Mr. GROSS. No, that is to be spent to develop markets for Japanese products.

Mr. JUDD. No, it has to be reapropriated by the Congress, under the terms of the section.

Mr. GROSS. Am I to believe that the Foreign Affairs Committee will not insist that the appropriation be made?

Mr. JUDD. If this bill passes, it will not come again to this committee; it will come to the Appropriations Committee.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. KYL. Perhaps some of these things are out of order, but there is one matter I want to ask about. Is the Government going to spend \$635,000 for buildings in Ouagadougou to house 15 Americans?

Mr. GROSS. What is that?

Mr. KYL. Ouagadougou.

Mr. GROSS. Where is that?

Mr. KYL. On the upper Volta.

Mr. GROSS. What?

Mr. KYL. On the upper Volta.

Mr. GROSS. Volta or Volga?

Mr. KYL. The matter was revealed by Mr. James R. Johnstone, the State Department's Deputy Assistant for Foreign Buildings. He said the Department planned to spend \$635,000 for buildings in Ouagadougou to house 15 Americans stationed there in this new country.

Mrs. BOLTON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield. I hope the gentlewoman can shed some light on this.

Mrs. BOLTON. I certainly can shed this much light on it: The building committee will have its turn on the floor and the gentleman will then have an opportunity to ask all the questions he wants about Ouagadougou. In the meanwhile I am told by one of the men who knows Africa rather well that it is on the lower Volta, not the upper Volta; and it is not in this bill at all. I hope we will not waste any time on things outside of this bill.

Thank you very much.

Mr. GROSS. I wonder if the \$3 million item for air-conditioning a yacht for Haile Selassie is in this bill, or was it provided for in the bill last year?

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. KYL. Perhaps the gentleman will permit one further reference. It is to this matter of the taxpayers having to spend \$256,000 on a 122-day tour to some place by one Joey Adams and about some other uncomplimentary behavior of those who went with him on this particular tour. Was this part of the program in this bill?

Mr. GROSS. I yield to someone else to answer the gentleman.

Mrs. BOLTON. If the gentleman will yield, Mr. Chairman, this also is no part of this bill.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. ALGER. We have been hearing a great deal about the balance-of-payments situation. I ask the gentleman if this does not result mostly from our gifts abroad, as a result of the money we have given away? My question to the gentleman is this: Does he know of any concern over the deficit?

Mr. GROSS. I certainly share the concern of the gentleman from Texas. Nothing gives me more concern than the \$330 billion of debt that the Federal Government had in 1961 and the \$1,078 billion—more than a trillion dollars of public and private debt that this country had in 1961.

Mr. ALGER. I would like to join with the gentleman in his expression of concern.

Mr. Chairman, there are many, many inconsistencies and contradictions in our foreign aid program, so much so that any one of several mistakes of the past and/or combination of mistakes defeats and overrides any alleged good the program is accomplishing. True, we all agree that we want to promote mutual security whenever such effort can be reasonably expected to be crowned by success. Yet our program has failed miserably many years through mismanagement, waste, trying to buy friends, exporting socialism not capitalism, and other equally grievous errors of judgment on our part. Far worse is our characteristic that we fail to learn from experience.

Even though much good has been done and can be done in the future through military assistance to trusted allies, we have far overbalanced this good by the endangerment of ourselves and the free world in giving aid and comfort to the enemy; that is, the Communists, whether

part of international communism or not, and then the help to the socialist nations, and the neutrals who are not pledged to supporting freedom for which we stand.

In my disagreement over the basic errors of judgment, no criticism that I nor anyone can make at this time, it seems to me, exceeds in danger the present imbalance of payments and gold outflow which this foreign aid bill will accentuate, with approximately \$16½ billion in gold reserve remaining and approximately \$11½ billion of this amount undergirding our money assuring stability of the dollar and with the world holding obligations against our gold of over \$20 billion. Now we are asked to give away another \$4.8 billion, any or all of which may become a demand for our gold. How utterly irresponsible fiscally is such conduct on our part at this time.

The report states on page 4:

It is more important to win the cold war in which foreign aid is of critical importance than to seek to reduce the outflow of gold by excessive reductions in these expenditures, thus jeopardizing the basic objectives of our foreign aid program.

How in the name of commonsense do we protect our country by willingly and purposely destroying the value of our money? Anything jeopardizing our economic strength as leader of the free world jeopardizes the entire world at this critical time. We can never win the cold war or any war in a weakened economic position, and this foreign aid program weakens our economic position in the world today.

The report further states:

The foreign aid program although contributing to the balance-of-payments problems is not a decisive factor in this admittedly serious situation.

This is just not so; I must categorically contradict such a conclusion as so stated in the report. Yet in the next sentence the report states:

The balance-of-payments gold problem however remains so serious and is so complex that continuing attention must be given in the administration of the foreign aid program to ways in which U.S. position may be improved.

This, of course, contradicts the previous statement. My suggestion to improve the U.S. position is to stop giving our money away. Necessary military expenditures, yes; but the wholesale expenditures in economic assistance and diverse contingency programs must be immediately eliminated.

There are many other criticisms which I must make which are not in matters of degree but differences of kind, outright contradictions which once mentioned or remembered are self-evident. The report states:

This bill authorizes the funds with which United States implements its cold war strategy.

Our cold war strategy is not and will not be successful through U.S. deficit financing; that is, borrowing money, that is, charging it to give it away. Any schoolboy and certainly every banker knows you do not strengthen yourself when you borrow to give it away.

Then you compound the error when you give it to the enemy, such as Yugoslavia, Poland, and other Communist nations, or to so-called neutrals, such as India, and others allegedly neutral, and then give less or little to your allies who are friends because of respect for our strength, not because we can buy their friendship. By now we should realize how utterly failing in its task foreign aid is of winning the cold war.

Frequently mentioned in the report, both majority and minority positions, is the wastefulness and maladministration and makes it obvious that even proponents recognize the basic weaknesses and failures that must be corrected. As it is, the whole program fails and in failing jeopardizes our entire economic position at home and abroad. The report says:

While we may always hope that someday there may be invented a better means of obtaining our foreign policies objectives than the foreign assistance program, neither the present administration or its predecessor has been able to do so.

My suggestion paraphrasing this statement is that we reimpose a Western Hemisphere Monroe Doctrine, and that we guarantee safe conduct for Americans and protection for their property everywhere in the world and that we hardheadedly bargain in trade and economic matters and stop giving away or loaning our money under the mistaken premise that we are attaining our foreign policy objectives. Toughness and respect alone can protect us by attracting strong allies and by at the least winning respect, even fear, of those who would disagree with us.

Giving our money and property away or loaning it under uneconomic arrangements is not winning any foreign policy objectives, but rather is in the nature of losing our collective shirts and at the same time looking foolish in the eyes of other nations, who hardheadedly must always compute profit and loss and living within their income.

I want to compliment the gentlewoman from Illinois [Mrs. CHURCH] and the gentleman from Indiana [Mr. ADAIR] for their clearheaded presentation of minority views. I deeply regret that more members of the Foreign Affairs Committee did not join with them. Their views, to my mind, are utterly commonsense and noncontradictable. The summary by fiscal year, and programing by region and country from years 1946 through fiscal 1961 I recognize as the lessons from experience, and underlying logic of the minority views and supports my disagreement with this new foreign aid bill, the Foreign Assistance Act of 1962.

This bill must not be passed in its present form. Only military assistance should be enacted at this time while we evaluate present programs and trim our spending to the stark realities of deficit financing, our present fiscal position. Certainly we must eliminate any aid to Communist countries whether part of the international conspiracy or not. Indeed we should not give aid to any nation that is not dedicated to the preservation of the dignities and freedoms of its citizens. To do otherwise is to court disaster, be a party to our own suicide as



a Nation, and to the demise of the free world.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. We hear a lot about a tax cut. How are we going to cut taxes with all this deficit we have and the other problems we have?

Mr. GROSS. That is a very good question. The gentleman will have to address that to some of those who have been voting for these multibillion-dollar handouts each year and all over the world, from Iceland to Timbuktu. If they can turn over a stone and find enough of a depression to throw in some money, they will dump it there. I ask my friend from Mississippi to pose his question to someone who has been voting for this giveaway through the years. Neither the gentleman from Mississippi nor the gentleman from Iowa have been a party to this business.

Mr. WINSTEAD. I do not see how we can cut taxes and do all the things we are called upon to do. How can we expect a tax cut with a budget deficit this year of \$7 billion?

Mr. GROSS. We are not skating, financially speaking, on good solid ice in this country. We are just walking in the water with our skates on.

Mr. WINSTEAD. I have been rather disturbed over whether they are going to cut my taxes or lower my taxes. I have heard it discussed both ways.

Mr. WAGGONER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. WAGGONER. Would the gentleman feel it is necessary under the settlement of this debt of Japan being reduced to the amount it is, that this will be made necessary in order that the Japanese investors may come over here and build plants and use some of that money in that respect?

Mr. GROSS. If the newspapers are correct, the Japanese say they do not want any part of an industrial operation in the United States. I can understand that fully for they never had it so good in Japan, and they are going to be helped some more by the free trade bill that was passed by the House the other day. Does the gentleman remember that one?

Mr. WAGGONER. Yes, I do.

Mr. GROSS. So the Japanese are going to be helped some more. There is no end to this, there is no bottom to the U.S. Treasury barrel, apparently, in the minds of some people. All that is necessary is start the printing presses rolling, and load the country and future generations with more and more debt.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. KYL. It has been suggested that Ouagadougou and the \$650,000 building and other subjects of that kind do not belong in this discussion. In my opinion, that is one of the things that is wrong with the program. The same people who administer the regular State Department business are concerned with administering this foreign aid. If there

is any inefficiency anywhere, we should not shut our eyes to it and say that is something we should talk about at some other time. It is all a part of the same picture.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Pennsylvania.

Mr. MORGAN. I want to tell the gentleman from Iowa [Mr. KYL], that the building bill is a separate piece of legislation. It has been reported by the Committee on Foreign Affairs and is now pending before the Rules Committee. It involves authorization for various buildings which have been very carefully gone over by the committee. That building in Africa is not being financed under the authority of the foreign aid bill. These buildings are financed under the regular State-Justice Departments appropriation bill.

Mr. GROSS. I want to point out another feature of this bill. It increases the loan guarantee fund, as I understand the provision, to \$1,300 million from the present ceiling of \$1 billion.

Mr. MORGAN. That is correct.

Mr. GROSS. One hundred billion dollars has been ladled out in this foreign giveaway program and those who supported it through the years have said: just spend this money and we will create a climate favorable to American investments all over the world. Then American investors would take over, we were told. Just spend enough money to provide the right kind of a climate, they said. And here in this bill you are going to increase guarantees that an American businessman cannot get on his business in the United States. War damage claims, convertibility of currency, guarantees against confiscation—you name it and you provide guarantees for it. Where is the climate that you were going to establish?

Mr. MORGAN. The gentleman knows that the losses on this program have been at an absolute minimum. The program has been in effect ever since the Marshall plan days. There have been only two losses so far and we expect to recover most of the small amount we have had to pay out.

Mr. GROSS. How can you have losses when you write off so-called losses, as was done with Japan? How can you have losses when you write them off for a few cents on the dollar all over the world?

Now, the other day somebody downtown—the newspapers did not say what agency or department it was—loaned \$35 million to Israel; a 20-year loan. What is the interest on it? Three-fourths of 1 percent. What do you think the Government is going to have to pay for the money it borrows to give Israel \$35 million? Pretty close to 4 percent for the money, will they not? Who is going to take up the slack for that financial manipulation? The poor busted taxpayers of this country, and you know it. Could you borrow from Israel for three-fourths of 1 percent, do you think? It would likely be 6 or 7 percent.

Of course you have not had really bad experience from these so-called loans you have been making, because you have been writing them off. You have been

sweeping them under the rug. But, if we ever blow up in this country—and it is inevitable at the rate we are going—when we bust up in this country financially, watch the house of cards come down all over the world. You will have it in your laps. I am not going to be a party to it.

Mr. MORGAN. Mr. Chairman, I yield 12 minutes to the gentleman from Texas [Mr. CASEY].

Mr. CASEY. Mr. Chairman, I thank the distinguished gentleman for yielding me this time.

Mr. Chairman, as I advised the Members of this House a few weeks ago, I intend to offer my amendment to this bill to prohibit any aid or assistance going to 18 specific Communist countries, including Yugoslavia, Poland, and Cuba.

This will be the same amendment that this House adopted last year when this authorization bill was before us. I know many of you shared with me the feeling of disappointment when our amendment was deleted in the conference committee and replaced by a generalization passed by the other body.

This year we have seen the other body take up the authorization bill first and originally adopt practically the same prohibition against aid to Communist countries which we adopted last year, but then weaken this the very next day.

Ask yourselves why the other body acted as it did this year when last year it was responsible for knocking my amendment in the head. I'll tell you why, and I think you will agree with me that the reason was that the people they represent let them know that they wanted them to follow the leadership of the House and to stop using their tax money to promote and advance Communist governments and ideologies.

I have always contended that the House of Representatives was more alert to the wishes of the people than the Senate. If the other body can see the point as clearly as they have, I am confident that the House will again furnish the leadership to put an end to all forms of aid to Communist countries. The corporation director, the stockholder, and the plant worker are tired of their tax money being used in Communist countries to build steel mills, fertilizer factories, chemical and plastic plants, transport systems—at a time when our own plants are producing at half their capacity, which means a reduced paycheck and small profits.

We are told there is a great need to aid such Communist dictators as Tito and Gromulka. I have listened to and read the arguments of those who favor such aid, for this has been a matter of great concern to me and to my people for many years. And I challenge the contention of those who state that withdrawal of such aid will drive Yugoslavia and Poland back into what is loosely called the Sino-Soviet bloc.

In my opinion, neither Poland nor Yugoslavia ever left this bloc—and I intend to try and prove it today. I fail to see any difference between an independent Communist, a middle-of-the-road Communist, or the plain Red variety found in China or Russia.

On February 5 Secretary of State Dean Rusk testified before the Select Committee on Export Control. He contended that the independence of Yugoslavia was firmly established, and he tried to defend the position that Yugoslavia takes in opposing us on international issues by stating that our policies are not designed to purchase friendships or to purchase allies.

Let us look at how the Select Committee on Export Control reacted to Secretary Rusk's position. Let me cite a brief section of their report of May 25, 1962:

Further, the select committee has considerable doubt that Yugoslavia is completely free of any domination by the U.S.S.R. The reported display of 20 new Soviet-made T-54 tanks in the recent May Day parade in Belgrade, coupled with the reported statement of Marshal Tito on May 6, 1962, that a turn-back from liberalization toward tight Communist Party control was underway in Yugoslavia is certainly not indicative of the lack of some dominance by the U.S.S.R.

Mr. Chairman, I could not agree more with this committee's assessment.

My concern over aiding Communist Yugoslavia, and our whole field of foreign affairs, prompted me to write Secretary Rusk expressing this concern last May 24. In his reply he stated all the arguments that you have heard about Yugoslavia's independence and the long years in which we have continued this aid through three administrations, and then he challenged that those who would reverse our policy must make a case for driving Yugoslavia back into the bloc. I still contend that they have never left the bloc, and are playing both ends against the middle, with us being the sucker. To show you the confusion in the executive department on this point, I would cite you last Sunday's Washington Post, an article by our Ambassador to Yugoslavia, Mr. George Kennan, in which he stated:

It is sometimes said that the effect of these amendments would be to force Yugoslavia back into the Soviet bloc. I would not go this far.

Mr. Chairman, this delusion that Yugoslavia is not part of the Soviet bloc, that it is independent of Russian domination, has cost the American taxpayers a grand total of \$2½ billion dollars since 1946, spent in aiding Communist Dictator Tito pursue his independent brand of communism.

In the past 2 years Communist Yugoslavia has supported Russia and opposed the United States in the United Nations some 44 times, while supporting us only 6 times.

Seldom a month goes by that there is not a reaffirmation of the Red bonds that tie Moscow and Belgrade together. On May 17, 1962, the wire services reported from Bulgaria that Khrushchev declares Tito a friend again. The Russian Premier stated:

Our relations with Yugoslavia were rather strained previously, but now I can say with satisfaction that our relations are normal, and I would even say good.

On May 23, Russia announced it will purchase Yugoslav ships, including large tankers and freighters.

Is there any doubt where the steel for these ships will be made? From steel mills built with American tax money, from scrap iron shipped through my own port of Houston. Scrap iron paid by the withholding taxes of your workers.

Mr. Chairman, the position taken by the executive branch on the issue of aiding Communist countries has aroused the deep concern of nearly every Member and many of the committees of this House.

The Ways and Means Committee, in its report on the Trade Expansion Act of 1962, stated, on page 4:

The President is to take action as soon as practicable to prevent the application of trade agreement benefits to products of Communist countries or areas. The scope of the definition "Communist country" has been broadened with the intended effect of requiring denial of trade agreement benefits to products of Cuba, Poland, and Yugoslavia.

On June 25, the Committee on Government Operations issued a stinging report on the "Commingling of United States and Communist Foreign Aid," an indictment of gross mismanagement. On July 10, World magazine quoted our distinguished colleague, Representative PORTER HARDY, JR., chairman of the investigating subcommittee, as follows:

I'm sure it never occurred to anyone in the Congress that it would be necessary to include in the foreign aid bill a specific provision prohibiting the use of American taxpayers' dollars in a manner which could promote the cause of communism. Apparently, we took too much for granted.

Mr. Chairman, the American taxpayer owes a debt of gratitude to the members of that subcommittee and to its chairman. And I know that the 124 Members who voted for the amendment I offered last year would agree that indeed, this Congress has taken too much for granted, and indeed, such a rigid prohibition is needed.

We are setting a horrible example to our neighbors to the south who are contemplating changes in government. Will they be discouraged from setting up communistic regimes if they feel that they may still share in our bounty?

How about those leaders of South America who have joined with us to oppose the threat of world communism? What is their viewpoint?

Let me cite a few paragraphs from the April 30, 1962, general report of the Special Consultative Committee on Security of the Organization of American States. It is one of the most penetrating analyses of the problem the free world faces in its fight to survive Communist domination, and it should be required reading for every member of the executive branch, and especially those in the Department of State and the Agency for International Development. It states:

There is no room for doubt that the world is virtually at war—an atypical kind of war, which is being waged by international communism and suffered by the democracies. . . . Unfortunately, this present stage of affairs has found the free world inadequately prepared . . . the structure of the democratic countries taken as a whole is not monolithic, in the same sense as that of the Communist world, whose unity of

command has so far shown no rifts. Irrespective of whether the ideological dispute between the principal members of the Communist world is fictitious or real, the important thing is that any such dispute does not substantially affect the tactic of deceiving and upsetting the free world.

Their firm will to win is impelled by the aim to destroy everything that is not communism itself.

Mr. Chairman, with this I heartily agree. But the report continues:

In September 1961 the Conference of Unaligned Countries was held in Belgrade, Yugoslavia, with 28 nations participating. The basic topic was the fight for national independence and support for the fight in Algeria, Angola, Tunisia, and the Congo. But no attention was paid to the fact that nations such as Hungary, Czechoslovakia, and Tibet—among others—have the same yearning for independence. Harsh criticism was applied to the countries that international communism calls capitalist and imperialist, and disarmament and the easing of world tensions were endorsed. Nonetheless, no reference was made to the nuclear tests that the U.S.S.R. was carrying on during the week when the Conference was meeting.

This special OAS report, dated April 30, 1962, held that the Communist advance is due mainly to the lack of information regarding its true aims.

It cited Khrushchev's statement of January 6, 1961:

The unity of the ranks of every Communist Party and the unity of all Communist parties constitute the united international Communist movement directed at the achievement of our common goal—the triumph of communism throughout the world.

The report held that—

Countries dominated by the Communists have transformed their political, economic, and social institutions to adjust them to the Soviet model. They have obediently voted in the same way as the Soviet Union on all major issues in the United Nations.

Two of the conclusions of this Committee of the OAS were as follows:

Communism employs various strategies and trickeries, it uses legal and illegal procedures; it remains silent and conceals the truth; it acts alone, or jointly with any ally who may help it achieve its purpose. Its final objective is to dominate the world.

Communist strategy has found a new route of approach, taking advantage of the peoples' yearning for independence and desire for peace, and of neutralism and the existence of neutralist blocs, whether or not these are developed under the direction of international communism, in order to attempt to reduce the potential of the free world.

Here, Mr. Chairman, is an intelligent, open-eyed appraisal of the threat the free world faces. This appraisal was drafted and signed by representatives of Costa Rica, Peru, Brazil, Argentina, Uruguay, El Salvador, and, on behalf of the United States, by Thomas D. White.

Why is it that the people of these nations, our friends and allies in Latin America, the Members of this House and Senate, can see this problem in the cold light of objectivity—while those in the executive branch view it through the rosy glasses of false optimism?

What an argument we present, through our ridiculous policy of aiding Communist countries, to those emerging nations of Africa and Asia—and to those



who piously proclaim to stand on the sidelines as neutrals in the free world's struggle for survival.

"Fear not to go Communist," we advertise, "for as long as you state you are an independent Communist state, we will send you millions, even billions, in aid and assistance."

What a mockery this policy is to the enslaved peoples of Yugoslavia, Poland, Hungary and a host of nations held in bondage under communism. Through our aid to their tyrant masters, we ourselves have forged the chains of their slavery.

You have heard much of the strong bonds of friendship and of trade between Yugoslavia and our own country—a statement not supported by the facts and figures from the Yugoslav Federal Bureau of Statistics.

You have heard little of the massive aid projects we have financed, or are financing in whole or in part, in Communist Yugoslavia. I believe the House would be interested in the letter of June 6, which I received from the Library of Congress, listing the projects which your constituents have been financing. Mr. Chairman, I am including this in the RECORD.

Mr. Chairman, to aid those subscribing to a system pledged to our ultimate defeat is nothing short of suicide. I intend to do all I can to see that such a policy is reversed, and if you believe as I do, I earnestly urge your support for the amendment I will propose to this bill.

THE LIBRARY OF CONGRESS,  
LEGISLATIVE REFERENCE SERVICE,  
Washington, D.C., June 6, 1962.

To: Hon. BOB CASEY.  
From: Economics Division.  
Subject: U.S. foreign aid projects in Yugoslavia.

This is an addition to the material sent to your office on May 29, 1962, in reply to your inquiry of May 24, 1962, on the above-named subject.

A list of projects financed by the Development Loan Fund of the Agency for International Development and prepared by that agency is attached.

The Export-Import Bank has given us by telephone the following details on its loans to Yugoslavia. The project in which you expressed particular interest is credit 1461-B authorized on February 16, 1961, in the amount of \$15 million. The final approval of the allocation of this amount as to specific items is pending and is expected shortly.

This loan has been granted to finance the greater portion of the foreign exchange requirement for the import of equipment destined for the expansion of the Jesenice Iron & Steel Works. This mill is being expanded within the Yugoslav program of steel industry expansion, some of the reasons for which are indicated in the AID report on their Sisak iron and steel mill expansion project (p. 4 of that report).

The Jesenice steel mill is one of the oldest in Yugoslavia. The present program for its expansion calls for a total expenditure of \$56 million, \$53 million of this for the expansion of physical plant. The program will be financed largely by the Yugoslav Investment Bank.

Approximately \$33.3 million of total expansion costs will be for the purchase of new equipment. Yugoslav own financing of equipment will amount to some \$14.6 million, while about \$18.6 million will be financed from abroad. Fifteen million dollars

of this amount will be Eximbank's share, \$2 million will be financed by the extension of credit by the suppliers of new equipment, and the remainder will come from Western Europe.

The equipment financed by Eximbank will be furnished principally by the Westinghouse Corp. and by the Blaw-Knox Co. It will include as major items a \$5.1 million blooming mill, a \$2.8 million hot strip rolling mill, \$1.6 million soaking pits, and a \$1.2 million ore preparation plant.

The other Eximbank credit still pending final approval is credit 1461-C in the amount of \$10 million. This credit involves purchases of U.S. industrial and construction machinery and equipment items of all types. Thirteen categories of machinery and some 70 factories are involved. This equipment will be delivered to some 25 to 30 medium-sized plants in Yugoslavia.

The third Eximbank loan to Yugoslavia (credit 1461-A) in the amount of \$25 million has been largely disbursed. It is being utilized for the purchases from U.S. sources of miscellaneous raw materials (chemicals, plastics, sulfur, phosphorus, water softener, medical and pharmaceutical supplies, aluminum ingots, copper scrap, electrolytic copper, cellulose for rayon, synthetic rubber, and other materials).

A fourth loan (credit 484), authorized in 1950 in the amount of \$55 million for the purchases from U.S. sources of industrial raw materials and equipment has been fully utilized. Almost half of this loan has already been repaid.

VLADIMIR N. PREGELJ,  
Analyst in International Trade  
and Finance.

#### U.S. DEVELOPMENT LOAN FUND CREDITS TO YUGOSLAVIA

##### DIESEL LOCOMOTIVES (STAGE I)—LOAN DLF 65

The purpose of this loan was to finance the purchase in the United States of 20 diesel locomotives to be used on the Bosanski-Novikn-Split line, one of two important lines linking the Adriatic with central Yugoslavia. These lines carry a large portion of Yugoslavia's foreign trade as well as a large volume of passenger and tourist traffic.

Steam locomotives were previously used on the Bosanski-Novikn-Split line. The average age of these locomotives was 30 years and they were obsolete technically and economically. Dieselization has greatly increased the line's carrying capacity. Moreover, large savings in operating costs have resulted from the replacement of the over-age steam locomotives.

All 20 diesel locomotives covered by this loan were delivered and placed in service on June 1, 1960. They were manufactured by General Motors at its diesel locomotive plant at La Grange, Ill. A small balance of the loan, representing provision of spare parts, remains undisbursed but will be disbursed shortly.

##### KOSOVO THERMAL ELECTRIC PLANT (STAGE I)— LOAN DLF 84

The demand for power in Yugoslavia is increasing rapidly owing to the country's rapid industrialization. Power produced at Kosovo will be used initially to meet the requirements of the national grid system. However, its long-range use will be to supply power for the further development of lead, zinc, magnesite, and iron mines, as well as for agricultural processing, cement, and chemical plants which are to be located in the area to be served by the Kosovo plant. The large-scale commercial utilization of the extensive Kosovo lignite fields, of which this project represents the first step, will make a substantial contribution to the economic development of southern Yugoslavia, one of the poorer regions of the country.

The purpose of this loan is to finance the foreign exchange cost of construction of a thermal electric plant at Kosovo in southern Yugoslavia. The Kosovo area has abundant lignite deposits which will be exploited for the first time on a large commercial scale by the thermal electric plant.

The total cost of this project will be about \$16 million, with the dinar cost of about \$7 million to be made available by the Yugoslav Investment Bank. Installed capacity of the powerplant will be 62,500 kw. Owing to the proximity of the lignite fields, the production cost at Kosovo will compare favorably with thermal plants in both this country and in Europe.

The major construction associated with the project is completed. Engineering services are being provided by a U.S. firm, Gibbs & Hill; and equipment procurement for the project is well underway. It is expected that the plant will go into service late this year.

##### TREBISNJICA HYDROELECTRIC POWER—LOAN DLF 85

This loan is to finance the foreign exchange costs of construction of two hydroelectric powerplants with a total installed capacity of 315,000 kw.

The powerplants will be located on the Trebisnjica River near Dubrovnik. The total cost of the project will be \$54 million. The DLF loan is for \$15 million, and the Yugoslav Investment Bank has made available \$39 million in dinars for construction costs. Civil works at the project sites are under construction. Orders have been placed for the heavy electrical equipment, such as turbines and generators. It is estimated that the project will be completed in 1965.

Unless power production is increased, Yugoslavia faces the distinct possibility of a severe power shortage, owing to the heavy demand for power caused by rapid industrialization. Yugoslavia has one of the highest hydroelectric potentials in Europe, and the Trebisnjica site itself is extremely favorable. The generation cost per kilowatt-hour will be about 3.5 mills. Installed cost per kw. will be about \$170. The high power availability factor (58 percent firm power) and the large storage volume of the reservoir are other factors which make this an unusually good hydroelectric project. Ultimately the Yugoslavs plan to increase the capacity of the generating station to 576,000 kw. Completion of this project will make an essential contribution to the development of the Yugoslav economy.

##### DIESEL LOCOMOTIVES (STAGE II)—LOAN DLF 117

This is the second DLF loan for the purchase of U.S. diesel locomotives by Yugoslavia. This loan financed the purchase in the United States of 57 locomotives, all of which have now been delivered and are in Ljubljana and 7 in Knin, with necessary shop and maintenance facilities in place. The locomotives were assembled and delivered according to terms of the contract between the Government of Yugoslavia and the U.S. supplier, the General Motors Corp.'s Diesel Locomotive Division at La Grange, Ill. A small balance of the loan which provides for spare parts will be disbursed shortly.

##### ZAGREB PLASTICS AND CHEMICALS FACTORY—LOAN DLF 135

The purpose of this loan is to finance the imported equipment, services, and technical skills necessary to construct a petrochemical factory in Zagreb. The project is being constructed on schedule with approximately 20 percent completed.

Yugoslavia currently is placing greater emphasis upon consumer goods industries than in the past, and the requirement for plastics is growing rapidly. Since plastics have neither been produced in Yugoslavia nor, owing to foreign exchange shortages, imported in volume, this demand has gone unsatisfied. The Zagreb plant, utilizing local

raw materials, will make available a substantial volume of synthetic chemicals and thereby pave the way for the development of many consumer-type industries.

The total cost of the project will be about \$36 million, of which \$6.5 million represents a British license and related equipment and services. British firms and financial institutions are financing all United Kingdom costs. The local currency costs of about \$6.5 dinars will be financed by the Yugoslav Investment Bank. The DLF loan is for \$23 million. The plant will produce approximately 27,600 metric tons a year of plastics and other chemicals, the major products being insulation, packaging materials, and household goods. A U.S. consulting engineer, Foster-Wheeler Corp., presently is preparing detailed engineering plans and specifications, and the project, which is in the initial stages, is proceeding on schedule.

Plastic insulation materials which will be produced at the Zagreb plant will enable a far more efficient use of cold storage facilities which have been used to only 20 to 50 percent of their potential. Packaging materials will greatly facilitate food and consumer goods distribution and will implement the present program for 200 self-service stores. During the last 3 years 70 such stores have been put into operation, and 130 more will be placed in service by 1964. Electrical insulation materials are badly needed for electrification and for housing development, both of which are growing rapidly. The production of styrene, phenol, and acetone will supply other chemical plants with synthetic materials needed for the manufacture of a variety of products. Moreover, the experience with modern chemical processes which will be gained by the staff of the Zagreb plant will provide a basis for further development of the Yugoslav chemical industry.

#### SISAK IRON AND STEEL MILL EXPANSION—LOAN DLF 164

The loan is to finance the foreign exchange costs of construction of a skelp mill, a breakdown mill, a continuous rolling mill, and a welded tube mill at the Sisak Iron & Steel Works. This is the third largest steel mill in Yugoslavia. As a result of this loan the mill will begin to produce welded tubes and will expand its present production of seamless tubes.

The total cost of the project will be about \$10.3 million, with Sisak Iron & Steel Works providing about \$1.8 million in dinars from its own resources for the local currency expenditures for the project. The project will be carried out on the basis of turnkey-type contracts from two U.S. suppliers, Blaw-Knox Co. of Pittsburgh, Pa., and the McKay Machine Co. of Youngstown, Ohio. Negotiations for these contracts have been concluded, and production of the necessary units is on schedule. The mills to be provided by these contracts will produce about 210,000 tons annually of slabs, billets, and rounds and about 100,000 tons annually of skelp, which will be used to produce about 75,000 tons of welded pipe annually.

The Yugoslav iron and steel industry has a deficiency in plates, sheets, and tubes, which generally are used in finished goods, and a corresponding excess capacity for sections used primarily in industrial projects. The loan to the Sisak Iron & Steel Works will help to correct this situation and bring iron and steel production more in line with actual requirements. As an important producer of steel in Yugoslavia, the Sisak Works already has a skilled work force. Its raw steel capacity is being increased from about 150,000 to 300,000 tons. The facilities to increase raw steel production are being financed entirely by the Government of Yugoslavia.

#### DIESEL LOCOMOTIVES (STAGE III)—LOAN DLF 168

The purpose of this loan is to finance the purchase in the United States of 21 diesel locomotives to replace steam locomotives. This is the third DLF loan for the dieselization of the Yugoslav railway system.

The Government of Yugoslavia has purchased these locomotives from the General Motors Corp., as in the two previous loans for diesel locomotives. All 21 have been delivered and are in use; 15 are located in Doboj Novi, 4 in Skopje, and 2 in Ljubljana. Shops and maintenance facilities are adequate for proper maintenance.

#### KOSOVO THERMAL ELECTRIC PLANT (STAGE III) LOAN DLF 173

This loan is to finance the foreign exchange cost of an additional 125,000-kilowatt thermal electric plant at Kosovo in southern Yugoslavia. This loan represents the sec-

ond and final stage of the Kosovo thermal electric project. The first stage involved construction of a 62,500-kilowatt plant, the foreign exchange cost of which was financed by a DLF loan for \$9 million.

The total cost of this stage will be about \$22 million, with the dinar cost of about \$8 million to be made available by the Yugoslav Investment Bank. Engineering services are being provided by a U.S. firm Ebasco and are well underway. Orders for equipment have been placed and it is expected that the plant will go into operation scheduled late next year.

Power produced at Kosovo will compare favorably with production costs of comparable units in both the United States and in Europe, owing to the proximity of extensive lignite fields.

#### STATISTICAL SURVEY OF FOREIGN TRADE OF YUGOSLAVIA, 1956-61

Sources: In the compilation of the tables that follow only Yugoslav sources were used so as not to impair comparability of data. The sources used are the following publications of the Yugoslav Federal Bureau of Statistics [Savenski Zavod za Statistiku]:

"Statistika Spoljne Trgovine FNR Jugoslavije" ["Foreign Trade Statistics of the FPR Yugoslavia"]; annual issues of 1958, 1960.

"Statisticki godisnjak FNRJ" ["Statistical Yearbook of the FPRJ"], 1959, 1961.

"Indeksi: Mesecni Pregled Privredne Statistike FNR Jugoslavije" ["Index: Monthly Survey of Economic Statistics of the FPR Yugoslavia"], vol. 11, no. 3, March 1962.

Remarks: The value of Yugoslav foreign trade has been converted from dinars into dollars at the exchange rate of 300 dinars per dollar. This is the rate used by the Yugoslav Bureau of Statistics in its publications. All percentages have been calculated from original data in dinars and rounded to one decimal. Because of rounding, detail does not always add to total.

The entry for Soviet bloc in tables by area of destination or origin comprises only the European nations of the Soviet bloc. As indicated by respective footnote, the 1961 figure for the Soviet bloc does not include data for Albania, because the 1961 foreign trade statistics have as yet not been published in sufficient detail.

#### Export trade of Yugoslavia, 1956-61, by area of destination (continent and major country)

[Values in millions of dollars]

Area	1956	1957	1958	1959	1960	1961	Area	1956	1957	1958	1959	1960	1961
Europe.....	252.9	309.1	346.0	364.9	437.7	436.2	Asia.....	24.0	29.2	29.9	48.2	45.0	56.5
Soviet bloc.....	73.8	104.6	123.1	147.3	182.1	175.6	Africa.....	6.8	20.6	27.4	23.0	34.0	26.4
U.S.S.R.....	42.2	48.9	36.4	47.2	52.7	59.9	North America.....	28.4	34.0	33.7	34.3	39.9	42.5
Poland.....	8.0	16.2	22.0	33.9	22.1	40.5	United States.....	27.4	33.4	33.0	31.1	38.6	36.5
East Germany.....	4.4	10.4	26.4	26.7	46.4	30.2	South America.....	11.2	2.2	4.3	6.2	9.4	7.2
Italy.....	45.7	53.6	53.9	57.7	74.8	70.3	Oceania.....	0	0	0	0	.1	.1
West Germany.....	49.1	52.5	41.8	44.8	50.1	57.9	Total.....	323.4	395.1	441.4	476.6	566.1	568.9
United Kingdom.....	19.6	23.9	34.5	34.0	43.3	47.8							
Austria.....	17.3	19.2	18.9	21.0	30.0	25.6							
France.....	8.7	9.5	16.3	11.6	8.8	9.8							

<sup>1</sup> 1961 figure for the Soviet bloc does not include exports to Albania.

#### Import trade of Yugoslavia, 1956-61, by area of origin (continent and major country)

[Values in millions of dollars]

Area	1956	1957	1958	1959	1960	1961	Area	1956	1957	1958	1959	1960	1961
Europe.....	288.3	416.8	481.6	459.3	607.5	624.9	Asia.....	27.0	39.1	28.6	40.9	43.8	45.4
Soviet bloc.....	105.0	142.9	194.0	169.9	211.7	168.2	Africa.....	7.3	14.9	19.2	20.0	52.4	21.1
U.S.S.R.....	70.5	69.0	57.8	57.6	56.9	32.0	North America.....	135.0	177.1	135.9	142.2	93.5	185.5
East Germany.....	3.2	7.6	26.3	28.9	37.4	37.6	United States.....	129.2	173.7	134.0	140.0	88.5	181.2
Hungary.....	6.4	19.7	35.6	31.6	36.6	32.8	South America.....	13.1	8.8	10.9	15.2	15.6	21.5
West Germany.....	47.4	75.5	80.2	96.4	123.2	142.7	Oceania.....	3.5	4.6	8.8	9.5	13.6	11.9
Italy.....	41.0	78.8	67.6	64.0	95.1	132.7	Total.....	474.1	661.3	685.0	687.2	826.4	910.3
United Kingdom.....	32.6	41.9	36.1	35.5	45.4	46.3							
Austria.....	19.3	25.1	25.4	26.3	37.5	32.4							

<sup>1</sup> 1961 figure for the Soviet bloc does not include imports from Albania.



## Export trade of Yugoslavia, 1956-61, by area of destination (continent and major country)

[As percentage of total exports]

Area	1956	1957	1958	1959	1960	1961	Area	1956	1957	1958	1959	1960	1961
Europe.....	78.2	78.3	78.4	76.6	77.3	76.7	Asia.....	6.8	6.7	6.4	9.8	8.0	9.9
Soviet bloc.....	22.8	26.6	27.9	30.9	32.2	30.9	Africa.....	2.7	5.9	6.6	5.1	6.0	4.6
U.S.S.R.....	13.1	12.4	8.2	9.9	9.3	8.9	North America.....	8.8	8.6	7.6	7.2	7.1	7.5
Poland.....	2.8	4.1	5.0	7.1	3.9	7.1	United States.....	8.5	8.5	7.4	6.5	6.9	6.4
East Germany.....	1.3	2.6	6.0	5.6	8.2	5.3	South America.....	3.5	.5	1.0	1.3	1.6	1.3
Italy.....	14.2	13.6	12.2	12.1	13.2	12.4	Oceania.....	0	0	0	0	0	0
West Germany.....	15.3	13.2	9.5	9.4	9.0	10.2	Total.....	100.0	100.0	100.0	100.0	100.0	100.0
United Kingdom.....	6.0	6.1	7.8	7.1	7.6	8.4							
Austria.....	5.3	4.8	4.3	4.4	5.3	4.5							

1961 figure for the Soviet bloc does not include exports to Albania.

## Import trade of Yugoslavia, 1956-61, by area of origin (continent and major country)

[As percentage of total imports]

Area	1956	1957	1958	1959	1960	1961	Area	1956	1957	1958	1959	1960	1961
Europe.....	60.8	63.0	70.3	66.8	73.5	68.6	Asia.....	5.7	5.7	4.2	5.9	5.3	5.0
Soviet bloc.....	22.1	21.6	28.4	24.7	25.6	18.6	Africa.....	1.5	2.4	2.8	2.9	6.3	2.3
U.S.S.R.....	14.9	10.4	8.4	8.4	6.9	3.5	North America.....	28.5	26.8	19.8	20.8	11.3	20.4
Poland.....	.7	1.1	3.8	4.2	4.5	4.1	United States.....	27.3	26.3	19.6	20.5	10.7	19.9
Hungary.....	1.3	3.0	5.2	4.6	4.4	3.6	South America.....	2.8	1.4	1.6	2.2	1.9	2.4
West Germany.....	10.0	11.4	11.7	14.1	14.9	15.7	Oceania.....	.7	.7	1.3	1.4	1.7	1.3
Italy.....	8.7	11.9	9.9	9.4	11.5	14.6	Total.....	100.0	100.0	100.0	100.0	100.0	100.0
United Kingdom.....	6.9	6.3	5.3	5.3	5.5	5.1							
Austria.....	4.1	3.8	3.7	3.8	4.5	3.6							

1961 figure for the Soviet bloc does not include imports from Albania.

## Export trade of Yugoslavia, 1956-61, by SITC section and major subgroup

[Values in millions of dollars]

Section and subgroup	1956	1957	1958	1959	1960	1961	Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals.....	97.5	83.0	130.4	121.7	164.0	168.8	Manufactured goods classified chiefly by material.....	108.0	89.2	102.0	118.5	134.0	129.4
Meat and meat preparations.....	24.0	19.5	27.4	38.8	52.7	(1)	Base materials.....	57.0	50.6	56.5	61.3	75.7	(1)
Cereals and cereal preparations.....	4.4	3.6	38.6	21.4	36.4	(1)	Machinery and transport equipment.....	26.7	14.9	47.1	82.7	84.7	93.9
Beverages and tobacco.....	26.8	26.3	37.7	23.6	26.5	22.3	Transport equipment.....	9.8	7.3	28.9	44.0	34.1	(1)
Crude materials, inedible, except fuels.....	82.0	76.5	74.8	75.9	88.5	84.6	Miscellaneous manufactured articles.....	21.7	11.7	24.5	28.9	38.2	42.0
Wood, lumber and cork.....	48.0	41.3	40.9	38.9	41.9	(1)	Commodities and transactions not classified according to kind.....	6.4	3.0	4.5	4.7	.7	.5
Mineral fuels, lubricants and related materials.....	6.6	4.3	5.8	4.9	5.2	6.8	Total.....	395.1	323.4	441.4	476.5	566.1	568.9
Animal and vegetable oils and fats.....	.1	0	0	.1	1.3	.2							
Chemicals.....	19.4	14.4	14.6	15.6	23.0	20.3							

1 Not available.

## Import trade of Yugoslavia, 1956-61, by SITC section and major subgroup

[Values in millions of dollars]

Section and subgroup	1956	1957	1958	1959	1960	1961	Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals.....	150.9	146.8	130.5	132.7	75.5	119.7	Machinery and transport equipment.....	94.4	167.9	215.7	192.0	304.6	324.3
Cereals and cereal preparations.....	107.5	100.0	66.1	86.2	20.9	(1)	Electrical machinery and apparatus.....	17.9	24.4	30.4	31.9	43.5	(1)
Beverages and tobacco.....	0	1.0	1.1	.1	.1	1.1	Other machinery.....	57.1	97.7	129.5	117.0	196.8	(1)
Crude materials, inedible, except fuels.....	75.2	97.1	84.1	95.9	118.4	129.7	Transport equipment.....	19.3	45.8	55.8	43.2	64.2	(1)
Mineral fuels, lubricants, and related materials.....	46.9	65.3	41.2	45.3	45.0	40.3	Miscellaneous manufactured articles.....	10.0	14.6	20.3	20.6	27.1	31.3
Animal and vegetable oils and fats.....	5.6	12.9	14.4	15.7	11.5	15.2	Commodities and transactions not classified according to kind.....	.3	3.4	2.7	1.8	1.1	.4
Chemicals.....	33.0	48.3	66.8	75.3	71.4	63.6	Total.....	474.1	661.3	685.0	687.2	826.4	910.3
Manufactured goods classified chiefly by material.....	57.7	103.8	108.2	107.7	171.8	184.8							
Textile articles, except clothing.....	15.5	23.9	26.2	20.6	34.8	(1)							
Base metals.....	23.9	51.5	52.4	48.2	86.6	(1)							

1 Not available.

## Export trade of Yugoslavia, 1956-61, by SITC section and major subgroup

[As percentage of total exports]

Section and subgroup	1956	1957	1958	1959	1960	1961	Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals.....	25.6	24.7	29.5	25.5	28.4	29.7	Manufactured goods classified chiefly by material.....	27.6	27.3	23.1	24.9	23.7	22.7
Meat and meat preparations.....	6.1	6.1	6.2	8.2	9.3	(1)	Base materials.....	15.6	14.4	12.8	12.8	13.4	(1)
Cereals and cereal preparations.....	1.4	.9	8.8	4.6	6.4	(1)	Machinery and transport equipment.....	4.6	6.8	10.7	17.4	14.9	16.5
Beverages and tobacco.....	8.1	6.8	8.5	4.9	4.7	3.9	Transport equipment.....	2.2	2.5	6.6	9.3	6.0	(1)
Crude materials, inedible, except fuels.....	23.6	20.8	16.9	15.9	15.6	14.9	Miscellaneous manufactured articles.....	3.6	5.5	5.5	6.1	6.8	7.4
Wood, lumber and cork.....	12.8	12.1	9.3	8.1	7.5	(1)	Commodities and transactions not classified according to kind.....	.9	1.6	1.0	1.0	.7	.1
Mineral fuels, lubricants and related materials.....	1.3	1.7	1.3	1.0	.9	1.2	Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Animal and vegetable oils and fats.....	0	0	0	0	.2	0							
Chemicals.....	4.5	4.9	3.3	3.3	4.1	3.6							

1 Not available.

## Import trade of Yugoslavia, 1956-61, by SITC section and major subgroup

(As percentage of total imports)

Section and subgroup	1956	1957	1958	1959	1960	1961	Section and subgroup	1956	1957	1958	1959	1960	1961
Food and live animals.....	31.8	22.2	19.1	19.3	9.2	13.2	Machinery and transport equip- ment.....	19.9	25.3	31.5	27.9	36.9	35.6
Cereals and cereal prepara- tions.....	22.8	15.1	9.7	12.5	2.5	(1)	Electrical machinery and ap- paratus.....	3.8	3.7	4.4	4.6	5.3	(1)
Beverages and tobacco.....	0	.2	0	0	0	.1	Other machinery.....	12.1	14.7	19.0	17.0	23.8	(1)
Crude materials, inedible, except fuels.....	15.9	14.7	12.3	14.0	14.3	14.2	Transport equipment.....	4.0	6.9	8.1	6.3	7.8	(1)
Mineral fuels, lubricants, and re- lated materials.....	9.9	9.9	6.0	6.6	5.4	4.4	Miscellaneous manufactured ar- ticles.....	2.1	2.2	3.0	3.0	3.3	3.4
Animal and vegetable oils and fats.....	1.2	2.0	2.1	2.3	1.4	1.7	Commodities and transactions not classified according to kind.....	0	.5	.4	.3	.1	0
Chemicals.....	7.0	7.3	9.8	10.9	8.6	7.0	Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Manufactured goods classified chiefly by material.....	12.2	5.7	15.8	15.7	20.8	20.3							
Textile articles except cloth- ing.....	3.3	3.6	3.8	3.0	4.2	(1)							
Base metals.....	5.1	7.8	7.8	7.0	10.5	(1)							

(1) Not available.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Ohio.

Mr. HARSHA. May I commend the gentleman on his courageous stand on this issue. I too intend to offer an amendment to prohibit the giving of any aid or assistance to Communist countries. Whether the House considers my amendment or the amendment of the gentleman from Texas, I assure him of my wholehearted support.

Mr. CASEY. I thank the gentleman. Although I would have some pride of authorship, all I am interested in is the result.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. CASEY. I yield to the gentleman from Illinois.

Mr. COLLIER. I too would like to commend the gentleman for his stand on this phase of the foreign aid bill. While I am not familiar at this time with exactly what the wording of the gentleman's amendment would be, it would be my hope that it would embrace the phraseology of "Communist governments," rather than specific nations.

Mr. CASEY. If the gentleman will recall, my amendment last year would prohibit all aid to any Communist nations, including specifically but not limited to the 18 countries.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, I rise in support of this bill. And I intend to oppose the limiting amendment that will be offered by the distinguished gentleman from Texas [Mr. CASEY]. I am glad he took the floor at this time in order to tell the House he is going to offer such an amendment. We have been on the floor now debating this foreign aid bill for over 4 hours and no mention has been made until this moment of this amendment that we all have known is coming. The amendment as I understand it will remove any and all discretion of the Executive in the allocation of economic aid to Communist-bloc countries, which of course includes Yugoslavia and Poland.

The same attempt to limit the flexibility of the Executive was made when President Eisenhower was in office. He

asked for the same flexibility that is now asked by President Kennedy, and we gave it to him.

I think it is important to stress that this is a bipartisan bill. It has never been considered as a partisan matter and I hope never will be considered as a partisan matter. I should like, therefore, to express my thanks to the distinguished gentleman from Ohio [Mrs. BOLTON] for her performance on the floor today.

Mr. Chairman, I think this question of assistance to Yugoslavia and Poland should be debated during general debate and not wait for the 5-minute rule. Under the 5-minute rule, as you know, the members of the Committee on Foreign Affairs who have studied this subject are limited in the amount of time that they can devote to the question. Therefore, I would hope the question will be discussed more fully in the remaining time under general debate.

To me, it makes no sense at all to suggest that all Communist bloc countries are the same or that they must be equated on exactly equal terms. The "monolith" of international communism is not as it is generally described. Beneath the Stalinist surface, one saw trends toward nationalism, "Russophobia," pluralism, and various other "isms," all of which have meant that various dividing pressures and counterpressures have been at work within the Communist bloc. This must be encouraged.

I think it is significant that in the case of Yugoslavia there has been a retreat from collectivism in farming, to the extent that collectivized farmland is now down to 12 percent, as opposed to the average figure of 90 percent for all other Iron Bloc countries with the exception of Poland. Note this, too: 70 percent of Yugoslavia's trade is with the West. Tourism is beginning to develop on a wide scale. These bits and pieces indicate the importance of allowing the Executive some freedom of action. The bill does not provide for aid to Yugoslavia in the form of development loans, and I do not necessarily advocate it. I do argue the necessity of not being doctrinaire and not being inflexible in our approach. Why bind the hands of the Executive on this subject? I think the amendment that will be offered could be exceedingly foolish and would not work to the best interest of the United States

or of the free world. Let us give the President in this area the same flexibility that we gave to President Eisenhower and not tie his hands unnecessarily.

I am not completely happy with this program or this bill any more than anybody else is in this Chamber. I doubt that you can find a single person who is completely satisfied with the bill. I have read the entire report and the bill from beginning to end. There are a multitude of questions which I would like to raise on the floor of the House because I think these questions should be discussed.

Generally, I think one of the weaknesses of the legislative approach to foreign aid has been the inadequacy of communication between the Executive and the Congress. The State Department does not tell us enough. The principle of "the right to know" is terribly important. No proper judgment can be made without the facts. It is the duty of the Executive and the State Department to see to it that the legislative branch does know the facts. Every Member of this House is busy and is under terrible pressure. Look at the number of Members on the floor of the House during this entire debate—shockingly few—testifying, I think, either to the fact that Members have again prejudged the matter or that there is a massive indifference which is appalling when one considers the vast importance of this bill.

I think, too, Mr. Chairman, there is too much overclassification. I note on page 6 of the committee report there are a whole series of categories of areas where it is not deemed to be in the public interest to tell the public the facts about certain aspects of economic aid and almost all aspects of military aid. Is this really necessary? They say that foreign aid is unpopular in this country. Well, of course, it will be if people are not told the facts; this tendency to overclassify and for the Executive to deal with this matter as though there were something mysterious about it. It is not necessary to be vague and imprecise about foreign aid.

This program over the years, generally, has been positive and helpful. Yes, there have been some tragic errors and shortcomings. But on the whole it has been sound. It is almost impossible to prove, in logic, that X would have hap-



pened but for Y. You cannot prove that "but for" the foreign aid program more countries would have gone under. The only way it can be proved is to defeat a bill of this type, or so cripple or hamstring it that it is not operative, and then see the results. They could be most tragic results.

Therefore I urge support of the bill, and I urge full debate on this question of the degree of flexibility that the President should have in the allocation of aid. Full debate is essential if we are not going to have a debacle on the floor of the House next Wednesday when we come to amendments. It is necessary that the record be complete so that Members will understand the issue clearly before they come to vote on amendments.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. GALLAGHER. Mr. Chairman, I wish to compliment the gentleman on his statement and the bipartisan spirit in which he has met this great problem. It was for the gentleman's very reasoning that I injected into my opening remarks in the committee the question of touching this matter in debate, and the \$2 billion that has already been invested in this policy is not really at stake. What is before us at this particular time is a shift of policy. Are we going to lop off the \$2 billion that we have already invested by a shift of policy?

So I thank the gentleman for bringing it up.

Mr. LINDSAY. I thank the gentleman. I hope the distinguished chairman of the Foreign Affairs Committee and his colleagues who have studied this subject will go into it in detail.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. JUDD. Mr. Chairman, I compliment the gentleman on his discussion. I think it ought to be in the RECORD at this point that it was urged in the Committee on Foreign Affairs, not just this year but for several years, that guidelines be laid down for the President, both the previous President and the present President, with respect to the matter of furnishing military aid, economic aid, and surplus agricultural commodities to countries under Communist domination.

The trouble in part has come about because the Executives under both administrations have gone way beyond what they knew the Congress wanted in this field. So eventually in frustration or irritation at failure of the executive branch to pay attention to their wishes, many in the Congress are saying the time has come for a blanket restriction or prohibition upon the Executive's constitutional power to conduct our foreign affairs. While I believe our Government has furnished far more aid than it should have to these Communist countries, I do not believe the Congress of the United States should try or has a right to put an absolute ban on the President of the United States, of whatever party he may be, in his conduct of our foreign affairs. Just as I do not think the Executive should take over the reducing or increas-

ing of taxes, which is the responsibility of the Congress, so I do not believe the Congress ought to take action that would handcuff the President of the United States and make it impossible for him to have the flexibility necessary to deal with new situations in the exercise of his responsibility for the conduct of our foreign relations. He knows more about developments in this field than we can possibly know.

The Executive should pay more attention to this annual debate and be more careful in the giving of assistance to countries under Communist domination. But Congress would be wrong and exceedingly unwise, in my opinion, if it were to pass such amendments as we are advised will be offered tomorrow.

Mr. LINDSAY. What is the gentleman's opinion on this question which I pose: An amendment will be offered by the gentleman from Texas [Mr. CASEY], which will limit the flexibility of the Executive in the allocation of economic aid. If adopted, what effect might this amendment have on the hopes of the West to bring Yugoslavia and Poland out of the iron bloc?

Mr. JUDD. I am not sure our aid has had too much effect in keeping Yugoslavia out of the bloc. It is said that if we cut off aid, it will force Yugoslavia back into the Communist bloc. I am not sure it is out of it.

I have opposed this kind of aid, and I oppose it today; but I do not think that Congress ought to adopt an absolute prohibition which would make it impossible for the President to give aid, if he thinks it necessary, with all the facts he has and assuming the full responsibility.

Mr. LINDSAY. Is that true of Yugoslavia in the reasonably near future?

Mr. JUDD. My view on that is that Mr. Khrushchev had been very happy for us to support Yugoslavia and Poland in large measure and thereby greatly reduce the drain upon himself for that purpose.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Illinois.

Mr. COLLIER. As the gentleman from New York knows, there have actually been two arguments posed for aiding Communist nations, specifically Yugoslavia and Poland. One, of course, is that it will assist the people to ultimately overthrow communism. The other is the argument that it would tend to keep each country out of the so-called Soviet bloc. Whether they are already part of it or not is still a question.

If we are to assume that there is merit in the original argument, then must we not also assume that of the some three-quarters of a billion people around the world who have fallen under the yoke of communism in the last 15 years, the majority of these do not desire or do not want to be under communist rule; therefore, how do we draw the line as to when we help any one in any country who does not desire to be a Communist?

Mr. LINDSAY. The gentleman's question is well put. I would hope that the

members of the Committee on Foreign Affairs would address themselves to the question. The point I tried to make is that the greatest sin that can be committed by a so-called iron curtain country, Yugoslavia for example, is revisionism, deviation from pure Communist doctrine. As I read the facts, in so far as the facts are available, it appears that the Yugoslavs have deliberately charted a course of deviation from party line behavior. In this regard the State Department and the Executive tell us, and told us when Eisenhower was President, that the way to play into the hands of Moscow and to bring the revisionists back into the straight Communist channel is to hamstring the Executive in the administration of the aid program.

Mr. COLLIER. The fact of the matter is that if communism is to fail in any of these nations, it will fail because of economic conditions. I think we have gone beyond the point where we feel any revolt, with the possible exception of one Cuba or China, is going to come about. If there is any failure, it will be an economic failure.

Therefore, how then can we justify giving an injection of U.S. aid to strengthen a Communist economy when that appears to be the only way it can exist?

Mr. LINDSAY. If I may comment on that. My understanding is that in Yugoslavia the standard of living has risen quite spectacularly compared to other Iron Curtain countries. This improvement was brought about in part, we are told, by aid and assistance that the United States has been willing to give. True or false? I can't give a flat answer. But, I do think we have to give some credence to the experts of three administrations.

Mr. COLLIER. Going one step beyond that, I think we must be concerned with the broad effect of aiding a Communist country upon those behind the Iron Curtain in other countries. Let's put ourselves in the position of a Czech national today. Here is a nation of the most freedom-loving people that ever existed. Yet these Czechs see on the one hand that we are subsidizing a Communist government while taking part of the same dollar and giving it to other nations to maintain their freedom. I just do not know how we can find intelligent people in other countries buying this approach. It is highly inconsistent, I would think, and it would be something that any intelligent person in other countries would have every reason to question the sincerity of this type of program.

Mr. LINDSAY. Well, I think that the whole free world applauded the efforts of the Yugoslavs immediately before and after the death of Stalin to break loose or at least to change their direction. Now, the question is: Do the germs of change and the germs of revolt against the Moscow imposed way of life still exist, and can we assist them to exist?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Minnesota.

Mr. JUDD. I would like to add at this point that it is not quite accurate to



say that Tito broke away from Stalin. Stalin kicked Tito out. We had nothing whatsoever to do with that break. We came along and gave aid to him after he was kicked out. At that time I thought it was a mistake. Stalin never forgave anyone. Tito had no choice but to come to us on our terms. Instead we rushed over with aid and kept him going on his terms.

I think in the last analysis our decision has to be made on our evaluation of these two factors: Can we promote freedom in the world and weaken the threat to ourselves more by giving assistance to Communist governments in the hope it will enable them to maintain, to some extent, independent operations? Or can we do it better by showing the people behind the Iron Curtain, who, in my book, are the most dependable and important allies we have, that America is not going to use her resources to sustain or build up the tyrants who hold them in subjugation? I think our best hope of getting out of the fix we are in, without an all-out atomic holocaust, lies in the hearts and will to freedom of a billion people behind the Iron Curtain, who are increasingly demonstrating that they want to be free. Let us not break their hearts by helping their oppressors. Let us not build up the tyrants and enable them better to hold the people in subjugation.

But, I repeat, I think it would be a great mistake for the House of Representatives to pass legislation saying that because the majority of us here may feel this way, the President cannot use our surpluses or funds provided to promote our foreign policy, to give assistance to certain Communist countries if in his judgment he believes that is the wisest and safest course for our country to pursue.

Mr. LINDSAY. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Chairman, the issue of continuing aid in any form to the Communist regimes is a matter of grave concern to the American people. Since the beginning of the Foreign Assistance Acts, the Marshall plan, I have been a supporter of these programs because I believed in them. I believed that they were necessary in the immediate postwar era to save the war-devastated countries of Europe from anarchy and the threat of Communist subversion and takeover.

I continue to believe that these programs, if properly oriented, can assist the United States in attaining its global objective of peace and freedom for all.

It has been a matter of grave concern to many Members of this House that countries struggling toward freedom and a better life for their people should be helped by the United States because such action strengthens the collective ability and the collective will of the free world. I have never believed that the cause of peace with freedom could be advanced by extending American assistance to Communist regimes dedicated to the destruction of our freedoms and way of life.

My record in the House is clear on this score.

In an effort to strengthen our economic assistance programs and to keep such programs on the right track, to assure their continuing support by the American people, I will offer an amendment which serves the best interests of the United States and the future of freedom elsewhere in the world. The amendment which I will offer excludes American assistance to Communist regimes anywhere in the world and defines a Communist regime in language that is understandable to all, and will make for orderly determinations on who should and who should not be beneficiaries of American assistance.

The American people are more and more asking the question: What is the basic objective of the foreign assistance programs which they have been called upon to support with their hard-earned money. It may seem strange that this question haunts our public life these 14 years after the launching of the Marshall plan. But it is not strange to those who sat in this House when the first foreign assistance program was enacted, or to those who have taken the time to review the record of what motivated the Congress to support the proposals set forth in the Marshall plan. For the record is clear that a war-devastated Europe had little chance of restoring the sound foundations for progressive, representative forms of government without our economic assistance. The specter of aggressive, subversive communism threatened the future of every European nation in the years immediately following hostilities of World War II.

The people of Western Europe restored their countries and preserved the great traditions of representative government which are the hallmark of Western civilization. They turned back the aggressive, subversive tide of Russian communism. They now stand on their own feet, as staunch allies of the United States in the common struggle with the Russian imperialists. Our economic assistance, our hands of friendship, our determination to defend them until they could defend themselves played a significant part in the inspiring story of European recovery. But in those days we knew what we had to do, the issue was clear, the challenge was evident and the response by our people was equally inspiring.

Times have changed, and not for the better. Today few people in or out of the Congress can state with clarity or brevity the objectives of the foreign assistance programs which extract billions of dollars from the American taxpayers each year. No knowledgeable person can in all honesty claim that these programs are aimed at turning back the aggressive, well-organized forces of communism, nor can it be claimed that these programs are aimed at defeating the Communist menace because such a claim will not now stand up in light of the honest record. It is this state of affairs which has invited vigorous and growing attack upon all aspects of our foreign assistance programs. The public confusion which attends our efforts in this

field is dangerous. Our people have a right to know what their money is being used for. It is the responsibility of government to define our national objectives in this regard in the kind of forthright language understood by the average citizen. They have a right to know whether our foreign assistance programs are directed at the defeat of communism or whether they are serving some other purpose.

The current public issue revolving around economic assistance to the Communist regimes of Yugoslavia and Poland is a reflection of the mood of the American people. They are sick and tired of having their money used to bolster unpopular regimes in those countries. Make no mistake about the feelings of our people on this issue. They are well informed on the failures of these regimes to provide for the elementary needs of the people forced under their control by Moscow. They are well aware of the unbreakable ties between Tito and the Russians and feel insulted when it is suggested that by bailing Tito out of his economic mess he will become a dependable ally of freedoms cause. They are equally aware of the titanic struggle now going on in Poland between militant atheists of the Communist regime and the devoted Christian people of that country. Any support for the Warsaw regime is support given to the cause of militant atheism in its effort to stamp out freedom of conscience in Poland. To the average American these facts of life are clear beyond any doubt. No one will ever convince them that it is possible to defeat an avowed enemy by strengthening his hand. Nor is it possible to convince the people enslaved by a Communist regime that you are helping them when you help the regime which holds them in bondage. We can do nothing more than earn the contempt of the masses living under communism when we give any assistance to the regimes which oppress them.

Mr. Chairman, it is time that we put our foreign assistance programs back on the track of sanity and high purpose. I suggest that the Congress undertake that task before the American people lose complete confidence in the ability of their Government to make those programs work for the victory of freedom. To that end I will propose the following amendment.

No assistance shall be furnished under this act and no commodities may be sold or given under the Agricultural Trade Development and Assistance Act of 1954, as amended, to any country holding membership in the Warsaw Pact or the Comecon—Council for Mutual Economic Assistance, or to any country whose form of government is based upon the Marxian-Lenin concept of dictatorship of the proletariat supported by a single party which selects and controls all candidates for public office, and which prohibits or restricts freedom of assembly, freedom of speech, freedom of religion, freedom of movement, and the right to dissent. This restriction may not be waived pursuant to any authority contained in this act.



The amendment which I would offer would deny any and all forms of assistance to Communist regimes in all quarters of the world. It would deny assistance to Poland because the regime which controls that country holds membership in the Warsaw Pact, the Comecon, and meets all the specifications for disqualification set forth in my amendment. Yugoslavia would be denied assistance because the regime in power there is Marxian-Lenin, built upon the one party system of the dictatorship of the proletariat and which denies all the basic freedoms to the people under its control. That is what the American people have been calling upon their government to do. That is what our government must do if it is to warrant the confidence of our people.

The amendment will not deny assistance to the newly emerging nations of south and southeast Asia, or of Africa. It allows the greatest possible latitude for the development of a wide range of governments, best suited to the culture and traditions of the peoples concerned while at the same time promoting the foundations of representative government, government responsive to the will of the people concerned. If our objective is to promote the cause of human freedom, which I believe all of us want it to be, then let us state our case and get about the business of helping those who seek the same objective. With equal candor, let us make it clear that we recognize communism to be a despoiler of human freedom, the avowed enemy of all that we hold dear as life itself and unworthy of assistance in any form from a free people.

I will offer this amendment because I am against all aid to, and trade with Communist countries. We must all recognize that communism is at war with us and with its people. Warfare to them covers the entire political spectrum. To them a shooting war is only an extension of the cold war or political action, which can be called on or off at will.

Nikita Khrushchev said:

We value trade least for economic reasons and most for political purposes.

To all Communist countries economic warfare is no less a weapon for waging total war than is the atomic weapon.

Food to the Communist is a weapon of war and oppression. I will produce evidence to support this statement.

Since Poland and Yugoslavia are Communist countries and subscribe to and follow Soviet foreign policy and ideological concepts, I will speak of them as all inclusive. I will not furnish evidence on this, since it has been amply covered in the debates in the other body, which appear in the CONGRESSIONAL RECORD of Tuesday, Wednesday, and Thursday, June 5, 6, and 7, 1962.

I will limit myself to food as a weapon of war and repudiating the statement made by Mr. McGeorge Bundy, one of the administrative assistants to the President, and printed on page 9868 of the CONGRESSIONAL RECORD of Wednesday, June 6, 1962.

In two recent speeches on the floor of the House of Representatives on May 10 and May 14, 1962, I exposed the destina-

tion of Canadian wheat shipments. Today I will further elaborate on this subject.

Students of communism have long known that food is used by the Communists as a weapon of war and oppression. Under their system increased rations are given to the Communist elite and the leaders of the military machines. This is their first priority for food. Next are the ordinary members of the Communist Party and the rank and file of the army. Lowest on the list are the people not members of the Communist Party and prisoners. The latter are on starvation rations while the former are rationed as the party sees fit.

Secretary of State Dean Rusk has admitted that we have no way to assure how our aid is being used or, if it has been transshipped to other satellite nations or the Soviet Union. This testimony was given before the House Select Committee on Export Controls.

Therefore, food sent to Communist countries goes mainly to feed the Communist elite and the military machine. If there were ways to assure that our food would go to the people, I would favor this type of aid for humanitarian reasons.

One of the Communist methods for eliciting individual compliance is barren environment; monotonous food; and restricted movement.

To further explain this system, I wish to quote from one of the greatest speeches ever given by a U.S. Government official, Dr. Charles Mayo's statement in Committee I, at the U.N., on the U.S.S.R. charge that the United States used bacteriological weapons on Korea in October 1953:

The information on the treatment which the Communists gave in their effort to extract confessions suggests that the Communists were deliberately using the same technique which the famous Soviet psychologist Pavlov used with his experiments on dogs and rats. This technique as you all know is known as the conditioned reflex.

This is the very technique which the Communists appear to have used on their intended "germ warfare" victims. Resistance was punished with kicks and slaps in the face, with starvation food rations lowered still further, with dire threats of death. Signs of cooperation were rewarded with increases in rations.

The entire scheme was well planned and implemented. Returning prisoners have verified that the experts applying the wearing down process were highly trained, efficient, and well educated. They were specialists in the application of psychological torments.

The steps as determined from a study of the techniques and methods employed by the Communists are as follows:

1. Immediate and constant indoctrination (interruptions occur during periods of application of the wearing down process).

2. The establishment of minimum quantities of food, sleep, shelter, coupled with ill treatment (threats and torture). This initial stage includes enough food to keep a man alive—400 to 600 grams, which amount will gradually weaken and starve a man.

The above information on the use of food on prisoners to elicit compliance came from American prisoners of war, upon whom food was used as a weapon of war.

The Chinese Communist nation is presently suffering turmoil and upheaval caused by shortage of food. This condition has affected the Chinese Communist armies. Food to the rank and file of the army is approaching starvation rations and morale is at a low ebb. This condition is lowering the threat of the Chinese Communist army as a combat effective organization. An example on how food can affect any army was the Korean war. On the attack the Chinese Communists were given 100 rounds of ammunition and 7 days' ration of wheat or rice. While attacking, the Chinese Communist soldiers consumed their meager rations in 3 or 4 days. This caused the attack to bog down and grind to a halt. They had ample ammunition but no food.

On May 10, 1962, speaking in the House, I suggested that a key to the close working relationship between the Red Chinese and the Russians might be their food purchases and shipments from the free world. There are evidences of new failures of the agricultural system in the Soviet Union. They cannot allow this to be apparent to the free world. They cannot bleed their satellites, because the system has failed in China, Hungary, Rumania, Czechoslovakia, and Poland. Yugoslavia is also feeling the pinch of the failure of the promised utopia of socialism, not only in agriculture, but industry.

The Communist bloc, during 1961, imported over 10 million tons of food from Canada, Australia, France, Argentina, and the United States. They have contracted for another 5 million tons in 1962 and even contracted for 1963-64 crops from Canada and France. A million tons of this food which includes wheat, barley, maize, and flour has been shipped to Albania, East Germany, and North Korea from Canada.

China has been acting as broker for the Russian bloc and even Cuba. If we leave even a crack open in the door, shipments of United States food to Poland and Yugoslavia will find its way into the Soviet Union. It is still fresh in the minds of the captive peoples how the Red armies stripped the satellite states and how their economies are closely controlled by the Soviet Union.

Yugoslavia is no exception to the above. Their regime is similar in all respects to the Soviets, even to slave labor camps. Before I answer the administration arguments presented by Mr. McGeorge Bundy, I would like to say that it appears that the President's advisers are not keeping him properly advised. At a recent press conference, the President stated that Tito closed the border to Greek partisans. Recent facts reveal that far from deviating from the international Communist line, Yugoslavia closed its border to Greek partisans in accordance with the wishes and direct orders of Stalin.

This evidence appears in a book, "Conversations With Stalin," by Milovan Djilas. On May 14, 1962, Djilas was sent to prison by the Communist government of Yugoslavia for divulging official secrets. One of the conversations between Djilas and Stalin related in this



book took place on February 10, 1948. He wrote:

Stalin then turned to the uprising in Greece. "The uprising in Greece has to fold up." He used for this, the word "svernut" which means literally "to roll up." "Do you believe" he turned to Kardelj, "in the success of the uprising in Greece?"

Kardelj replied:

If foreign intervention does not grow and if serious political and military errors are not made.

Stalin went on, without paying attention to Kardelj's opinion:

If, if no; they have no prospect of success at all. What do you think, that Great Britain and the United States—the United States, the most powerful state in the world—will permit you to break their line of communication in the Mediterranean Sea? Nonsense. And we have no navy. The uprising in Greece must be stopped, and as quickly as possible.

I hope that this ends the bankrupt argument that Tito closed the border.

Mr. McGeorge Bundy speaking for the administration stated:

This is a moment of great delicacy in internal political balance within the Communist world.

This appears to me similar to the Department of State argument of diffusion of power and fragmentation within the Communist world. The Soviet system of control emanating from the KGB Committee for State Security and GRU Chief Intelligence Directorate, Ministry of Defense, is tighter and stronger than ever. Communist espionage and subversive nets are well organized and effective. The stooge governments are closely controlled and subservient. Their police apparatus is still all powerful.

Mr. Bundy claims "That all our intelligence evidence, the reports of our Ambassadors, and our own appreciation of the relations we are conducting with the Soviets point to a struggle between those who believe in putting the Soviets into a more aggressive Chinese posture and those who assess American strength and determination for what they are and wish the Communist bloc to deal with us more realistically and peacefully. The proposed amendment would work in favor of the hardliners in the Kremlin and elsewhere in the Soviet bloc."

I challenge Mr. Bundy to produce this intelligence. Not intelligence estimates slanted to fit a preconceived idea, but hard, factual intelligence. Does he, for one moment, think that there are softliners in the Presidium and Central Committee of the Soviet Union. If so, who are they? I am convinced that any softliner would have been dead long ago. Does he think there are different assessments of our strength and determination within the Soviet Union?

Again I would like to see the evidence and names of these people, making assessments independent of Khrushchev.

I believe that the Russian-Chinese split is a reality only in the Department of State and in the minds of White House advisers like Mr. Bundy.

The President's adviser also says:

Our policy in giving small amounts of aid to Yugoslavia has been one of assisting it

to maintain some freedom of maneuver against the Kremlin.

Tito has recently announced that his foreign policies objectives are consistent with those of the Soviet Union. This announcement came after the recent Gromyko visit to Belgrade. It appears that our aid has preserved Tito so that he could have freedom of maneuver against the United States. This was amply revealed in the debates in the other body upon the subject of aid to Yugoslavia.

Another statement in the letter says:

Nothing is more helpful to the position of the United States and the whole of the free world than the maintenance of some range of choice within the bloc.

This again is another figment of the imagination of the Presidential advisers. Another way of expressing this in State Department language is, "the forces of diffusion and fragmentation are exerting themselves within the Communist bloc causing a mellowing of the Soviet attitude."

Again I ask for evidence. Mr. Bundy speaks as if the secret police and Communist armies have turned into Boy Scouts or Peace Corps groups. The KGB and GRU will enforce the orders of the Communist regimes and insure that food goes to only those that the Communist Party decrees.

Toward the end of the letter Mr. Bundy states:

The amendment would remove all opportunities for calculated responses and would freeze us out of any ability to affect affairs in these countries.

The only effect I have seen of our aid to Poland and Yugoslavia is that it has perpetuated their regimes. During my lifetime, the only action that has affected the Communist is strength and determination supported by military might, not food for the party elite or wishful thinking that the Communists are evolving into a peaceful group.

During the debate in the other body the question arose on the definition of Marxism. To me Marxism or Soviet fascism, means that all power is in the control of a few persons. It is extreme socialism which defies matter and the state; specifically, that all power, political, economic, social, and financial resides in the state, namely in the hands of atheistic rulers.

Agreement between the Chinese Communists and Canada are to ship 6 million tons of wheat from Canada to China from 1961 to 1963. The shipments have been, January 1962, 820,000 tons of wheat, 190,000 tons of barley; February, 116,000 tons of wheat; March, 1,060 tons of wheat.

In 1962 Australia shipped 600,000 tons of wheat; Argentina shipped 100,000 tons of wheat, 160,000 tons of maize; France shipped 400,000 tons of wheat. Eighty thousand tons of Canadian wheat went to Albania and East German ports. The total shipments from Canada, eastern ports, was 150,000 tons. They have contracted for a total of 4 million tons in 1962 and 1 million tons from 1962 to 1964 from France. In addition the Chinese Communists in 1962 received 300,000 tons of rice from Burma. The

total shipments to Albania, East Germany, and North Korea in 1962, total 370 tons. Two hundred and thirty thousand tons will be shipped in 1963 to Albania, East Germany, and North Korea. Communist China has contracted for 300,000 tons of flour from East Germany.

On the issue of whether or not American aid should be furnished to Communist regimes of Yugoslavia and Poland, a number of justifications in support of such aid have been advanced. It appears that no clear, open justification can be made for any program that provides material assistance to a Communist regime anywhere in the world. However, a large assortment of dubious opinions have been advanced, together with an abundance of loose thinking, in an effort to complicate what is and should remain a very simple and basic issue. The result is widespread public confusion as to why we have been extending assistance to those countries and why we should continue assistance to them.

As is well known, I have opposed any form of American assistance to any Communist regime, believing as I do that such assistance does nothing more than strengthen the dictatorship of communism and increases the capabilities of our self-proclaimed enemy. My opposition to such programs is stronger today because the accumulated evidence is overwhelming in support of terminating aid programs to Communist Yugoslavia and Communist Poland. The public clamor against such programs has been increasing with each passing year. This year it would be a serious mistake to underestimate public reaction against such aid programs to Communist regimes. Members of Congress have become increasingly aware of the popular opposition among our people to lending support for any program that would directly or indirectly strengthen the threat of world communism, which threat is now all too clear and real.

In the interest of providing a public airing to the justifications most frequently heard in support of continuing such aid, I have taken time to research the question and to consult with a wide range of parties involved. The main lines of attack, together with my appraisal thereof, are:

First. To oppose aid to Poland or Yugoslavia is to refuse support to President Kennedy and to show lack of confidence in his judgment.

This argument suggests that Congress is not a deliberative body in which the merits of any legislative proposal are carefully examined and voted up or down by the membership thereof. It also suggests that in certain matters Congress should act as a rubberstamp operation—merely ratifying proposals made by the Executive—particularly in the field of foreign policy. The facts of the matter are, Congress has just as much responsibility as the President for determining whether any of the taxpayers money should be spent in support of Communist regimes in Yugoslavia or Poland. Otherwise what is the purpose of authorizing legislation and why is such legislation brought before the House?



To suggest that foreign policy is not a suitable area for review by Congress or is an area in which individual Members of Congress are not expected to be well informed, is a dangerous proposition. At best, it suggests that foreign policy considerations are beyond the grasp of Members of Congress and that such matters should be judged only by a select group who somehow claim to know what is best for the American people. At worst, it proposes that Congress abdicate its responsibilities because representative government is incapable of sound decisions in the area of foreign policy.

Let me make one thing clear—my opposition to continuing aid to Communist Yugoslavia and Communist Poland has nothing whatever to do with my confidence in the person of President Kennedy. It does reflect my disagreement with proposals being made by the administration in this critical area. It will be a dark day for representative government if Members of Congress are deterred from exercising their best judgments on matters before the House because of fear that their judgments might be contrary to the proposals of the Executive.

Second. It is possible to give aid to the people of Poland and Yugoslavia without lending support to the Communist regimes in those countries.

I have found no one advancing such an idea who has been able to substantiate it. It sounds good until it is challenged. The facts of the matter are that any aid going to Communist Poland or Communist Yugoslavia is strictly controlled by the regimes in power. It has been and remains impossible to make any direct contact with the masses of peoples in those countries. Our contacts with regard to all type of assistance programs are limited to the Communist regimes in those countries. Those Communist regimes determine how all aid from the United States is to be used—down to the last can of beans. Their decisions are based strictly on requirements calculated to maintain them in power and to strengthen their oppressive hand over the people. In past years a considerable effort has been made by American voluntary agencies to establish and maintain relief programs in those countries, administered in a manner which would guarantee that the recipients would know the assistance they receive came from the American people. Every one of these efforts has failed, but only because the regimes in power opposed such efforts. Today no American voluntary agencies are permitted to carry on relief programs in either of these countries. Our experience should make it abundantly clear the Communist regimes in Poland and Yugoslavia regard American assistance as a powerful weapon in building up their own prestige and strengthening their dictatorial control over the people. To suggest, therefore, that it is possible to help the people of Poland and Yugoslavia without strengthening the Communist regimes which control them, is to defy a long record of evidence to the contrary.

Third. If aid is not given to the Communist regimes in Poland and Yugo-

slavia, the "hard liners" who want to return to the Stalin policies will gain the upper hand over the "soft liners" who now control those Communist regimes.

Such a claimer as this lends powerful support to one of the main strategy lines of the Khrushchev manifesto proclaimed at the 22d Congress of the Communist Party. That Communist policy line relates to peaceful coexistence between countries of different social systems. The "soft lines" are illusions and represent nothing but a change in tactics called for by the Khrushchev manifesto. Let me quote a pertinent paragraph from that manifesto setting forth the new Communist action guidelines on peaceful coexistence:

Peaceful coexistence of states does not imply renunciation of the class struggle, as the revisionists claim. The coexistence of states with different social systems is a form of class struggle between socialism and capitalism.

In conditions of peaceful coexistence, favorable opportunities are provided for the development of the class struggle in the capitalist countries and the national liberation movement of the peoples of the colonial and dependent countries. \* \* \* It implies intensification of the struggle of the working class, of all the Communist Parties, for the triumph of Socialist ideas. But the ideological and political disputes between states must not be settled through war.

A careful reading of this Communist directive makes it clear that peaceful coexistence means a softer and less boisterous approach should be made by Communists in all dealings with the free world community so that the enemy will be encouraged to relax its guard and accept the peaceful conquest of world communism. There are no "hard liners" or "soft liners." This is a term created in the minds of our policy planners. If there are differences they exist only in the tactic or technique employed by the Communists to accomplish the unchanging objective. Commonsense tells us that all Communists are vicious enemies of freedom and ought to be treated accordingly.

Fourth. If we do not give aid to the Communist regimes of Poland and Yugoslavia we will be turning our backs on the forces of nationalism—our friends—in those countries.

This argument suggests a working relationship between the forces of nationalism in Poland and Yugoslavia, that is, the native freedom forces striving for a return of their national independence, and the Communist regimes imposed upon their countries by Moscow. The truth of the matter is these two forces are in violent, if somewhat silent, conflict in both those countries. Any Communist regime regards nationalism as its most potent enemy, and acts accordingly in dealing with it. Similarly, the liberating forces of nationalism have made the Communist regime in both those countries their single target—knowing that such Communist regimes must be destroyed before national independence can be restored to their homeland. It is time U.S. foreign policy recognized these simple facts of life with regard to Poland and Yugoslavia. We should join hands of friendship with the forces of nationalism in Poland and in Yugoslavia by de-

nying all aid to the Communist regimes now in control of those countries.

I now list justifications 5, 6, 7, 8, and 9. For the answer, I will refer to the hearings before the Select Committee on Export Control, House Resolution 403.

Fifth. There is growing freedom in Poland, and if we now turn them down in aid we will cut short this evolution toward freedom—page 26, report on House Resolution 403.

The Secretary of State informed the select committee:

Poland \* \* \* is clearly a member of the Soviet bloc. It is bound to the U.S.S.R. not only through such formal instrumentalities as the Warsaw pact, but also because of its exposed geographic position and its heavy economic dependence upon the Soviet Union. Even more important is the fact that Soviet troops are still present in Poland. The Polish position on international issues is rarely distinguishable from that of the Soviet bloc itself. In brief, Poland is a part of the Soviet bloc, and U.S. policies must fully take account of this fact.

Sixth. Giving or selling food to Yugoslavia is an act of charity and has nothing to do with the building of the economic system of communism in those countries—page 624, House Resolution 403, part 2.

The agreement between the United States and Poland provides that 10 percent of the dinar sales proceeds will be reserved for U.S. Government uses in accordance with section 104 of Public Law 480. The remaining 90 percent of the sales proceeds will be loaned to Yugoslavia for various economic development purposes.

Seventh. Aid to Poland is not in violation of section 109 of the Foreign Assistance and Related Agencies Appropriation Act—page 629, House Resolution 403, part 2.

Poland has given Cuba \$12 million in aid.

Eighth. Yugoslavia does not export our aid to U.S.S.R.—page 612, House Resolution 403, part 2.

Yugoslavia in 1960 exported \$62 million in food beverages, tobacco, and raw materials to the U.S.S.R.

Ninth. Encouraging Yugoslavian independence from Moscow will widen the Sino-Soviet split—page 594, House Resolution 403, part 2.

Yugoslavia has voted with the Soviet Union to seat Communist China in the U.N.

Tenth. Yugoslavia follows an independent policy at the U.N.

During 1961, Yugoslavia voted with the United States 4 times, with the U.S.S.R. 66 times, and with neither 18 times. The United States and the U.S.S.R. voted together 48 times. Yugoslavia voted 42 times with U.S.S.R. and the United States, six times with neither. When the United States did not vote for 16 times, Yugoslavia voted with the United States 2 times, U.S.S.R. 12 times, and neither 2 times. This, as Tito has mentioned, shows a consistency with Soviet foreign policy on all important matters furthering the Communist cause.

Mr. MORGAN. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. GALLAGHER].

Mr. GALLAGHER. Mr. Chairman, at this point in the debate I would like to

call the Committee's attention to section 620, which is now in the act, and which states that—

No assistance shall be furnished under this Act to the government of any country unless the President determines that such country is not dominated or controlled by the International Communist movement.

Mr. Chairman, section 143 further states, with reference to assistance to Yugoslavia, as follows:

In furnishing assistance to Yugoslavia, the President shall continuously assure himself (1) that Yugoslavia continues to maintain its independence, (2) that Yugoslavia is not participating in any policy or program for the Communist conquest of the world, and (3) that the furnishing of such assistance is in the interest of the national security of the United States. The President shall keep the Foreign Relations Committee and the Appropriations Committee of the Senate and the Speaker of the House of Representatives fully and constantly informed of any assistance furnished to Yugoslavia under this Act.

Mr. Chairman, this amendment is presently in the act.

This is sufficiently restrictive to express the feeling of those who abhor communism while still allowing the Chief Executive sufficient flexibility to carry out a policy in opposition to communism and extending our Nation's best interest.

Mr. MORGAN. Mr. Chairman, I yield 12 minutes to the gentleman from Illinois [Mr. PUCINSKI].

Mr. PUCINSKI. Mr. Chairman, I rise to associate myself with the remarks of the gentleman from New York [Mr. LINDSAY] and, indeed, to call attention of the House to this fact: That while we Americans may have some deep-rooted differences of opinion in this body on such matters as Federal aid to education, on the farm bill, and various other domestic issues which confront this country, I think the statement made by the gentleman from New York certainly demonstrates that in times of crises when we are determined to win this cold war against the Soviet Union, we Americans know how to lock arms and march together toward a course which is going to bring the ultimate defeat of international communism, and bring to the 180 million people in the captive nations of Europe freedom again.

Mr. Chairman, I congratulate the gentleman from New York [Mr. LINDSAY] for his statement. It is indeed a courageous statement. Why, the easiest thing in the world for any Member of this body to do is to go back home and say, "Yes; I supported legislation to deny any further assistance to the people of these Communist countries." There is no question about it. You make points with that sort of argument. But I submit, my colleagues, that this is an issue which will require the highest degree of statesmanship on the part of the Members of this body, because it requires deep understanding of what this problem is all about. This will require a deep understanding because the issues are not easy of solution. But I say to you one thing: If this Congress accomplished nothing else, every single man and woman who is a Member of this Congress can go home when Congress adjourns holding

his or her head high with pride, knowing that at this session of Congress we have written a record of defense for the United States which has turned the tide against international communism.

We Americans joined hands together as Democrats and Republicans; and as far as I know, there was not a dissenting vote on this year's defense appropriation bill. This was the vote that served notice on Mr. Khrushchev that 15 years of retreating are over, that we Americans are determined that freedom shall reign in this world; we are determined to hold our position in Berlin; we are determined to hold our position in Vietnam. We are determined to drive back the Communists wherever they try to disturb the peace of the world. And you men and women of this Congress voted an appropriation bill under the careful guidance of our distinguished chairman, the gentleman from Georgia [Mr. VINSON], and the gentlemen from Texas [Mr. MAHON and Mr. THOMAS] so that today Mr. Khrushchev knows that our country is ready and prepared to defend its position. If Khrushchev is foolish enough to violate the peace of the world he will have to be prepared to suffer the full consequences.

This was accomplished by Democrats and Republicans, men and women who rose above partisanship, men and women who recognized the challenge that confronted their Nation, men and women who saw the great opportunity to drive back the evils of international communism. And I am proud that I was one of those Members who voted for this bill.

The fact remains that we are now again confronted with another issue which is designed to further weaken the Communist hold over the captive nations of Europe. The issue is very simple and clear: Shall the President of the United States have a free hand in helping the victims of communism whenever he believes such assistance will help these people free themselves from Communist rule? Why, of course, we are all concerned over the fact that 180 million people of Europe today must suffer the indignity of Communist rule. As far as I know all but just a small handful of these people reject communism with the same degree of stubbornness as does every Member in this House and for that matter, every American.

Do you think for one second that Mr. Gomulka or Mr. Tito or Mr. Ulbricht or any one of those despotic Communist rulers could survive more than 1 hour if the people of their respective nations had the right, the freedom, to choose their own form of government? Do you think there is more than 1 percent of people in any one of these Communist-dominated countries who live under communism today because they want to? Do you think these people believe in communism, in the Godless dogma of communism? Why, of course not.

It is easy enough to stand here in this well and say, "I am against all aid to Communist countries," but ask yourself, How did those noble countries get there? They did not choose communism. It was imposed upon them. And those people today are doing a magnificent job wherever possible, within their means, to

resist communism. Yes, in Poland alone, 85 percent of the farmers in that country, which is observing the 1,000th anniversary—85 percent of the farmers in Poland refuse to submit to Communist rule and they conduct their farms under free enterprise. And Mr. Gomulka knows that Polish farmers are not much different from American farmers. The fibers of freedom and liberty are so deeply ingrained in those rural people of Poland that Mr. Gomulka is not making the mistake of trying to collectivize them because he knows he would fail.

This nation, which is 95 percent Roman Catholic, continues today to give its loyalty to the church of its belief and again Mr. Gomulka recognizes that he cannot fight the deep-rooted principles of religious freedom that exist in those Polish people.

Cardinal Wyszyński continues today as the prince of his church in Poland. Can anyone in this Chamber deny that the 30 million gallant people of Poland must suffer Communist domination completely against their will? Or can anyone deny that these heroic Poles have done a magnificent job of resisting communism under most difficult conditions?

I tell you this, Mr. Chairman, the issue before the House today is this: Are we going to manifest the same degree of trust in President Kennedy that we had in President Eisenhower in deciding when America should assist these countries or when it should not? If the President of the United States, based on his best judgment, his best information, decides that further assistance to Poland is useless, I, as one American, will accept that judgment, but I do not think that we on the floor of this House should try to make that decision.

I am not privileged to be a member of the House Committee on Foreign Affairs. I do not have the information that they have. But I am privileged to meet very frequently with many people who know the situation in Poland, people who have been there, who have spent a great deal of time with their relatives, with their friends. I tell you that communism is losing ground not only in Poland but all over the world, and you people have made it so, nobody else. You men and women in this Congress who passed the defense appropriation bill which served notice on Mr. Khrushchev, Mr. Gomulka, Mr. Tito, and all the other Communist leaders that we are not going to back down. Today the Communists are in retreat. I cannot quote this American because the House rules prevent me, but I can quote from a radio speech he made in Chicago yesterday which is quoted in this morning's Chicago Tribune:

Only a few days ago, Premier Khrushchev, while touring in the Rumanian provinces, blamed all the food shortages and economic ills of the Communist bloc on the United States, and proposed as the only solution for the economic troubles of the Communists the fall of the United States and the rest of the free world to communism.

Khrushchev is actually using the economic distress of the Communist-dominated peoples to goad the Communists into even more strenuous efforts to bring the free world under the domination of communism.



There are those who claim that denying food and other assistance to Communist-dominated nations will speed along the downfall of communism. This may be true in some cases.

It is entirely possible that the farmers may revolt and stage an uprising in China because of the famine Red China is experiencing. The peculiar geographical position of Red China may make that possible because the mainland Chinese might be helped by Chiang's forces on Formosa. I do not know. But we do know that because of the difficult geographical position of Poland, an uprising without outside intervention is impossible. No responsible person would advocate a revolt in Poland when we recall how the Hungarian uprising was crushed by Soviet tanks. How else, then, can the people of Poland break themselves of their Communist yoke except by constant, steady pressure against their Communist rulers, pointing out the shortcomings, the bankruptcy of the Communist system. This is being done in Poland every day in every way. Gomulka today is the butt of some of the greatest jokes in the world because the Poles hold him in ridicule. He wishes he could do something about it but he cannot.

Continued assistance to these victims of communism is a judgment we ought to delegate to the President. We have communism in retreat, let us not upset a policy which has proven successful in Poland. The strong ties which the people of Poland manifest toward the United States are well known to all of us. Recently a distinguished group of American journalists visited Poland and reported in great detail how the Poles continue to look toward America as their greatest friend. There is nothing Khrushchev would want more than to destroy this image of America among the people of Poland. There is no question in my mind but that the full bankruptcy of communism is being manifested in Russia. Mr. Khrushchev cannot get his farm program going. The full bankruptcy of the Communist ideology is being manifested in China and every other country in the world where the Communists are in power. Why do you suppose they had to put up the Berlin wall? Because of the complete bankruptcy of the Communist ideology in East Germany.

Therefore I say to you, the easy thing is to say, "Yes, I voted against any further aid to these Communist countries." But let us keep one thing in mind. These are Communist-dominated countries. Neither the people of Poland nor Czechoslovakia nor any one of the 18 countries the gentleman from Texas enumerated are Communist; only their illegal governments are ruled by Communists. You and I know the peoples of these nations would throw off the Communist yoke tomorrow if they had the opportunity. We are going to hear a great deal of debate about that subject, but tonight when you are alone with your judgment and conscience, before you go to sleep, think how you will vote tomorrow on the proposed amendment. Are we going to tie the President's hands? Are we going to write the rules here?

Why not then change the rules for the other countries that failed to vote with us in the Middle East and Africa?

Why not go the full route? Why not set up a whole series of rules and regulations? Why stop at these countries? I say that the program has worked. The program that three previous Presidents had formulated and put into effect has helped weaken communism in Europe and I am confident that it will continue to weaken communism under President Kennedy's guidance. I know of no reason why we should give President Kennedy any less authority to use his best judgment on this question of continued aid to the victims of communism than we gave President Eisenhower or his predecessors. I have some serious reservations about some of the aid we have given Communist-dominated nations but I am willing to trust the judgment of the President in making the final decision, particularly when it is realized that 25 percent of all wheat consumed in Poland came from the United States. I am sure Khrushchev would be delighted to tell the people of Poland, who have just suffered the worst floods of recent years and serious crop failures, that America does not want to share its farm surpluses with the starving children of Poland. This is not the way to fight communism.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. PUCINSKI. I yield to the gentleman from Minnesota.

Mr. JUDD. I agree, as I said earlier, with the gentleman's contention that the final decision here ought to be left in the hands of the President. But I do think that a question ought to be raised with respect to the gentleman's remark that we have now ended 15 years of retreat. Does the gentleman call sending the marines into Lebanon and standing firm in the Formosan Straits in 1954 and 1958 a retreat?

Mr. PUCINSKI. No, sir. I stand corrected and I will be glad to stand corrected on that point.

Mr. JUDD. I thank my colleague. And those firm actions, too, had thoroughly bipartisan support.

Mr. PUCINSKI. Yes, sir, the record will show that wherever this Congress has performed in a bipartisan manner, we have benefited and we have driven communism back. I hope that we are going to follow the same policy here.

Mr. JUDD. Yes, the record shows that whenever we have stood firm and strong in support of principle and of freedom, the Communists have rattled their rockets and threatened—but have backed away. So that is the policy we should continue to follow.

Mr. PUCINSKI. Would the gentleman agree, however, that the Communists, indeed, are to a great extent retreating in many parts of the world?

Mr. JUDD. Yes, that is the whole point. From Berlin to the borders of Hong Kong, the failures of communism are at last apparent. They are failing. Why are they in retreat? First, because their system is wrong, it will not work. It does not release or activate the creative energies or efforts of human beings

to produce more. Secondly, they are in retreat because of the firm pressures on them from without and from within. The answer for us is to keep firm pressures on from without and the people behind the Curtain will keep the pressures on from within.

Mr. PUCINSKI. I thank the gentleman for his contribution and I thank the gentlewoman from Ohio and the chairman of the committee, Mr. Morgan, for yielding to me additional time.

Mrs. BOLTON. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. Bow].

Mr. BOW. Mr. Chairman, I am going to change the course of this debate at this time from what we should do for other countries and whether we should give aid to Yugoslavia and whether we should give aid to these other countries of the world. I would like to talk about the United States for a few minutes and whether or not we can afford the luxuries of aid to Yugoslavia and the luxury of aid to other Communist countries or to some of our allies. I think it well to point out, Mr. Chairman, in the consideration of our own situation in our own country that this Government of ours has failed to live within its income for 26 out of the last 32 years and that the national debt of this country of ours has been increased \$32,100 million since the end of the Korean war in 1952. Mark you this, that every minute of every day—every minute of every day and every night—the interest on our public debt is costing us \$17,690. In the time that the gracious gentlewoman from Ohio has yielded me of 10 minutes, when I have completed, we will have paid in interest alone \$176,900. Every time the clock ticks the minute—interest—\$17,690. What has happened during this period of time when we have been so liberal with \$90 billion throughout the world—and some tell me it is more than \$90 billion. Has anyone ever figured what the interest has been on that \$90 billion? What has happened to the buying power of the dollar largely as the result of the deficit spending that we have been engaging in? The dollar is worth less than half of the prewar dollar of 1939. The latest official cost-of-living index figure which I will read to you is at a new alltime high of 129.1 percent of the 1937-49 dollar.

Someone today has said something about the flow of gold. Since January 1 of 1958, our national gold holdings have declined by over \$6,300 million. Notwithstanding the highest tax take we have ever had in this country we are still running into deficit spending. We continue to borrow to make these lavish payments. Everyone admits that much of it is being lost in projects that are not proper. Mark you this, with our public debt today of over \$300 billion, the total debt of the entire free world, the other countries of the free world, is \$100 billion less than our total—when you take all the countries of the world and consider their debt, it is \$100 billion less than the debt of this Nation.

It seems to me, Mr. Chairman, we have got to consider the United States of America when we contemplate the

spending of funds in sums of this amount.

The matter of a tax reduction has been touched on today, a tax reduction because we face a recession, and it is needed to bolster the economy of the United States of America. We are asked to give a tax reduction; but at the same time we have a bill before us today to spend \$4,800 million, with the interest alone for this year and the rest of the time it is out amounting to \$190 million every year—the interest alone on what they are trying to get today, \$4,800 million, will cost us \$190 million every year.

If we are faced with a recession, if we have to reduce taxes in order to bolster the economy of this country, it seems to me, Mr. Chairman, we had better look twice before we continue down this road of expenditures of this kind.

Mr. Chairman, I have taken this time to advise the House of my belief on this bill and to advise the membership that I intend to offer an amendment to this bill tomorrow when the bill is read. The amendment reads as follows:

On page 10, after line 22, insert a new section as follows:

"SEC. 301. None of the program funds (except those for military assistance) made available as a result of authorizations made herein or appropriations made pursuant to authorizations carried herein shall be expended during any month following the close of a preceding month in which the U.S. Daily Treasury Statement indicates that withdrawals from the general fund had exceeded deposits."

In other words, stop deficit spending for foreign aid. If you have a surplus in the Treasury, all right, go ahead; but so long as you are paying interest on deficit financing—and this would amount to \$190 million a year, so long as it is deficit financing we will slow it down except for the military aid. When you have a surplus, all right, go ahead; but so long as you are going further down the road of deficit spending we will put a halt to it.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield.

Mr. MORGAN. When the gentleman speaks of military aid does he speak of supporting assistance also?

Mr. BOW. I am speaking of military assistance as defined under the bill. But in many instances, I think the gentleman knows, as well as I do, military aid is usually the camouflage for economic aid.

Mr. MORGAN. There would not be any use in pouring military aid into South Korea, for instance, if we did not give them economic aid which we designate as "supporting assistance."

Mr. BOW. The gentleman knows that is done under the military aid provisions, under military assistance much "military assistance" does not go purely for military hardware. I am sure the gentleman knows that.

Mr. MORGAN. "Supporting assistance" is economic in the nature of commodities and goods which provide local currencies to pay the salaries of the 21

divisions that South Korea has in the field.

Secretary McNamara made a strong statement to our committee saying:

I wish to make it clear that I fully support the economic aid program. \* \* \* The two parts of the legislation and the two programs are in fact indispensable to each other; they are not competitive but complementary.

Without supporting assistance you could pour all the military hardware you want in there but it would do no good.

Mr. BOW. The gentleman realizes that.

I am not trying to stop your military assistance. It is a matter of some of the other ridiculous things, as the gentleman knows, that goes on under this bill that we can and should stop. There is no reason to take this country farther down the road to economic ruin.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Iowa.

Mr. JENSEN. I have listened to the gentleman with great interest, and I want to compliment him for his down-to-earth, commonsense, American speech.

Will the gentleman agree with me that the only harvest we can expect to reap from this spending program, which we have been indulging in at breakneck speed for almost three decades, is national bankruptcy, personal bankruptcy, and the ultimate end will be an inflated dollar? It could come very soon, as has been the case in every nation in this world that has traveled the full road of a spending spree that we have traveled at breakneck speed for nigh on to 30 years.

Mr. BOW. I agree with the gentleman.

Mr. JENSEN. The day will come when the people will refuse to buy bonds, when the Federal Reserve Bank will not be able to refinance or to fund the bonds as they come due because the banks of the country will by that time be in the position where they cannot buy the bonds. So the only recourse is, as it has been in every foreign country, to start the printing presses, then within a short time the dollar in your pocket will not buy a loaf of bread.

Mr. BOW. I agree with the gentleman, and thank him.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. BOW. I yield to the gentleman from Illinois.

Mr. COLLIER. I want to commend the gentleman for the fine speech he has just made. The point which the gentleman from Pennsylvania made again points up the necessity for what I believe to be the good sense of bringing this bill to the House in three separate and distinct appropriation bills, one economic assistance, military assistance, and technical assistance. Then we can debate them fully and be to some degree selective in this program.

Mr. MORGAN. Mr. Chairman, I yield 10 minutes to the gentleman from Delaware [Mr. McDowell].

Mr. McDOWELL. Mr. Chairman, once again we are engaged in the annual

debate on the question of U.S. foreign policy as exemplified by the foreign aid authorization bill, H.R. 11921, which is before us today. This legislation has been subjected to the established committee procedures of the House of Representatives, and has, after long and detailed hearing of testimony, been thoroughly and adequately revised, amended, and rewritten. Finally, H.R. 11921 was reported by the Foreign Affairs Committee by an overwhelming majority vote of the members of that committee.

Let me say at the outset of this debate that in spite of all of the massive criticisms of this legislation over the past years, the testimony before the committee this year was equally as emphatic and decisive as heretofore that our foreign aid program is essential to the support of our foreign policy, which is designed to protect and preserve the basic security of our country.

Without going into detail, for this is all contained in the committee report, and in the printed hearings, it can be said without fear of contradiction that the responsible civilian and military experts of our Government support the bill before us today. This is not in any way to suggest that each and every individual Member does not have a responsibility to make his own careful study and analysis of this important legislation, and that he should be reasonably certain in his own mind that he is in agreement with the profound and detailed testimony of those in other branches of the Government before casting his vote in favor of the bill. Today as never before in the history of our country the public is more and better informed and is more articulate on matters concerning foreign policy, and I am convinced that support of foreign aid as a part of our foreign policy is becoming more and more an expressed public opinion.

Those who would today, as in the past, dwell only upon specific and, in many cases, isolated examples of lack of evidence of immediate success of foreign aid represent more and more a minority opinion. The American people recognize that our country has reached the stage of international maturity, and those who continue to pine and cry for the "good old days of isolationism" are indeed a weak voice.

The American people are equally proud of maintaining a government which gives a maximum of individual liberties and freedom while at the same time providing for a sound basis for intelligent majority decisions for the general welfare and the basic security of the Nation.

It is our responsibility as the elected representatives of the people to reflect their good judgment in casting our votes on such matters in the general welfare as exemplified by the foreign aid legislation before us.

Mr. Chairman, I strongly disagree with a contradictory and irresponsible compendium of "no win" and "can't win" preconceptions of our foreign aid program.

Those critics who would use a shotgun approach to foreign aid ignore a considered appreciation of the powerful polit-



ical and economic forces that challenge our interests in the Far East and elsewhere.

They seem to argue that, since foreign assistance has not yet solved all of our foreign policy problems, the United States should virtually give up the attempt to ease those problems.

If we were to take such advice seriously, we would be forced ultimately to choose between two impossible alternatives: either to declare war on all who disagree with us or to abdicate our foreign responsibilities, withdraw to our shores, create a garrison state, and hope that the revolutionary forces which are shaping our modern world would consent to go away and leave us alone.

We are indeed locked in a monumental struggle against communism and all forms of totalitarian oppression. It is not a simple struggle, however, as some would like to view it; and it certainly cannot be won by terminating foreign aid or belaboring everyone who fails to see world developments precisely as we think they should see them.

Let us consider the major points that emerge from an analysis of this type of criticism.

These opponents of foreign aid speak vaguely of \$100 billion worth of foreign aid that has been poured down assorted ratholes by bureaucrats since the end of World War II. What are the facts?

Our foreign assistance expenditures from 1946 to 1961 amount to approximately \$90 billion. This is less than 1 percent of our gross national product over this same period.

Of this total, one-third, or \$30 billion, has been spent on military assistance: to buy arms and equipment to help build up the defenses of Britain, Italy, France, and West Germany in the days before they could afford such expenditures; to arm the Greeks and Turks in their struggle to maintain independence; and to give military assistance to the South Koreans, Vietnamese, Nationalist Chinese, and other allies.

In any such effort some mistakes are inevitable. But can any responsible citizen seriously support the general shotgun charge that foreign aid funds were poured down a rathole? Do they mean to suggest that because not every dollar has been spent wisely we should now abandon our friends?

Another third of the \$90 billion total has been spent on food and relief loans: on Public Law 480 foodstuffs to help fight the hunger on which communism thrives; on Export-Import Bank loans for commercial-type projects which can repay the funds borrowed in dollars; and on immediate post-World War II hunger relief.

At the same time our Public Law 480 program of assistance from our own surplus production has provided a major basis for underwriting the prosperity of the American farmer.

Would the critics of foreign aid prefer to have seen our bountiful crops plowed under? Or unused food still piling up at heavy rates of storage cost? Would they suggest that we abandon this effort and let millions go hungry abroad while our abundance rots in the storage bins?

The remaining \$30 billion has been spent on direct economic assistance; one-half of which went into the Marshall plan for the economic recovery of Western Europe. Only about \$3 billion has been allocated for economic development in the form of development loans and technical assistance.

Much of this \$30 billion, it should be noted, has been spent right here in the United States. In the process of helping other free nations, it has also helped to create jobs for Americans and to stimulate our own economic growth.

Yet there are those who would conclude that such economic assistance has also been a failure. Was the Marshall plan a failure? We have only to look at Europe today for our reply.

And what of development expenditures elsewhere? Let us take a specific example, the case of India:

Here is a subcontinent larger than Western Europe, with more people than Europe, divided by more languages than Europe. In 1947 when the British left, it was plagued by precolonial disunity, illiterate, poverty stricken, totally inexperienced in self-government.

Yet today, 15 years after independence, India constitutes one of the miracles of the postwar era, and U.S. assistance has helped make that miracle possible. Since 1947, India has produced a constitution based on our own, with three free, violence-free, national elections, a federal system of 14 states, a stable government, freedom of speech, freedom of assembly, and freedom of religion.

Today, 60 percent of India's children are in schools, malaria control is a virtually complete success, food production has been increased by 60 percent, average industrial production by 14.8 percent annually, and irrigated land has more than doubled.

Most important of all, these advancements have taken place in the context of a mighty contest between the free democratic system of India and the harsh police state methods of Communist China. All the people of the underdeveloped world have been watching this contest as a key to the future of Asia and Africa.

And what has happened? China under communism has failed. And India, the world's largest democracy, with all her difficulties, has become one of the great economic and political success stories of all time.

Today India's development constitutes an increasingly vigorous and appealing alternative to the totalitarian model provided by Communist China. Nowhere in Asia is a more telling victory for freedom being won.

Without American aid these advancements would not have been possible.

Yet, in the face of such facts, it is argued that India has "permitted" Communist China to occupy 12,000 square miles of her territory—a statement that ignores both the immense logistical problems that Indian forces face in the Ladakh area 16,000 feet above sea level, and India's mounting military preparations to deal with the Chinese threat under these adverse conditions.

It also ignores the fact that India, concentrating on economic development and forced to purchase all military equipment from England and France at regular market prices, has been at a major military disadvantage with an army smaller than that of South Korea pitted against Communist China's Soviet-equipped millions.

To be sure, India has often taken positions that do not coincide with ours; her unforgivable invasion of Goa is a case in point. But our foreign aid effort is not designed to buy satellites; it is designed to help free and independent countries remain free and independent within the framework of their own cultures and history.

In this regard, I come to the core of some mistaken conceptions.

One existing concept is that which seeks to perpetuate the old fallacy that the purpose of foreign assistance is to "buy" friends and allies; we are criticized for the attempt, and then condemned for not succeeding in that attempt.

Indeed, the conclusion of this notion advocates a policy of assistance only to those who are prepared to do our bidding—which is a blatant acceptance of the principle of friendship purchase, although such "dollar diplomacy" has been roundly condemned.

The reader is left breathless with the confusion of it all.

What are the facts? It is abundantly clear that the United States is not trying—nor should be trying—to "buy" friends. Rather, President Kennedy, joined with all responsible Americans, is dedicated to stimulating an honest enthusiasm for general betterment in the hearts of Asia's political and intellectual leaders, encouraging those leaders to establish real communications with the masses. History offers abundant evidence that efforts to "buy" friends are doomed to failure; moreover, such efforts are irrelevant to our aid programs.

Indeed, I find it particularly distressing that all too many foreign aid critics show no understanding whatsoever of the true purpose of these programs, although this purpose has been clearly stated and restated by the nine Congresses and four administrations that have authorized this bipartisan effort since 1944.

For instance, the Foreign Assistance Act of 1961, under which our present program operates, declares that our policy is "to seek a community of free, stable, and self-reliant countries." Nowhere has a policy of aid only to "friends" been decreed by either a Republican or Democratic administration, by either a Republican or Democratic Congress.

Now what do such policy declarations really mean? What is the essence of our purpose as a dispenser of economic assistance to the developing new nations?

Simply this: to create a world community of nations where freedom of choice is possible, and where free nations have an increasing capacity and will to defend their independence against all external and internal threats.

Such is our purpose, as stated by President Kennedy and by President Eisenhower before him.



Americans have no desire for satellites. We know that the best defense against communism everywhere in the world is freedom, diversity, and prosperity—with a steadily increasing number of nations in which such qualities are deeply rooted.

The achievements of foreign aid are oftentimes as inaccurately stated as is the purpose of foreign aid.

It has been alleged, for instance, that foreign aid has not been successful in stemming communism. Again this ignores the record.

Our military and economic aid programs have in fact been indispensable in stopping communism. For example, the Marshall plan stopped the march of communism in Western Europe. Greece is not a satellite today because of our aid program. Likewise because of aid, South Korea, South Vietnam, Iran, and others are not behind the Communist "curtains." India's and Pakistan's resistance to communism has been greatly strengthened.

It is a staggering achievement that of the 40 new countries that have come into being since 1946, not 1 has succumbed to communism in spite of the flow of Soviet rubles and undercover agents.

At this crucial moment, when we are sending American troops to northern Thailand and are acting as advisers in the hot war in South Vietnam, I particularly oppose any suggestion to curtail or phase out our aid program in southwest Asia. This would be an unfortunate and untimely blow at the morale of millions of people in this area who are counting on us to help preserve their freedom.

There has undoubtedly been some waste and mismanagement in our assistance to southwest Asia in the fifties. Every effort should now be made, and is being made, to learn from past errors. But it is patent nonsense to let southeast Asia go down the Communist drain because of our own frustrations and lack of faith.

Recent testimony and my own observations show that, although conditions in some of the southeast Asian nations are not as free as they should be, genuine progress is being made. The U.S. Government has been pressing hard for increased reforms to the fullest extent possible under the present security conditions. It should push even harder.

I might add that our greatest errors in this region have come not from the granting of assistance, but from a failure to understand the types of assistance required in specific situations and the political forces at work in each nation and each region. In this regard, we have much to learn from our own grievous politico-military error in Laos in 1956-60.

Any suggestion that foreign aid is "pure" humanitarianism simply does not reflect the facts.

Although there is nothing wrong with humanitarianism, the program has never been so described. The fact of the matter is that our humane motivations coincide with urgent considerations of national self-interest.

The burgeoning economies of Greece, Japan, Israel, and Taiwan, in large part the result of foreign aid, should be ac-

claimed not dismissed. The extraordinary progress in vast and complex India, especially when compared with the slow-down in Red China, is oftentimes condemned because India does not act exactly as we think she should act. Is India's independence, sensitivity, and, on occasion, arrogance, in the face of U.S. criticism not similar to our own reaction to European critics in the first century of our own Republic?

The quickening tempo of world events, both in the frequency and intensity with which they affect U.S. national security, requires continuous supervision and evaluation of U.S. foreign policies and their execution. The area covered by the committee in its study tour has, because of urgent problems of development in these ancient countries, the greatest possibility for change along with the greatest pressures for change to be realized.

U.S. policy must display the most skillful military, economic, and political coordination by officials of the U.S. Government, both the policymakers in Washington and the administrators in the field, of the adopted programs. The military policy must assist, when needed, friendly governments in maintaining the stability necessary for economic development and political organization to take place. Economic development, with the assistance of U.S. aid, must redress, with increased rapidity, the imbalance between the needs of the people and capacity of society to meet them. Only as the gap between the "haves" and the "have nots" is reduced, will there be any enduring stability in the newly independent countries around which an enduring U.S. foreign policy can be built.

Government programs will carry the major responsibility for aid for a number of years, but it is to be hoped that American enterprise, through private investments, as was envisaged in the original point 4 proposal, will progressively participate in the economic development of all countries significant to our national security. The enterprise and initiative, as were employed in the development of this country, must be applied to the new frontiers of entrepreneurship to discover a satisfactory basis to make capital ventures abroad mutually beneficial. The transplanting of successful managerial skills, constructive labor relations, and know-how into the economics of developing countries will, if done with the best practices of American industry—as distinguished from economic colonialism and piracy—provide an enduring basis for U.S. economic interests abroad compatible with U.S. foreign policy.

Continued attention must be given to coordinate U.S. support for economic development that will progressively broaden the political base on which a viable democratic system rests. In the formulation of aid programs, careful consideration must be given not only to their economic but also their political consequences. If economic development is to contribute to desirable political growth, adequate tax reform and land distribution must take place in most if not all countries in this area, otherwise present

economic distortion will be reinforced rather than remedied. U.S. aid policies alone cannot accomplish this end, but the selection of projects and programs can certainly encourage it.

Foreign aid not only continues but has increased as a significant instrument of U.S. foreign policy. The challenge evidenced in the acceleration of the cold war and limited war in these areas by our adversaries required a more exacting definition of the objectives of the aid program and a higher standard of execution of the programs to achieve the objectives. The hard and demanding circumstances surrounding the future of Asian countries enhance foreign aid as an instrument of U.S. foreign policy.

As long as substantial disparity between the "have" and "have nots" exists to be exploited by our adversaries in the cold war, the requirements of our national security demand that aid, in appropriate amounts and properly administered, be extended to the countries whose governments and people are endeavoring to achieve sufficient stability to continue free of foreign domination.

The responsibility for assisting the efforts of these countries to modify this extreme imbalance that exists, rests inescapably in part on the United States, for our national security is involved in the ultimate outcome of these efforts. The policies of this administration, as have the policies of all administrations since World War II, have recognized and accepted this necessity.

The experience gained in the years of use of aid as an instrument of U.S. foreign policy must be utilized by both the legislative and executive branches of the Government in insuring further success with present and future aid. The increased tempo of the various aspects of the cold war and economic offensives require an increasingly exacting definition of the objectives of U.S. aid and the programs and administration to achieve them. The AID organization, possessed with a generous congressional grant of discretion, must definitely and determinedly sift and winnow its programs and personnel to achieve the maximum success in the shortest time possible.

No thoughtful American would maintain that our foreign aid program has solved or can ever hope to solve all of the world's problems. Nor can it be said that there have been no errors, waste, or failures in our 15 years of experience as a leader of the free world.

Yet historians will not accept the difficulties which we face as an excuse for failing to do all we can; indeed, it may be said for abdicating our national responsibility. Nor can anyone aware of the history of our time and the history of our foreign assistance effort deny the unprecedented accomplishments of this unprecedented program, much less assert that it be arbitrarily curtailed because the problems it attempts to solve are too large and too difficult.

Our foreign policy objective is to create a world of stable, free, and independent countries, willing and able to meet their own problems in peace and freedom.

The foreign assistance program is a vital, successful, integral arm of that



policy. It deserves the understanding and support of the American people and the American Congress.

May I say in closing that while disagreeing sharply with some of the reasoning and conclusions of my colleagues, I understand the frustrations from which their position stems. We are dealing with an infinitely complex world, with problems that have no precedent, with responsibilities that were not of our asking.

Our task is particularly difficult because we Americans are accustomed by long experience to quick and final solutions. We are all anxious now to get things settled overseas once and for all so that we can concentrate on the business and future of America.

Yet neither today's world nor tomorrow's world can be easily shaped to our precise concepts. But the stakes are not less than the peace and freedom of mankind.

I include as a part of my remarks, the attached newspaper articles and letters which indicate the great variety of results and accomplishments which our foreign aid program have created throughout the world:

[From the Washington Post,  
July 8, 1962]

#### HAVE-NOTS GAIN FROM ISRAELIS' EXPERIENCE (By Eleanor Templeton)

TEL AVIV.—One of the most successful aid programs in the world today in terms of effectiveness is at the same time one of the most modest in size. It is the aid extended by Israel to the developing countries of Africa and Asia.

No giant projects are involved and no vast outlays of money. Israel could not afford these, as she is still traveling the rocky road of development herself. Yet it is largely for this very reason that her help is both sought after and resultful.

In the process of trying to make the best of a materially poor country, Israelis have brought fresh and dynamic solutions to many fundamental development problems. And it is the fundamentals that count, particularly in Africa, where most newly independent countries are wrestling with the most basic facts of national existence.

Israeli experts function accordingly. There is nothing of the big executive about them; they are shirt-sleeve operators working right alongside their trainees in field, factory, office, laboratory or hospital. They aim to create a sense of accomplishment and to communicate the Israel ideal of pride in hard and fruitful labor.

Israel's aid program is under the supervision of the Department of International Cooperation of the Ministry of Foreign Affairs. Assistance is given by training Afro-Asians in Israel; by sending out Israel experts, instructors, and survey missions, and by sending out teams of Israelis who are assisted in the field by local personnel already trained in Israel.

More than 1,000 trainees from developing countries are studying in Israel. By far the greatest number of these come from Africa. Their training embraces a wide range of what might be termed "survival subjects": the raising and distribution of food; the building of homes and villages; the establishment of small industries; care of the sick and the guarding of public health; the spreading of basic education.

Through study and actual work on farms, those whose special interest is agriculture gain practical knowledge of poultry raising, water distribution and crop control; of how to establish cooperative agricultural settle-

ments and utilize cooperative marketing methods.

Another program, geared to the requirements of setting up small industries, accents vocational training. Students learn carpentry, metal and electrical work, auto mechanics, telecommunications, construction, and basic community planning.

Then there is the critical area of public health, in which Israel, with her unusually high ratio of skilled medical men, is able to provide invaluable assistance. In addition to training in nursing and other specialized medical subjects, Hebrew University-Hadassah Medical School is inaugurating a 6-year course in medicine to be conducted in English for 20 students from Africa and Asia, with a parallel course in French planned for next year.

Israel also provides 1,000 university and postgraduate scholarships to Africans and Asians, who can study in institutions known internationally for their excellence, such as the Hebrew University in Jerusalem, the Technion in Haifa and the Weizmann Institute of Science in Rehovoth.

And for youths below university age, an outstanding role is played by the Israel paramilitary cadet organization known as Gadna, for youngsters from 14 to 18. Gadna's activities include camping, scouting, mapmaking and mapreading, handicrafts, sports, folk dancing, field games, and overall indoctrination in the principles of good citizenship.

Africans and Asians studying this program live in Gadna camps for 4½ months and wear uniforms with shoulder patches showing the name of the student's country. Instruction in English and French also includes courses in youth welfare services and in organizing and administering a youth organization.

Another source of utilitarian learning is Israel's national labor federation, the Histadrut. It is unique among federations in that it is itself engaged in a number of economic enterprises which operate on cooperative lines.

This is a situation born of necessity; the Histadrut became what it is in response to the urgencies of a society forced to build itself up with a large measure of ingenuity and self-help. It has acquired a great deal of knowledge to pass along to those interested in learning how unionism and cooperation can combine to speed development.

A great many Africans are indeed interested—one of them being Kenya's Tom Mboya, who honeymooned in Israel in January.

During the last 2 years, hardly a month has gone by without a visit by some African or Asian heads of state, ministers, political leaders, labor leaders, civil servants, teachers, social workers, and others who were invited to attend conferences or to see what makes Israel run.

In sending Israeli experts out to the developing countries, the emphasis is on projects closely related to basic needs. For example, high school teachers, vocational instructors, and youth training specialists are working to improve primary and secondary education in Ethiopia, Guinea, Mali, Ghana, Niger, Togo, both Congos, Senegal, and the Central African Republic.

Israeli doctors and medical technicians have helped establish hospitals, clinics, and public health services in Ethiopia, Liberia, Sierra Leone, Congo (Leopoldville), and Ghana. Agricultural experts have handled crop problems, water development, and the setting up of cooperative farm settlements and marketing organizations in Burma and across central Africa from east to west.

In the same farflung territories, Israeli architects and engineers have directed the building of roads and airports; public works and public buildings; urban and rural housing; factories, schools, and hotels—all the

while training local personnel to take over after the Israelis leave.

Building projects often are under the auspices of joint construction companies in which the host country owns a majority share and from which Israel withdraws at a specified time. In Africa, about 350 Israelis and 30,000 local employees are engaged in these programs. Thus a large army of qualified workers is being created, ranging from professional and supervisory personnel to carpenters and mechanics.

The joint enterprise plan also has been applied to shipping, most notably in the case of Ghana's Black Star Shipping Co. This association began in 1957 with Israel operating the initial fleet and training Ghanaian officers and crews.

Today, the Black Star line employs nearly 500 Ghanalians, has started its own stevedoring operations and is preparing to open a tourist office. Ghana assumed entire control of the company some time ago, retaining Israel's Zim Navigation Co. as managing agent under contract until 1967.

Israel's readiness to retire from the scene once her mission is accomplished contributes enormously to the success of her assistance programs. There is no fear that "colonialist designs" lurk behind her efforts; what she gives is offered in the spirit of friendship, and friendship is what she wants in return.

[From the Washington Post, July 8, 1962]  
AID TO INDIA COULD BE CASUALTY OF OWN MAKING

(By Warren Unna)

The administration's foreign aid authorization bill comes up on the House floor Monday, and if the Senate's vote last month is any precedent, there are ominous signs for India.

The Senate, in a highly unusual spelling out of an individual country in an aid bill, cut back the administration's Indian aid request of \$815 million to the past year's level, around \$727 million. And this cut was made in the first round of authorization. In the actual appropriation bill, the cuts are usually far deeper. And the authorization bill still has to run the House gantlet.

A cut in Indian aid this year would come just at a time when Indian-American relations are plummeting toward an all-time low. Yet even while the temper of Congress and, conceivably, of the President himself toward India is provoking such a cut, Indian and American objectives are more closely intertwined than ever before.

#### THE PERFECT PROTOTYPE

For India, despite all the gall that her moralizing on foreign affairs has engendered in this country, today towers among her Asian neighbors. She has the precise type of government that the United States is anxious to see develop in all the newly independent former colonies. India is a really working democracy.

And despite a population of 438 million which is second only to Communist China's, and some of the world's worst poverty, India has managed to survive her 14 years of independence without having to resort to the paternal military dictatorships of such Asian neighbors as Pakistan, Burma, Thailand, South Vietnam, Taiwan, and South Korea.

Last February, India, in holding her third 5-year general election, not only managed to get more people out to the polls than any other democracy in the world; she did it without either confusion or bloodshed. And despite all the petty annoyances of a large bureaucracy, India is investing more of her money and energy in economic improvement than any other underdeveloped nation.

Even when the record in international relations is cited, the coincidence of Indian actions with American objectives has been far more frequent than either country, in its



present state of petulance, seems willing to acknowledge.

While the rest of the free world talks about Communist China as being its greatest potential enemy, India is the one nation skirmishing with Chinese troops—in the conflict of claims to Ladakh.

The United States has military trainers in South Vietnam to help that country fight off its Communist infiltrators; the recent decision of the Indian chairman of the International Control Commission in finding Communist North Vietnam guilty of trying to overthrow the South Vietnam government, now provides the legal justification for that U.S. participation.

While the United States considers its large financial contribution to the United Nations Congo operation vital to the survival of both the U.N. and the Congo, it is India's contingent of 5,000 troops in the U.N.'s Congo forces that provides the real fighting power.

#### RIFT OVER LUMUMBA

With such dovetailing of international objectives, what has gone wrong between India and the United States?

From the American point of view, it might have begun in late 1960 when India's espousal of the late Congo Premier Patrice Lumumba was looked upon as mischievous, if not actually pro-Communist. India insisted that Lumumba more truly represented the Congolese than some of the West's candidates.

Then when the Soviet Union defied world opinion and began holding large nuclear tests in the atmosphere last September, India's Defense Minister and chief U.N. spokesman, V. K. Krishna Menon, started denouncing America's controlled underground shots as being equally harmful to world welfare.

When Indian Prime Minister Jawaharlal Nehru dispatched Menon to the White House in November for a kiss-and-make-up call on President Kennedy, Menon is said to have spent 44 of his 48 minutes lecturing the President, telling him he was badly informed on what was going on in South Vietnam and urging him to send Republican Henry Cabot Lodge back to head the U.S. mission at the U.N. in place of a man Menon could not abide, Adlai Stevenson.

U.S. Presidents are not accustomed to being lectured to by anyone. Menon's "good will" call made sore points even sorer.

#### THE GOA SURPRISE

Last December, when India seized Portuguese Goa, the United States discovered that India's nationalistic aspirations had made quick hypocrisy of all the years of lectures on how other nations should behave.

Last month, when India had the Soviet Union veto an innocuous U.N. resolution on Kashmir and told the U.N. in so many words that the Indian-Pakistan dispute over Kashmir was no longer any of the U.N.'s business, India's moralizing lectures once again were deflated.

And today, when India is convinced that she needs jet fighters to defend herself against the jets facing her from Pakistan and Communist China, and makes it appear that the Soviet Union is just dying to supply them, the United States is inclined to remember the if-you-won't-Russia-will tactic pulled by Egypt in 1956 in trying to find a backer for her Aswan Dam.

The United States thinks it has done its best by India. It has seen to it that India received more economic aid than any other country. It has come a long way from the "immoral neutral" philosophy held by the late Secretary of State John Foster Dulles during his early years in office.

#### AN ECHO FROM NEHRU

Yet instead of appreciation, or even understanding, the United States now finds itself rewarded with the sarcastic guttural of

Krishna Menon. And a few weeks ago, the United States also became the butt of Menon's boss, Prime Minister Nehru.

"It is a matter of deep regret to me," Nehru told a press conference, "that repeatedly on subjects which concern us greatly, about which we feel rather passionately almost—subjects like Goa and Kashmir—it should be our misfortune that the two great powers, the United States and the United Kingdom, should almost invariably be against us."

In one way, Nehru was speaking for the Indian intellectual, who has long insisted that India must be harsher in its judgment of the West than of the East because a Western-tutored India expected the West to know and do better. But in another way, Nehru was endorsing the cynical contempt that his chief adviser Menon holds for the West.

#### PORTRAIT OF UNCLE

An Indian journalist visiting Washington last week expressed this cynicism in two ways:

1. "The British tortured Nehru physically by putting him in prison before our independence. You Americans now are torturing him mentally."

2. "We Indians essentially are cultivators. There is never enough food from the land, so we always are at the mercy of the moneylenders and are told what to do. You Americans now are the moneylenders."

Deserve it or not, in many quarters of India the wealthy American is looked upon as the white colonial successor to the old British raj. And since Britain's dominance as a world power has waned, she goes almost unnoticed in the SEATO and CENTO military alliances with India's border enemy Pakistan. The United States, as Pakistan's armorer, finds itself having to justify doubly its peaceful intentions toward India.

From the Indian point of view, there should be no question of American sympathy on such causes as Goa and Kashmir. Where is the revolutionary America of 1776, Indians ask. Would America have had even the 14 years of patience India had in tolerating a Portuguese enclave the size of Rhode Island festering within its subcontinent? Could an America which fought for separation of church and state permit a Pakistani Kashmir where the official religion would be Mohammedanism?

And, surprising as it may seem to those who view Adlai Stevenson as America's best intermediary with the underdeveloped world, the U.S. chief spokesman at the U.N. does not get across to the Indians. As one expert put it: "There are only two professional moralizers in this world, Nehru and Stevenson, and neither can tolerate the competition."

Indian-American relations certainly have not been improved by Krishna Menon. He has never made the slightest attempt to conceal his contempt for America and his admiration of the Soviet Union. But he is equally contemptuous of many of his fellow Indian officials, and for that reason equally disliked by them.

Prime Minister Nehru, however, is not one of that group. Menon was Nehru's first sponsor when Menon, the brilliant and successful lawyer, headed the Indian League in London and Nehru was an unknown writer and revolutionary. Menon long has been Nehru's only real intellectual equal in the Indian cabinet, the only one with whom Nehru, as Minister of External Affairs, can discuss external affairs.

And where there is a dirty job to be done—as invariably happens in the governing of any country—Nehru has found it politic to turn the other way while knowing surely that the necessary will be done.

But this tandem operation may be coming unbalanced. At 72, Nehru not only is aging; he has lately been seriously ill with kidney

poisoning. His colleagues have found him more ill-tempered, often listless and often unavailable.

Menon, meanwhile, has been exploiting his double job as Defense Minister and chief foreign affairs spokesman at the U.N. And he has not been oblivious to the foreign policy situations he can create as Defense Minister. The most recent one was his recommendation that India go to the Soviet Union for her jets and thus make a complete shift from her traditional military dependency on Britain and the West.

Menon also cannot be unaware that by requesting the Soviet Union to bail out India with a veto at the U.N.—as he did on Goa and Kashmir—he is increasing his country's debt to Moscow.

On another plane, just when strong embassies are needed in New Delhi and Washington to counteract Indian-American misunderstandings, both embassies suddenly find themselves considerably weaker than in several years.

J. Kenneth Galbraith, the U.S. Ambassador to India, has just completed his sixth trip to the United States in the little over a year since he was accredited.

B. K. Nehru, the Prime Minister's cousin and Ambassador to the United States, has been rebuked by both his chief and the Communist Party opposition in Parliament for making too much of India's defense needs in trying to obtain American jets. Now he has departed in frustration for lengthy stays in Europe and Latin America.

His deputy, Minister D. N. Chatterjee, a mainstay in promoting Indian-American understanding for the past 3½ years, leaves this week to become the first Indian Ambassador to the Congo. The embassy not only will be left leaderless; it is coming more and more under criticism in New Delhi for being too pro-American.

So despite all the reasons why the United States and India should be in closer harmony than ever before, bitterness at the United Nations, the personal element of Krishna Menon, Prime Minister Nehru's debilitation and embassy abdications have been working against it.

And now a Congress long weary of foreign aid may reapply the old we-like-you-we-like-you-not criterion. And a President understandably frustrated with finding his best efforts unappreciated may find that there are more rewarding battles to be fought than India's.

If this should come to pass, India would be deprived of foreign aid she needs to achieve the economic progress vital to a successful democratic society. And the United States might find herself deprived of the friendship of the most important democracy in Asia.

[From the New York Times, July 8, 1962]

#### TURKS' VOTE BACKS INONU'S COALITION

ISTANBUL, TURKEY, July 7.—Premier Ismet Inonu won a vote of confidence in the Chamber of Deputies today for the program of his newly formed three-party coalition government.

The vote was 259 to 135. The figures indicated that about 30 Deputies of the opposition Justice Party, which had been expected to vote solidly against the program, had cut through party lines to support Mr. Inonu.

The 78-year-old Premier's program proclaims Turkey's attachment to Western democracy and proposes economic and social reforms in most branches of Turkish national life.

The coalition consists of the Premier's People's Republican Party and two smaller groups, the New Turkey and Peasants' National Parties.

The vote was preceded by 3 days of debate on the program, some of it bitterly recriminating. On Thursday fighting broke out among the Deputies after a spokesman for



the small National Party had charged that Mr. Inonu had maneuvered into the premiership by the armed forces.

Following the vote of confidence, Premier Inonu addressed Parliament. He deplored the wide publicity given to accusations by some of the army officers who retired after their unsuccessful attempt to overthrow the Government February 22. They charge that a number of prominent generals double-crossed them by withdrawing their support of the abortive action.

"The army rejected these officer adventurers," Mr. Inonu said, "and it is completely clear now that the armed forces see that the country's safety lies within a democratic regime. The attempt of the adventurers completely failed and has been condemned by the army and the nation."

As Mr. Inonu left the chamber, a Deputy of his People's Republican Party shouted toward the benches of the Justice Party: "The February 22 scandal was your fault."

A fist fight started, but the chamber was speedily cleared and Parliament was recessed for a summer vacation until September 4.

[From the New York Times, July 8, 1962]

#### GREEKS AND TURKS MAY GET NEW AID

(By Edwin L. Dale, Jr.)

PARIS, July 6.—What may become a major new foreign-aid program for Greece and Turkey is taking shape in the Organization for Economic Cooperation and Development.

The organization, formed at the end of 1960 is composed of the United States, Canada, and 18 European countries.

The issue will be taken up seriously for the first time next week by the organization's council, its ruling body. The council will have before it a report of the Economic Development and Review Committee, to the effect that both countries have reasonable 5-year development programs and will need substantial external assistance to realize them.

Turkey evidently will require at least twice as much as Greece. There are still no precise estimates of the help needed, but figures published by the Government indicate a Turkish shortage of foreign exchange, to finance imports, of more than \$1 billion in the next 5 years.

This does not include the need to find foreign exchange to pay off a large accumulation of short-term debts.

#### NO ORGANIZATIONAL FUND

Greece currently is revising her estimates, but an exchange gap of roughly half the Turkish level appears indicated. Greece does not have a short-term-debt problem.

The Organization for Economic Cooperation and Development as such has never engaged in an aid program, nor did its predecessor, the Organization for European Economic Cooperation. It has no development-aid funds of its own, but it includes nearly all the important aid-giving nations of the non-Communist world.

Thus the aid will be given by members of the Organization for Economic Cooperation and Development rather than by the organization itself. But the aim is to build up an agreed and coordinated aid plan, with a fair sharing of the burden.

The main step taken to date is the report by the Economic Development and Review Committee that both Turkey and Greece have produced sound development plans and cannot hope to achieve the economic growth they need without aid.

#### MOVE URGED BY NATO

The Organization for Economic Cooperation and Development took over the Greek-Turkish problem after the North Atlantic Treaty Organization recommended in April that the Atlantic alliance members form con-

sortiums to meet the two countries' needs. Greece and Turkey are members of both groups.

A key question in the forthcoming debates will be how many Organization for Economic Cooperation and Development members will be willing to contribute. Up to now the great bulk of help to both Greece and Turkey has come from the United States.

A sizable amount also was given by West Germany, and a little by Italy to Greece in the form of reparations.

[From the Washington Post, July 8, 1962]

#### UNITED STATES SHOULDN'T SLAM DOOR ON YUGOSLAVIA

(By George F. Kennan, U.S. Ambassador to Yugoslavia and distinguished authority on Soviet affairs)

For American statesmanship of the post-war period, the countries of Eastern Europe have always presented problems of utmost complexity. The pattern has been full of contradictions. One has had to bear in mind the interests and aspirations of regimes, but one has also had to bear in mind the interests and aspirations of peoples.

Because such contradictory factors were involved, any effective policy toward these countries has always had to embrace what appeared outwardly to be contradictory elements: an alternation of denial and concession. This has been true of our policy toward Russia, as well.

In such cases, the effectiveness of a policy depends not on trying to eliminate all elements of apparent contradiction but on the skill and flexibility with which these opposite elements can be exploited for the main purpose, which in our case is the creation of conditions conducive to a reasonably just and stable peace. For this reason, the Executive has always had to ask of both Congress and the people, when it came to handling the problems of this part of the world, a relatively wide latitude of action for itself and a certain forbearance by others from too much back-seat driving.

#### FOURTEEN YEARS DIVERGING

Yugoslavia has been no exception to this rule. True, the problem has been somewhat simplified here by the fact that since 1948 the country has been free of Soviet control and has conducted an independent policy. Of this there can, in my view, and I believe in that of every qualified observer of the Yugoslav scene, be no possible doubt.

It is true that the views Yugoslav leaders have put forward on various international problems have often been in conflict with our own. Sometime (not always) they have coincided with those of Khrushchev. This is disturbing and, from our standpoint, regrettable. It constitutes a fact which we have had to take into account in framing our policies.

But it is not proof that the Yugoslavs are not independent. People can agree with others voluntarily, for reasons of their own and not because they are forced to do so. Some people, after all, agree with us.

It is now 14 years since Yugoslavia's independence of the Soviet bloc was established. During this period, the development of both ideas and institutions in Yugoslavia has been steadily away from Soviet patterns. In a number of important and critical respects, Yugoslavia's situation now differs fundamentally from that of the bloc.

The movement has not always been in the direction of our own ideas and institutions, but it has generally been in the direction of ones with which we can live—ones compatible with a normal and fruitful relationship between our two countries. To this we must add the fact of an overwhelmingly friendly disposition toward us on the part of the Yugoslav people.

#### A PROVED APPROACH

In these circumstances, I do not know of a single person who has occupied himself responsibly with this problem in recent years who does not agree that it has been to our interest to support where we could the effort of the Yugoslavs to retain their political independence and to encourage the development of Yugoslav society along lines that correspond to its own needs, traditions, and geographic position rather than to the requirements of any outside political grouping. Three administrations, after looking at the problem very hard, have come to this conclusion and have tried to act accordingly.

This has not always been easy. There have occasionally been false starts and mistakes on our part. The Yugoslav leaders have not always made things easy. Yet it is the unanimous view, I think, of all of us who have been concerned with the problem, that the effort has been worthwhile—from Yugoslavia's standpoint and from ours.

It has contributed importantly to the solution of a number of specific problems of the Southeast European area: such things as Trieste, the Austrian peace treaty and the stabilization of conditions on the Greek border—all questions by which the peace of Europe might, in other circumstances, have been seriously disturbed.

It has kept the forces of the Warsaw Pact at a considerable distance from the Adriatic. It has exercised on conditions and relationships within the Soviet bloc an influence which I am sure has been conducive to the interests of a more stable world and actually to the real long-term interests even of the bloc peoples themselves.

It is of the greatest importance that our support for Yugoslavia's independence, which has been consistently and successfully pursued for 14 years, not be interrupted at this present delicate moment in world affairs.

It is essential that the Yugoslavs should move into the coming period with the confidence that if their own policies are ones which show reasonable respect for Western interests, they can have the advantages of a normal and mutually profitable political and economic relationship with the West. The aim of American diplomacy should be, and must be, to confirm them in this impression.

During the present session of Congress, amendments to two bills have been introduced which would have exactly the opposite effect. One of these would inhibit all aid to Yugoslavia except surplus food. The other would deprive Yugoslavia of most-favored-nation treatment for the export of her goods to this country.

If the aim of its authors was to curtail aid to Yugoslavia, the first of these amendments was wholly unnecessary. For various reasons, aid outside the category of surplus food was already being drastically curtailed. It would have been confined, in any case, to almost negligible dimensions in the forthcoming period. This is a situation warranted by present circumstances.

What the amendment actually does, however, besides expressing ill will to Yugoslavia, is merely to make it impossible for our Government to say to the Yugoslavs that if circumstances were to change in ways we could view as desirable, there might be a possibility of our being more helpful.

For the second amendment, it is hard to discern any motive at all other than a desire to inflict gratuitous hardship on both the Government and the people of Yugoslavia. The country is already suffering not only from the effects of two seasons of drought but also from a severe crisis in its balance of international payments. Yugoslavs are greatly worried, and not entirely without reason, over the future effects of the European Common Market on their export possibilities.

The proposed amendment would simply make it more difficult for them than it would otherwise be to meet their international obligations, including the ones they have incurred to ourselves; and the lack of any particular occasion for such an injury would cause it to appear doubly vindictive.

Together, these amendments would have the effect of confronting the Yugoslavs with a closed and locked door on the Western side precisely at a time when it is imperative that it be clear to them that this door is open. Never has it been more important that the choices by which they are confronted should be fair ones, and not ones slanted, as the amendments could cause them to be, in favor of a pro-Soviet orientation. None of us can deal with the Yugoslavs successfully on behalf of our country if we have only a closed door behind us to point to.

It is sometimes said that the effect of these amendments would be to force Yugoslavia back into the Soviet bloc. I would not go this far. I think the Yugoslavs will continue to exert every effort to maintain their hard-won independence, whether or not our Congress shows sympathy for that effort. But it would be hard for any of us to explain to them, and even harder for the Yugoslav leaders to explain to their own people, why we should want to go out of our way to make this effort more difficult for them than it need otherwise be.

If these amendments go through, the administration will have been denied the latitude of action necessary to enable it to handle effectively a delicate and important area of our foreign relations, and one that has important connotations for our political encounter with the Soviet bloc as a whole. The foreign policy of a great power simply cannot be successfully conducted under such handicaps.

What is involved here is a fundamental issue of executive-legislative relations affecting the success of our international undertakings and the entire security of our Nation. It is difficult to believe that any Member of Congress who knew the facts, and had reflected on their true meaning, could wish to share responsibility for the grievous narrowing of the possibilities of American statesmanship which amendments of this nature would impose.

[From the Polish Nowy Swiat, July 3, 1962]

#### AID TO POLAND

Whatever one may deduce, we live through a period of constant apprehension and fear. We fear what tomorrow has in store for us. We fear what our prospective enemy is bound to involve us in. We fear the future.

And whatever the scientific conclusions of expert politicians, we know that most of our fears stem from the fact that we had succumbed, in World War II, to unnecessary fears and concluded an alliance with one of the world's two totalitarian powers—to make it easier for us to combat the other totalitarian monster—and after winning the war failed to win the peace by continuing the unholy alliance with the wartime totalitarian ally who skinned us to the amount of \$11 billion, whereupon he proclaimed that he is the victor, having won World War II, both in Europe and Asia.

And whatever one now thinks about the international situation, the fact of the matter is that none of us feel comfortable (if one is a thinking human). And this in spite of all our riches and the easy life of onlookers and sybarites we lead.

As regards Poland fears there are general. The situation is variously described as "fine," "so-so," "rotten," "unbearable," "poor," "economically desperate," etc. It all depends who is telling the story, what one wanted to see, what one was shown by the powers that

be, and how much one knew about the country in prewar as well as postwar time.

During the foreign-aid zigzag voting in the House and in the Senate, one could hardly discern the truth. In came Delaware Democrat HARRIS B. McDOWELL with the story that the ravages of World War II are still prominent in Poland, and that in spite of all the big noise Communists and non-Communists are making about the postwar industrialization of the country, Poland's industrial base still remains small. One would think that in spite of hailing from the second smallest State of the Union, McDOWELL talks big as an American, and compares everything in industry with the world's greatest industrial power.

Be that as it may, McDOWELL was well orientated upon his return from Poland and was able to announce that any help from America in reducing Poland's economic dependence on the Soviet Union is welcomed and appreciated. This he concluded after warning all and sundry that if the United States continues to trade with Poland, it must understand that the Polish Government is firmly communistic and that American policies must be subject to change at any moment.

There is nothing in Poland—said McDOWELL—to justify any optimism that the country can be detached from the communistic bloc in the immediate future. And here you have in a nutshell the whole story. An honest account and an honest opinion of one of our lawgivers, capped by the following final statement:

"The alternative to continuation of our surplus food program to Poland would be to deny this humanitarian type of assistance to the people of that country, thereby turning our back on the tradition of good will and friendship toward the United States which has historically existed between the people of Poland and the people of the United States."

Mind you, this is not a fellow Polish-American, but—judging by the name, a man whose ancestors, like ours, came over the great pond from a different, old country and who used the same arguments members of the Supreme Council of the Polish American Congress used in their resolutions passed June 17 at their sixth meeting in Washington.

[From the New York Times, July 8, 1962]

#### U.S. GOVERNMENT WILL AID FRIENDLY NATIONS

Two political developments have led to the American determination to keep troops overseas: the consensus that this Nation would not retreat into isolationism and the recognition of the Communist threat to the free world embodied in the Czech coup of 1948. In West Europe, where the major threat lay in a Soviet onslaught on the ground, the largest American commitment has been in ground forces. Most of the 260,000 officers and men stationed in West Germany under NATO are Army personnel. In addition, the United States has strategic and tactical airpower assigned to NATO. It has missile bases in England, Italy, and Turkey and has the 6th Fleet in the Mediterranean. There are more than 400,000 American servicemen in Western Europe today. In the Far East, the Navy and Air Force—and especially the 7th Fleet—have borne the major burden of guarding against Communist Chinese expansion. American troops in southeast Asia itself, although small in number, represent what might now be called the new frontier in anti-Communist containment. In South Vietnam, U.S. forces are present in an advisory capacity, to help train indigenous forces and to experiment with guerrilla warfare techniques. One consistent threat runs through these varied troop commitments—that of a U.S. obligation to aid

any of its allies in the event of armed Communist aggression. The more than 700,000 men—over one-fourth of the U.S. armed strength—stationed outside the continental United States are, in effect, living promises that the U.S. Government will aid friendly, treaty-bound countries if trouble arises. President Kennedy has said there is no intention to alter this troop distribution even though the expense of maintaining it contributes to the unfavorable U.S. payments balance. For reasons of security, it is expected that this cost will continue to be borne.

[From the New York Times, July 8, 1962]

#### MOSCOW SAYS ITS AID INCREASES TO POORER NON-RED COUNTRIES

(By Harry Schwartz)

An official Soviet report published recently indicates that the deliveries of Soviet economic aid to non-Communist underdeveloped countries will rise sharply this year.

In a statement to Tass, the Soviet press agency, I. V. Arkhipov, deputy chief of the Soviet economic aid program, said that deliveries of Soviet equipment would be made this year to 169 projects under construction in 18 underdeveloped countries. This compares, he said, with deliveries to 123 projects last year.

To mid-1962, Mr. Arkhipov said, the total value of Soviet economic aid promised to these countries amounted to 3 million rubles, or about \$3,300 million at the official rate of exchange. The aid is in the form of credits carrying 2.5 percent interest and repayable in 12 years.

Since World War II, the United States has extended more than \$23 billion in economic aid to underdeveloped nations in Latin America, Africa, and Asia. Other developed Western countries, as well as international financial institutions such as the International Bank for Reconstruction and Development, also have supplied billions of dollars of aid.

Since its start in the 1950's, Mr. Arkhipov reported, the Soviet economic aid program has made agreements to help build 480 factories, roads, irrigation installations, and other capital improvements in 23 countries.

By last January, 100 of the projects had been completed, including steel and petroleum plants in India, seaports in Afghanistan and Yemen, radio stations in Iraq and Guinea, a cotton factory and a nuclear reactor in the United Arab Republic, and a technical institute and a hospital in Burma, among others.

Thirty additional capital improvements receiving Soviet aid are scheduled to be completed this year, the official added.

Most Soviet economic aid is being used to help underdeveloped countries build heavy industry, Mr. Arkhipov said. He added, however, that some nations, including the Sudan, Somalia, and Mali, are putting emphasis upon expanding consumer goods production facilities with Soviet help.

More than 30 percent of the credit pledged to underdeveloped countries by the Soviet Union, Mr. Arkhipov said, is scheduled to be spent for metallurgical enterprises and metal fabrication facilities. More than 20 percent of credits are for thermal and hydroelectric stations.

To assist in this program, he said, more than 6,000 Soviet technicians were in underdeveloped countries last year. In addition, he added, the Soviet Union is also helping these countries train their own technical personnel.

Soviet aid programs provide for the building of 64 institutes, technical schools, ordinary schools and educational centers, he said. More than 20 of the training installations already have been completed.

Mr. Arkhipov's statement explained that the credits would be repaid by the recipients,



mainly in goods that would help raise Soviet living standards.

[From the New York Times, July 8, 1962]  
SOVIET AID ROLE MOUNTS FOR CUBA

HAVANA, July 5.—Cuba is relying more heavily on the Communist bloc for trade this year than the prerevolutionary regime relied on the United States.

Figures in a mid-1962 issue of the Government policy journal, *Cuba Socialista*, showed how complete Cuba's transition has been since Premier Fidel Castro came to power in early 1959.

The figures were part of an article by Dr. Jacinto Torras, Under Secretary for Oversea Trade.

They showed that trade in 1959 remained about what it had been in 1958, the last year of rule for Fulgencio Batista.

Dr. Torras said that in 1958 and 1959 Cuba shipped less than 3 percent of all exports to Communist bloc nations, while more than 65 percent was accounted for in both years by the United States.

By 1961 Cuba shipped 74.7 percent of exports to the Communist bloc, and in 1962 the planned figures were 80.7 percent to the Chinese-Soviet bloc and 1 percent to the United States.

The same is generally true in reverse for imports. Cuban import-export trade with countries other than the United States or Communist bloc members has fluctuated from 12 to 30 percent since Dr. Castro came to power.

Among the most obvious Soviet products are military trucks, four-barreled anti-aircraft guns and farm machinery. Czech aid includes several hundred buses and thousands of light machineguns.

Films and phonograph records from the Communist countries are also much in evidence. But canned foods, except for Soviet evaporated milk, disappeared from Cuban shops soon after Christmas.

#### TECHNICIANS ARE SENT

Dr. Torras stated that Moscow had provided the help of "hundreds of technicians specializing in different fields, who have come to our country." He also mentioned cultural and sports exchanges, as well as the supply of drugs and even of a whole hospital.

He disclosed that 2,500 young Cubans were in mid-1962 studying in the Soviet Union. This figure included 1,000 peasants specializing in agriculture.

He noted that the links with the Soviet began in February 1960, with the visit to Cuba of Anastas Mikoyan, a Soviet Premier, followed in May 1960, by the reestablishment of diplomatic relations.

The trade treaty signed during Mr. Mikoyan's visit set the pattern for subsequent trade, being based on Soviet purchases of Cuban sugar paid for 80 percent in merchandise and 20 percent in freely convertible currency.

Then Cuba "by a sovereign act" decided to buy Russian oil at a cheaper price than that of the West.

[From Newsweek, June 18, 1962]

#### PARADOX IN POLAND

(Note.—Poland is a Communist state, but few Poles are Communists. Last week the U.S. Senate voted to deny aid "to any country known to be dominated by communism or Marxism," thereby cutting off agricultural commodity aid to Poland. Two days later the Senate voted to restore these grants, in a seemingly cynical gesture that in effect labeled Poland as an appropriate dumping ground for U.S. surpluses—but not as a country worth serious consideration in terms of overall U.S. foreign policy. *Newsweek* Diplomatic Correspondent Edward Weintal returned last week from a 2-week trip to

Poland. Here he reports on Poland's precariously balanced position between East and West.)

In Warsaw, in the darkened Church of the Holy Cross, a young priest had just finished reading Stefan Cardinal Wyszynski's pastoral letter urging the faithful to fight atheism, materialism, and the corruption of youth.

"And now," the priest intoned, "repeat after me: 'We pledge to thee, Holy Mary, Queen of Poland, that we shall fight the evil forces of atheism and materialism, and that we shall protect our youth. So help us God.'"

The congregation, kneeling in the pews, in the aisles, and on virtually every inch of the floor, solemnly repeated the pledge. As they finished, there rose from 3,000 throats the stirring chant of the Polish prayer:

"Ancient Queen of Poland, Mary,  
Speak for us, Mary,  
Take our nation unto thy care."

An American visitor watching this scene in the heart of Communist Poland fully expected armed militiamen to enter the church at any moment and halt the service. But nothing of the sort happened. The congregation dispersed peacefully to nearby cafes for afterchurch coffee and cakes. The lonely militiaman on duty outside was busily directing traffic.

That such a paradox can exist—and it is common throughout Poland—is largely due to two men. One is Communist Party Secretary Wladyslaw Gomulka, who presides over the political destiny of his nation from a sparsely furnished, paneled office in the Central Committee building known as the White House. The other is Cardinal Wyszynski, ruling his flock—some 85 percent of Poland's 30 million—from the baroque episcopal palace at the other end of town.

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House Office Building,  
Washington, D.C.

DEAR CONGRESSMAN McDOWELL: Through our office in Washington I have received your "Special Study on Mission to Poland and Austria" and your extension of remarks relating to the Polish American Congress appeal to the Members of the House of Representatives to vote against the Senate amendments which would cripple the President's power to extend aid to Poland.

Please accept my warmest thanks for your comments on this subject and for the inclusion of my letter in the CONGRESSIONAL RECORD.

I am reading with a great interest your truly absorbing report on the Mission to Poland and your statesmanlike appraisal of many benefits derived from, and problems involved in, American aid to Polish people and in cultural exchanges with Poland.

With highest regards, I am,

Sincerely,

CHARLES ROZMAREK,  
President.

COUNCIL OF THE POLISH SOCIETIES  
AND CLUBS IN THE STATE OF  
DELAWARE,

Wilmington, Del., June 27, 1962.

HARRIS B. McDOWELL, JR.,  
U.S. Representative of Delaware,  
Washington, D.C.

HONORABLE SIR: We appreciate your stand on the issue of the aid to Poland as expressed in your report on the study mission to Poland and in press release.

Polish American Congress presently supports the aid for Poland and we as the Delaware Chapter of the Congress are not only bound by it but are also convinced that it is a just approach.

Please, support the issue when it comes to the House.

Yours truly,

CASINANI CHEFKOWSKY,  
President.  
ADAM J. ROSIAT,  
Assistant Secretary.

THE PULASKI FOUNDATION, INC.,  
New York, N.Y., June 30, 1962.

HON. HARRIS B. McDOWELL, JR.,  
House of Representatives,  
Washington, D.C.

MY DEAR CONGRESSMAN: I read with great interest your report of the "Special Study Mission to Poland and Austria," House Resolution 60. It is unbiased and well prepared from both historical and present-day viewpoints.

To acquaint other people with the contents of your report, I would appreciate it if you could spare about one dozen of more copies.

Thanking you, I am,

Sincerely yours,

JOSEPH F. LESTER, President.

WILMINGTON, DEL.

HON. HARRIS B. McDOWELL,  
U.S. Representative,  
Washington, D.C.

DEAR SIR: Under a special cover I sent to you a few copies of Poland, magazine published by the Warsaw Government in English language and distributed in this country. I mentioned it to you at the celebration of the Constitution of May 3, organized by the Council of Polish Societies in Wilmington. There is some criticism about the value and standard of the equivalent American publication in Poland, America—just recently said something about it W. E. Bohn in the New Leader—and I think you will be interested how the Warsaw Government is doing. Without sympathizing with their cause, I think, they do it in Poland in an excellent way.

I read your report on a special study mission to Poland and Austria and I would like to congratulate you on the manner you presented the subject, on your deep insight into the matter and wise conclusions. Please let your opinion on the subject be known during the coming battle over this issue in the House. Aid to Poland—it does not mean that it should be extended all the time and under any conditions—is too valuable a political tool for this country in order to loose it for flattering the primitive anticommunistic attitude of the average elector. By voting for the aid for Poland you will not only help the Polish nation to be himself but you will also take the side of sanity in this country.

I remain, sir,

Very truly yours,

L. KOPEC.

Mrs. BOLTON. Mr. Chairman, I yield such time as he may desire to the gentleman from Colorado [Mr. DOMINICK].

Mr. DOMINICK. Mr. Chairman, I am up here with some hesitation because I am not a member of the committee and do not have all the facts that went into the making of this bill. But I do have some questions on it which I hope perhaps members of the committee can answer for me. I would like to address these, if I may, to the chairman of the committee. The gentleman from Pennsylvania knows that in the past I have voted in favor of the Alliance for Progress and also in favor of the foreign economic aid program. But it says here on page 3 that in 1962 we have unexpended balances of \$6.6 billion which are in the pipeline. Over how long a period of time will that \$6.6 billion be spent?

Mr. MORGAN. The gentleman knows that the \$6.6 billion is obligated. There is only \$100 million that is not obligated.

Mr. DOMINICK. What I am asking the gentleman is how long a time it will take actually to spend the \$6.6 billion.

Mr. MORGAN. If it has been obligated to build airplanes or to build a ship or a hydroelectric project it will take a long leadtime, a year and a half or 2 years or even longer. Money that is obligated for military hardware and economic assistance sometimes takes considerable leadtime. It would be very difficult to give a definite time when this \$6.6 billion would be exhausted.

Mr. DOMINICK. Is it felt by the committee that in addition to the \$6.6 billion which apparently we now have in the pipeline, we will have to spend another \$4.7 billion before next year is over?

Mr. MORGAN. Yes. Of course, if you want to keep your pipeline filled it is absolutely necessary or our deliveries would stop, just as in our military program. The gentleman will note on the same page of the committee report that our military has an unexpended balance of \$29 billion. To stop the movement in the pipeline on military hardware would mean that deliveries of ammunition and weapons would be interrupted at some future date.

Mr. DOMINICK. So what the gentleman is saying is that within the next year we are going to be spending or obligating over \$11 billion on foreign aid and military programs?

Mr. MORGAN. No; this \$6.6 billion is already obligated, minus \$100 million.

Mr. DOMINICK. But we will be spending it.

Mr. MORGAN. We are spending it over a period of years. When it is obligated, the money is put aside to pay for commodities and projects when they are completed. As far as this \$6.6 billion is concerned the money is already appropriated and is set aside to pay for the material as soon as it is manufactured and delivered.

Mr. DOMINICK. On page 4 of the report, again referring to unexpended balances, it says that we have \$6.8 billion, and on the previous page it is \$6.6 billion. Where do we get the extra \$200 million? What happens to that?

Mr. MORGAN. I think perhaps that is a mistake where rounded figures have been added. I think the correct figure is \$6.8 billion.

Mr. DOMINICK. Perhaps the gentleman can help me on this. We had the debate on the trade bill the other day when it was pointed out that on a commercial basis our trade was profitable; that is, we were exporting more than we were importing. The general feeling was that our loss of gold was based on the foreign assistance programs, our military bases, and things of that kind. Yet I find on page 5 of the report that most of our military assistance funds are spent within the United States—82 percent, and that 73 percent of the economic aid funds will be spent here.

Mr. MORGAN. That is correct.

Mr. DOMINICK. If that is correct and if we have a profitable balance in our regular trade program, how does it happen that we have a \$3.5 billion unfavorable balance of payments each year? Where is it going?

Mr. MORGAN. We point out in this paragraph that the foreign-aid program is not the real villain responsible for the outflow of gold. The gentleman well knows that we have our own overseas bases and U.S. forces stationed overseas. These military expenditures from our own military funds which have nothing to do with the foreign aid bill alone account for \$3 billion of our overseas payments.

Mr. DOMINICK. For the military bases overseas?

Mr. MORGAN. Yes.

Mr. DOMINICK. All right. That helps on that question.

Now, was any correlation made by the administration before the gentleman's committee in the fact that, as the report says, they want to help and assist private investors in the less developed countries, but in connection with the trade bill the administration said that they did not want American companies going to Europe at all because they wanted to keep the jobs here. Was any correlation made in programs pushing private investing in areas where there is no market and programs resisting investment where there is a market? So do we say to our private investors, "You cannot go to Europe where you might make a profit, but you can go to the less developed countries," and you have to guarantee everything out of the Federal Government?

Mr. MORGAN. It is a question of whether we try to help them. In the first place, we try to encourage American investors to go to the less developed countries because this reduces their need for economic aid. We are no longer providing economic aid to Europe.

Mr. DOMINICK. Has this been helpful?

Mr. MORGAN. It has been helpful. We offer investment guarantees to encourage investment in underdeveloped countries.

Mr. DOMINICK. Why would it not be helpful in Europe?

Mr. MORGAN. Europe does not any longer need any help under the aid program. We are trying to help the economies of less developed countries around the world.

Mr. DOMINICK. We have had some discussion of the question of cutting off aid to nations which have already expropriated property. You say on page 31 of the report:

The committee reached the conclusion that action of this nature would not be in the interest of the owners of the seized property.

How did we arrive at this conclusion? How did the committee come to a conclusion that it would not be of value to the owners of the seized property to say that these countries are not to get any more aid until the investors get back the money they put in?

Mr. GALLAGHER. If the gentleman will yield, the State Department feels that—

Mr. DOMINICK. I am not interested in hearing about the State Department.

Mr. GALLAGHER. The State Department testified before the committee and said this would not be an area where there could be an association if such an amendment or provision immediately cut off foreign aid, that that would be so in many of the countries where the foreign aid is little compared to the investments that American companies may have in these countries. So what we have as making a break in these associations may play right into the hands of those who expropriate the property. We feel that we should do this by an appropriation law.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from Indiana.

Mr. ADAIR. With respect to the statement the gentleman has just read, there are those on the committee who feel we ought to take very strong action with respect to expropriation. We feel that if we do not take strong action then the flow of private capital to the less developed countries will almost entirely cease and the program thereby will suffer. I want to make it very clear to the gentleman that there are some members who feel strongly about it, even those who did not sign the minority report.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman from New Jersey.

Mr. FRELINGHUYSEN. In connection with the quotation about the expropriation, it seems to me, and I might say I did not sign the minority report, that the property that has been expropriated is not going to be more easily recompensed if we should make this retroactive.

It was felt that negotiations are presumably currently underway in order to get compensation for these seized properties. But there was less likelihood of reaching a successful conclusion, if we made this provision retroactive, than if we said, "Hereafter if you seize property, you will be disqualified from receiving further aid."

Mr. DOMINICK. It is my understanding that the President, in connection with the expropriation in Brazil, recently, said that we had made magnificent progress in doing something for the telephone company whose property was seized because he had received from the head of Brazil an agreement that Brazil would pay a little more—according to their own appraisal—under the proviso that the money would have to remain in Brazil in Brazilian currency and be used in some other kind of industry down there.

Mr. FRELINGHUYSEN. The gentleman does not suggest that magnificent progress would be made if these expropriations would be made retroactive? I take it that is not his conclusion?

Mr. DOMINICK. My point is, it seems to me that we should have bargaining



powers here which would give a lever by which we can show to these countries that are seizing American properties that they must be paid for.

Mr. ADAIR. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to the gentleman.

Mr. ADAIR. I would like to say to the gentleman from New Jersey that I feel a great deal more progress would be made if we took a firm line. Statements have been made publicly to the effect that negotiations are going underway. In fact, there has been no progress at all reported of any substantial nature. I think we need to show that we are firm and when we do that, progress will be made in all these expropriation cases.

Mr. DOMINICK. I thank the gentleman.

Last year, and this is shown on page 71 of the report, we passed section 620(b) of the act which says:

No assistance shall be furnished under this act to the government of any country unless the President determines that such country is not dominated or controlled by the international Communist movement.

The gentleman from Massachusetts [Mr. MORSE], the gentleman from Connecticut [Mr. STEAL], the gentleman from Kansas [Mr. ELLSWORTH], and myself have sent a letter to the President of the United States asking whether he has determined that Poland and Yugoslavia are not dominated or controlled by the international Communist movement. We have not received any reply. I would like to know from the chairman whether the committee has received any such determination from the President.

Mr. GALLAGHER. Mr. Chairman, will the gentleman yield?

Mr. DOMINICK. I yield to anyone who thinks he has the answer.

Mr. GALLAGHER. Poland has received no aid under the bill. Therefore, a determination would not have to be made. Public Law 480 is not applicable to this bill and, therefore, such a determination is not within the province of the President to make, which is probably why he has not answered.

Mr. DOMINICK. I would like to go into this just a little bit further. Are you trying to say to me and to the rest of the Congress here that no aid has been given to Poland except Public Law 480 in the last year?

Mr. GALLAGHER. No aid has been given other than that which this body specifically authorized, in order to avoid the provisions of the Battle Act. With respect to Yugoslavia, the President has made such a determination, that Yugoslavia was not furthering the international Communist movement.

Mr. DOMINICK. When was that determination made?

Mr. GALLAGHER. At the time at which our aid was given under the 1961 act and prior to that when the House authorized such aid be given to Yugoslavia and I think the amount was in excess of \$2 billion.

Mr. DOMINICK. Is there a written statement signed by the President that

Yugoslavia is not dominated or controlled by the Communist movement and, if so, who is Mr. Tito?

Mr. GALLAGHER. The amendment which the President has complied with is section 143 which is as follows:

ASSISTANCE TO YUGOSLAVIA.—In furnishing assistance to Yugoslavia, the President shall continuously assure himself that (1) that Yugoslavia continues to maintain its independence (2) that Yugoslavia is not participating in any policy or program of Communist conquest of the world and (3) that the furnishing of such assistance is in the national interest and security of the United States.

Mr. DOMINICK. I thank the gentleman for making this clear, for we have not had any answer. In view of the gentleman's reply that the President has publicly determined that the Government of Yugoslavia is not dominated or controlled by Communists, it will be my pleasure to endorse the amendment to be offered by the gentleman from Texas [Mr. CASEY], which will flatly prohibit aid to such governments. It seems apparent to me that Tito and Gomulka dominate and control Yugoslavia and Poland with the aid of Russia and if the President has determined to the contrary I feel he is wholly wrong. I cannot see any necessity for a policy under which we strengthen the government of a country which is imposing communism on the people of that country by force. It seems to me we should be working for the people, not for the government.

Mr. GALLAGHER. We are working for the people of Poland in this amendment.

Mr. MORGAN. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I rise in support of the pending legislation. I find nothing in the next fiscal year which would encourage me in any way to think that we can in any sense change or reduce our economic offensive or that in any way the Communists have receded one bit in using economics as a weapon in the cold war. Therefore it behooves us, in my judgment, to use this bill to the best of our capability in our own national interest.

In saying this I do not in any sense slight or derogate the humanitarian aspects of what the American people have done, because, despite all of the pessimism and the arguments against the legislation, the record of the American people in regard to what they have been able to do under this legislation will undoubtedly be the greatest record of mankind, and certainly is today the greatest record man has ever written in behalf of his fellow man. And who here today cannot take great pride in the fact that notwithstanding all of the trials and tribulations and the great wars and sacrifices involved, the great challenges inside and outside of this Nation of 180 million people have faced, the Americans have done more for other people of the world willingly, happily, even gratefully, than any other nation of people in the history of mankind.

So I do not back away from my support of this legislation one whit. In the

face of this tremendous record of accomplishment in fact I can support it even more strongly as we look into the days ahead and realize what we as Americans will be called upon to sacrifice in order to preserve for our children the heritage which we have for ourselves.

There is one particular section of the bill to which I would like to address myself, for I believe it stresses very well an issue in which we are all interested, and that is assistance which we can give to the private sector of business in helping other people to help themselves. I refer specifically to section 103(a)(2) of the bill which deals with the problems of all-risk guarantees. I think the guarantee program, while slow in getting generated, is one of the best things that we will have done in this type of act in making it possible for our people to invest money in the lesser developed countries of the world, to build up their economies, allow our people to make a profit, and accomplish many things at the same time with the least amount of cost involved. This is where the all-risk guarantee section comes in which we wrote into the act.

Mr. MONAGAN. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield.

Mr. MONAGAN. Is it not true that other countries of the free world are making guarantees of this type to their nationals?

Mr. FASCELL. Yes, it is.

Mr. MONAGAN. Particularly in Latin American areas?

Mr. FASCELL. I thank the gentleman for making that observation. This is exactly the point I am referring to in this all-risk enlargement that deals with housing, but specifically that section dealing with Latin America in the field of housing. Basically what we did was this.

Under the risk guarantee we could guarantee up to 75 percent of the investment. What the committee did was to enlarge that guarantee with respect to housing so as to make it 100 percent. The facts of life are these: We have all types of building contractors who would like to go to Latin America, who would like to put their talents to use, who would like to make money there and do something for the people in those countries, but they cannot get into those countries because they need guarantees for their loan money and they have not got that right now. No banking institution is going to go in on a 75-percent guarantee when they can lend the money in the United States on a 100-percent guarantee. In order to accomplish that which we all agreed on, the thing for us to do, therefore, is to enlarge this guarantee so as to make it possible for our institutional lenders to be protected so that they may construct houses in Latin America in the private sector of this program.

Mr. MORGAN. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. MILLS, Chairman of the Committee

of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11921) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, had come to no resolution thereon.

#### ADJOURNMENT UNTIL WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

#### FOURTH OF JULY IN SOUTH DEERING

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, I have returned from my district on the South Side of Chicago with a renewed and intensified faith in the future of our Republic.

Never have I witnessed a more moving, compelling, and convincing demonstration of patriotism, in the mold of old-fashioned Americanism and in the spirit of the Declaration of Independence, than when on the night of July 4, 1962—the 186th anniversary of the Declaration of Independence—60,000 persons—men, women, and children—stood under the stars at Trumbull Park and with one mighty voice took the same pledge that united the Members of the Continental Congress that passed the Declaration of Independence and of the signers of that imperishable document.

We pledge to each other—

Came from the voices of 60,000 Americans of today reaffirming in their generation the pledge of our forefathers of 1776—then a pause, and again 60,000 voices joined in completing the pledge of our forefathers—

our fortunes, our lives, and our sacred honor.

That, Mr. Speaker, was the pledge that bound together the immortal fathers of our Republic. At the very commencement of their great undertaking, and fully realizing that failure would mean the forfeiture of their fortunes and doubtless the loss of their lives, they took this pledge to each other, the pledge of their fortunes and their lives and their sacred honor.

On July 4 of this year there in Trumbull Park at perhaps the largest Fourth of July celebration in Illinois and one of the largest in the Nation, this mighty gathering of 60,000 present-day Americans in unison took the same pledge. It was an occasion the memory of which will live with all who participated.

Mr. Speaker, I respectfully would suggest to committees, nationwide, planning local Fourth of July celebrations,

that this great gathering at Trumbull Park may well have established a pattern of mass participation in the annual observances of our Nation's birthday.

In our generation is the same challenge to sacrifice and suffering, if necessary, to preserve our national heritage and to keep our country always clean and strong to perform its mission under God for all mankind.

In all the generations that shall follow there will be the same challenge. What a wonderful and inspiring custom if always through the years and through the centuries as Americans gather to celebrate our Independence Day they would join, as did the gathering in Trumbull Park, in pledging to each other their fortunes, their lives, and their sacred honor ever to keep America clean and strong to fulfill its mission under God for all mankind.

Mr. Speaker, the South Deering Improvement Association is doing an effective job in building in its community the spirit of patriotism and of friendliness in working together as teammates in the great adventures of life. It works the year round bringing people together, providing recreation and wholesome interests for the young and the old, and on the Fourth of July it devotes the entire day to a long program of events, beginning with the imposing and inspiring parade in the morning and the speaking and the fireworks in the evening that has won for it a national recognition.

Not only the great South Side of Chicago, which directly benefits, but all the Nation, to which the South Deering Improvement Association furnishes a pattern for patriotic endeavor, owes a debt of gratitude and of appreciation to Louis Dinnozenzo, president of the association, Patrick J. Allman, its attorney, Joseph Grande, general chairman of the Fourth of July celebration, Alderman Emil V. Pacini, and all the others who cheerfully gave countless hours and days to the good work of this fine association.

Also present and contributing mightily to the success of this memorable Fourth of July celebration were the Reverend Michael J. Commins, pastor of St. Kevin's Church, the Reverend William Vernon, pastor of the South Deering Community Church, Judge Felix Buoscio, Alderman Dominic Lupo, State Senator Daniel Dougherty, State Representative Henry Lenard, State Representative Nick Svalina, State Representative Augie Ruf, and sanitary district trustee John Henneberger.

#### YOUTH CONSERVATION CORPS PROGRAM

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, both the Department of Agriculture and the Department of Interior will actively participate in the conservation work and

programs to be carried out through the Youth Conservation Corps created by H.R. 10682 now pending before the Rules Committee. Some Members have asked why one of these agencies should not be given the primary responsibility for the administration of the corps. In this regard I would like to have inserted in the RECORD at this point letters that I have received recently from the Secretary of Agriculture and the Secretary of the Interior.

The letters referred to follow:

THE SECRETARY OF THE INTERIOR,  
Washington, D.C., June 27, 1962.

HON. CARL D. PERKINS,  
House of Representatives,  
Washington, D.C.

DEAR CARL: It has been brought to my attention that a number of Congressmen would like to see the Youth Conservation Corps program housed in either Agriculture or Interior.

As the primary natural resources agency of the Federal Government, the Department of the Interior has five of its bureaus prepared to participate in this program—the Bureau of Land Management, the National Park Service, the Fish and Wildlife Service, the Bureau of Indian Affairs, and the Bureau of Reclamation. Detailed plans have been formulated by these bureaus on camp location and project work in reforestation, range revegetation, park and recreational area facilities, wildlife refuge habitat, and a wide variety of other conservation improvements. I have been informed that the Forest Service will be the principal U.S. Department of Agriculture agency involved. It is our understanding that the Department of the Interior and the Department of Agriculture will carry out direct responsibility for field management and supervision of the corps under delegation of authority from the Secretary of Labor.

I feel, however, that the responsibility for initial coordination should remain with Labor, as your bill now states.

Both recruitment and processing of the youngsters for this program will be conducted primarily by State employment agencies. The Department of Labor enjoys a working relationship with these agencies which makes them the logical agents for coordinating the program.

The proposed bill establishes a Youth Conservation Commission (title I, secs. 5 and 6) which will be comprised of representatives of Agriculture, Health, Education, and Welfare, and Interior, and chaired by the Director of the Youth Conservation Corps. It will become the function of this Commission, I understand, to develop policies which will guide the program and its administration. Moreover, it will satisfy the need for coordination among the Departments involved.

It is, I feel, in the interest of economy and efficiency in administration that existing machinery be utilized to its fullest extent. Therefore, cognizant of the employment phases of this program, which by their very nature are closely related to the labor field, I recommend that the Director of the Youth Conservation Corps, as general coordinator to administer the program under the policy guidelines set by the Youth Conservation Commission, be attached to Labor.

Sincerely,  
STEWART L. UDALL,  
Secretary of the Interior.

DEPARTMENT OF AGRICULTURE,  
OFFICE OF THE SECRETARY,  
Washington, D.C., June 19, 1962.

HON. CARL PERKINS,  
House of Representatives.

DEAR MR. PERKINS: It has been brought to my attention that some folks feel the Youth Conservation Corps should be placed in the



Department of Agriculture or the Department of the Interior rather than in the Department of Labor. It is my considered view that the Youth Conservation Corps should be administered by the Department of Labor, as proposed in H.R. 10682 and recommended in the report on H.R. 10682 by the House Committee on Education and Labor. It is significant that the old CCC, as noted in the committee report, was operated by an independent agency and not by either of the Departments having conservation agencies. The proposal that the Youth Conservation Corps be established in the Department of Labor also provides that the governing body will be the Youth Conservation Commission. This Commission will consist of four members and be chaired by the Director of the Corps, a Presidential appointee. The other three members will be representatives of the Departments of Agriculture, Interior, and Health, Education, and Welfare.

The enrollee camps will be under the direct supervision of the conservation agencies for which the work is to be performed. Where the work is on State lands, under terms of the bill, the State agency will supervise the camps. The same conservation agencies will direct the work. I believe such arrangements provide a simple administrative machinery which will insure adequate autonomy and control by men who have spent their whole working lives in conservation work.

I believe the Department of Labor is the proper agency to administer the Youth Conservation Corps because it is the most suitable Department to handle the problems of enrollee selection and is also best able to advise young men about employment opportunities upon return from their assignments. The main purpose of the Youth Conservation Corps is that its enrollees can be trained for and aided in finding regular employment. The Department of Labor, through its contacts with the State employment services, is in a uniquely good position to relate the capacities of enrollee applicants to the job and to advise intelligently the kinds of experience and training needed by the enrollees to help them find jobs when they return home.

The vast backlog of conservation work available for Youth Conservation Corps enrollees is distributed among the conservation agencies of both the Departments. For this reason, it is not logical to select either of them to administer the Youth Conservation Corps. We believe the administrative structure of the Youth Conservation Corps proposed in H.R. 10682 represents a sound and workable device for an agency which must necessarily depend upon the cooperative activity of four Departments of the Federal Government.

Sincerely yours,

ORVILLE L. FREEMAN,  
Secretary.

#### WILLIAM FAULKNER

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record and include newspaper articles. The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. SMITH of Mississippi. Mr. Speaker, death came Friday to the man who was Mississippi's greatest contribution to our country and to the world. Most citizens regarded him as the outstanding living novelist, and many regarded him as the greatest novelist of our century. Our State, our Nation, and the world have sustained an irreparable loss.

William Faulkner's most successful locale was always Mississippi, but he told a story of man's struggle for survival that overshadowed the pain and comedy, the triumph and tragedy of the South. Histories were symbolic of man's struggle the world over, and that is why he was widely read throughout the world.

Yoknapatawpha County, Miss., for future generations yet unborn, will be as familiar as the England of Charles Dickens, the France of Marcel Proust, and the Russia of Leo Tolstoy.

William Faulkner was a quiet, shy man, who instinctively withdrew from the glare of publicity that gathered around him. He liked best to regard himself as a traditional southern gentleman, aware of the shortcomings of our region and proud of its heritage.

The man whose immortal thesis in accepting the Nobel Prize at Stockholm, "I decline to accept the end of man," had an immediate and important message to intellectuals throughout the world. He undertook several missions, to South America and Japan, for our cultural exchange program, and his efforts were of great value.

Mr. Speaker, 11 years ago I had the honor of placing Mr. Faulkner's Stockholm speech in the CONGRESSIONAL RECORD. Under unanimous consent, I include it again, together with President Kennedy's tribute, and obituaries and appreciations from the New York Times, the London Times, the Manchester Guardian, and Le Monde, of Paris, as well as tributes by Endora Welty and Maurice Doblier:

NOBEL TEXT—AUTHOR BACKED OLD VERITIES (On the presentation of the Nobel Prize for Literature to him in December, 1950, William Faulkner delivered a widely hailed speech on writing and the dignity of man)

I feel that this award was not made to me as a man, but to my work—a life's work in the agony and sweat of the human spirit, not for glory and least of all for profit, but to create out of the materials of the human spirit something which did not exist before. So this award is only mine in trust. It will not be difficult to find a dedication for the money part of it commensurate with the purpose and significance of its origin.

But I would like to do the same with the acclaim, too, by using this moment as a pinnacle from which I might be listened to by the young men and women already dedicated to the same anguish and travail, among whom is already that one who will some day stand here where I am standing.

Our tragedy today is a general and universal physical fear so long sustained by now that we can even bear it. There are no longer problems of the spirit. There is only the question: When will I be blown up? Because of this the young man or woman writing today has forgotten the problems of the human heart in conflict with itself, which alone can make good writing because only that is worth writing about, worth the agony and the sweat.

He must learn them again. He must teach himself that the basest of all things is to be afraid; and, teaching himself that, forget it forever, leaving no room in his workshop for anything but the old verities and truths of the heart, the old universal truths lacking which any story is ephemeral and doomed—love and honor and pity and pride and compassion and sacrifice.

Until he does so, he labors under a curse. He writes not of love but of lust, of defeats in which nobody loses anything of value, of victories without hope and, worst of all, without pity or compassion. His griefs grieve on no universal bones, leaving no scars. He writes not of the heart but of the glands.

Until he relearns these things, he will write as though he stood among and watched the end of man. I decline to accept the end of man.

It is easy enough to say that man is immortal because he will endure that when the last ding-dong of doom has clanged and faded from the last worthless rock hanging tideless in the last red and dying evening, that even then there will still be one more sound; that of his puny inexhaustible voice, still talking.

I refuse to accept this.

I believe that man will not merely endure; he will prevail.

He is immortal, not because he alone among creatures has an inexhaustible voice, but because he has a soul, a spirit capable of compassion and sacrifice and endurance.

The poet's, the writer's duty is to write about these things. It is his privilege to help man endure by lifting his heart, by reminding him of the courage and honor and hope and pride and compassion and pity and sacrifice which have been the glory of his past.

The poet's voice need not merely be the record of man, it can be one of the props, the pillars, to help him endure and prevail.

[From the New York Times international edition, July 7, 1962]

FAULKNER'S NOVELS OF THE DEEP SOUTH GENERATED STORM OF LITERARY CONTROVERSY—ADMIRERS HAILED HIS APT PHRASES—THEY FOUND A TRAGIC NOTE IN HIS WRITINGS, BUT OTHERS CALLED IT PSEUDO-REALISTIC

NEW YORK, July 6.—The storm of literary controversy that beat about William Faulkner is not likely to diminish with his death. Many of the most firmly established critics of literature were deeply impressed by the stark and somber power of his writing. To these critics Mr. Faulkner dealt with the dark journey and the final doom of man in terms that recalled the Greek tragedians. They found symbolism in the frequently unrelieved brutality of the yokels of Yoknapatawpha County, the imaginary Deep South region from which Mr. Faulkner drew the persons and scenes of his most characteristic novels and short stories.

Actually Yoknapatawpha was Lafayette County and Jefferson town was the Oxford in the red hill section of northern Mississippi where William Faulkner was born and where his family had been deeply rooted for generations. The author once told a class at the University of Virginia that it was pronounced Yok-na-pa-TAW-pha and that it was a Chickapaw Indian term that meant "water passes slowly through flatlands."

While admitting that Mr. Faulkner's prose sometimes lurched and sprawled, his admirers could point out an undeniable golden sharpness of characterization and description.

#### CRITIC IS CITED

Of Mr. Faulkner's power to create living and deeply moving characters, Malcolm Cowley wrote:

"And Faulkner loved these people created in the image of the land. After a second reading of his novels, you continue to be impressed by his villains, Popeye and Jason and Joe Christmas and Flem Snopes; but this time you find more place in your memory for other figures standing a little in the background yet presented by the author with quiet affection: old ladies like Miss Jenny DuPre, with their sharp-tongued benevolence; shrewd but kindly bargainers like

Ratliff, the sewing machine agent, and Will Varner, with his cotton gin and general store. \* \* \*

Mr. Faulkner was an acknowledged master of the vivid descriptive phrase. Popeye had eyes that "looked like rubber knobs." He had a face that "just went away, like the face of a wax doll set too near the fire and forgotten."

Many critics contended that Mr. Faulkner served up raw slabs of pseudorealism that had relatively little merit as serious writing. They said that Mr. Faulkner's writings showed an obsession with murder, rape, incest, suicide, greed, and general depravity that did not exist anywhere but in the author's mind in anything like the proportions that these subjects assumed in his novels and short stories.

#### HATED TALK ABOUT LITERATURE

A favorite gambit of the detractors of Mr. Faulkner's writings was to produce a condensed and completely deadpan description of his plots. The result was often a horrendous compilation of wickedness and gibbering. As for Mr. Faulkner, he seldom argued about his work. He detested talk about literature. He said that when one of his books was about to be published he had to remind himself that strangers were going to read it.

William Faulkner was born in New Albany, Miss., on September 25, 1897. In the sharply stratified society that preoccupied Mr. Faulkner in his writings it could be said that he came from an upper middle class family—one not quite of the old feudal cotton aristocracy.

The first Faulkners—the "u" is a recent restoration by William Faulkner—came to Mississippi in the 1840's. The family is replete with colonels, one of whom was assassinated on the street by a business rival. William Faulkner was the oldest child of Murray Falkner and Maude Butler Falkner. Murray Falkner at one time ran a livery stable in Oxford and later became business manager of the University of Mississippi at Oxford.

In William Faulkner's fiction the Sartoris clan is the Falkner family. The Sartorises are forced to make humiliating compromises with the members of the grasping and upstart Snopes family.

"General Johnston or General Forrest wouldn't have took a Snopes into his army at all," a character says.

William Faulkner played quarterback on the Oxford high school football team and suffered a broken nose. He failed to be graduated. Later he wrote: "Quit school to work in grandfather's bank. Learned medicinal value of his liquor. Grandfather thought it was the janitor. Hard on the janitor \* \* \*."

#### SERVED IN R.A.F.

World War I service as a British Royal Air Force pilot gave Mr. Faulkner material for such hair-raising tales as "Pylon." Back home, he was a special student at the University of Mississippi for a few months and became postmaster at the hamlet of University near Oxford. He was fired for reading when he should have been distributing mail.

Mr. Faulkner's period of literary apprenticeship included a foray into New York literary circles that ended in a brief and unhappy interlude as a clerk in the book department of Lord & Taylor. He was briefly a newspaper reporter in New Orleans where he saw something of Sherwood Anderson, who gave him valuable counsel. Mr. Faulkner's interest in writing and books owed much to Philip Stone, a family friend in Oxford. Mr. Stone, who was somewhat older than Mr. Faulkner, had attended Yale and had an excellent library which he made available to young Faulkner.

"The Marble Faun," a book of poems by Mr. Faulkner, appeared in 1924. Reviewers found the poems somewhat derivative. His

first novel, "Soldiers' Pay," published the following year, was found by the reviewer for the New York Times to "show a deft hand" in the working out of a "narrative of mixed and frustrated emotions."

With the publication of "The Sound and the Fury" in 1929, Mr. Faulkner gave strong indications of being a major writer. The critics found in it something of the world-intoxication of James Joyce and the long, lassolike sentences of Henry James.

"Sanctuary," published in 1931, was a roundhouse shocker and Mr. Faulkner's most popular and bestselling novel. However, his friends did not believe him when he said that he had written it only for money.

#### MANSON IN MISSISSIPPI

Mr. Faulkner lived and did most of his writing in Oxford in a beautiful old colonial house that he bought in 1930. He was a slightly built man who carried himself somewhat tensely and when he was bothered or bored he could exhibit quick anger. He had thick iron-gray hair and a dark mustache and aquiline nose. When he felt like it he could be charming and his manners were impeccable. His accent was the easy drawl of the Deep South.

The clash of opinion over the question of desegregation in the public schools drew Mr. Faulkner somewhat out of his general aloofness to problems of that type. In 1956 he was interviewed and wrote on the problem of the Negro in the South. His writing on the subject showed a somewhat agonized attempt to understand several points of view on the question.

On June 20, 1929, Mr. Faulkner married Mrs. Estelle Oldham Franklin, who had two children by a previous marriage. One daughter, Jill, was born to the marriage of Mr. Faulkner and Mrs. Franklin.

Mr. Faulkner was among the Nobel Prize laureates invited by President John F. Kennedy to a White House dinner this year. At the time the novelist was with the University of Virginia and was living at Charlottesville. He said: "Why, that's a hundred miles away. That's a long way to go just to eat."

Mr. Faulkner's principal books include the following: "The Marble Faun" (poems), 1924; "Soldiers' Pay," 1926; "Mosquitoes," 1927; "Sartoris," 1929; "The Sound and the Fury," 1929; "As I Lay Dying," 1930; "Sanctuary," 1931; "These Thirteen," 1931; "Idyll in the Desert," 1931; "Light in August," 1932; "Green Bough" (poems), 1933; "Pylon," 1935; "Absalom, Absalom!" 1936; "Unvanquished," 1938; "Wild Palms," 1939; "The Hamlet," 1940; "Go Down Moses and Other Stories," 1942; "Collected Stories of William Faulkner," 1950; "Requiem for a Nun," 1951; "A Fable," 1954; "Big Woods," 1955, and "The Reivers," 1961.

#### AUTHOR GAVE LIFE TO FICTIONAL COUNTY (By Eudora Welty)

JACKSON, MISS., July 6.—William Faulkner saw all the world in his fictional county where we can see it now—where he made it live. His work is a triumphant vision. This vision, like life itself, has its light and dark, its time and place, and love and battle, its generations of feeling, and its long reaches of what happens to people out there and inside, in heart and mind, which is so much.

Of course he wrote what was more, and will remain more, than others knew before him; he has instructed as well as moved and amazed us, a great artist.

So unmistakably born out of knowledge of his own, out of sense and feeling (love, apprehension, outrage, compassion, pride, grief) for his own, his novels and stories were built at every step and stage out of his long passion of seeing the life he knew by seeing as well as he could into it and around it.

All this required, and took, an imagination that has shone incomparably the brightest in our firmament.

What is great and puny, what is tragic and uproarious about us all in our own dogged lives everywhere, is a living life itself on any page of his. And in literature it is this that matters and always will matter.

Humanity was his subject, but he was a poet when he was born to see what he saw. Laid, nearly all of it, at home in Mississippi, his work has a poet's authority by which it travels the world and puts the world to measure. Indeed, these days, it seems itself when the world does not.

We have learned lately that it sank into the bones of the Japanese as readily as into ours here. Though once you could buy his books in France, I believe, and not in New York, except with luck at second-hand, and not anywhere in Jackson, Miss.

Surely he never wrote a line except what his own eyes, ears, memory, and his poet's imagination told him what was not "true" but truth.

He went out on every limb, I believe, that he knew was there.

[From the New York Herald Tribune (Paris)]

FAULKNER LABORED IN LONELINESS, SERVED IN WAR, PEACE

(By Maurice Dolbier)

NEW YORK, July 6.—"What we made never quite matched and never will match the shape, the dream of perfection which we inherited and which drove us and will continue to drive us, even after each failure, until anguish frees us and the hand falls still at last."

The hand that wrote those words and the soft, rapid voice that spoke them at the National Book Award ceremonies in New York in 1955 has fallen still. But in the cosmos he created and called Yoknapatawpha County, there is motion, ceaseless and timeless.

"Since man is mortal," William Faulkner once told an interviewer, "the only immortality possible for him is to leave something behind him that is immortal, since it will always move. That is the artist's way of scribbling 'Kilroy was here' on the wall of the final and irrevocable oblivion through which he must someday pass."

#### LONELY ARTIST

In his lifetime, Mr. Faulkner was one of the most written about of all American authors. He was both a very private man and a very public figure, an artist who labored in the loneliness and silent passion of his craft and a citizen who did service for his country in war and peace.

He was the quiet-spoken countryman of Oxford, Miss., hunting, fishing, swapping yarns and sharing bourbon with his neighbors, and the Nobel Prize winner whose acceptance speech in Stockholm, affirming the dignity and indestructibility of man, was a trumpet call at a time when defeatism was in the air.

Critics will continue for years to write about the influences that shaped Faulkner's work and the influence that his work had upon others, his symbols and his time-sense, where they think he succeeded and where they think he failed.

Faulkner didn't care about critics. He recognized that they, too, were Kilroys trying to say they were here.

His only interest was in trying to meet his own standards and in "shooting higher than you know you can do." To match the work to the image was impossible, but Faulkner was the kind of artist for whom the impossible was the only thing worth attempting.

#### HELP TO YOUNG PEOPLE

In his later years, Faulkner's influence was extended to a far wider area than the literary one. He spent much time with and gave counsel and encouragement to young



people. The view of life that he offered there is in his words to a graduating class at the University High School in Oxford, Miss.:

"It is not men in the mass who can and will save men. It is man himself, created in the image of God so that he shall have the power and the will to choose right from wrong, and so be able to save himself because he is worth saving; man, the individual, men and women who will refuse always to be tricked or frightened or bribed into surrendering, not just the right but the duty, too, to choose between justice and injustice, courage and cowardice, sacrifice and greed, pity and self—who will believe always not only in the right of man to be free of injustice and rapacity and deception, but the duty and responsibility of man to see that justice and truth and pity and compassion are done."

Faulkner was here.

[From the New York Times]

KENNEDY PRAISES FAULKNER'S WORK—CALLS HIM "GREAT CREATOR"—OTHERS PAY TRIBUTE

NEW YORK, July 6.—President Kennedy praised William Faulkner yesterday as one of the "great creators of this age."

Mr. Kennedy's statement, issued within hours of the novelist's death, was one of many tributes by authors and public figures the world over. Their general tenor was that America's lone remaining literary giant was gone.

The comments and messages even from those who objected to some of Mr. Faulkner's writing, took note of the impact of his art on American letters.

"Since Henry James," President Kennedy said, "no writer has left behind such a vast and enduring monument to the strength of American literature."

SAYS WORKS WILL LIVE

The President, who, like Mr. Faulkner, had won a Pulitzer Prize in literature, described the Mississippi author as "a guiding citizen of our civilization by virtue of his art" and he predicted that Mr. Faulkner's works would live long after him.

The President's statement said in full:

"It can be said with assurance of few men, in any area of human activity, that their work will long endure. William Faulkner was one of those men. Since Henry James, no writer has left behind such a vast and enduring monument to the strength of American literature.

"His death came in Oxford, Miss., in the heart of the setting for that turbulent world of light and shadow which was the towering creation of his mind and art. From this world he sought to illuminate the restless searching of all men. And his insight spoke to the hearts of all who listened.

"A Mississippian by birth, an American by virtue of those forces and loyalties which guided his work, a guiding citizen of our civilization by virtue of his art, William Faulkner now rests, the search done, his place secure among the great creators of this age."

CERF OFF TO OXFORD

One of the first tributes came from Bennett Cerf, head of Random House, Mr. Faulkner's publisher, and a friend of the novelist for more than 30 years.

"I'm terribly shocked," he said before leaving his suburban New York house to go to Oxford Miss., where Mr. Faulkner lived and died.

"Besides being one of the greatest authors of our times, he was about as fine a gentleman as I have ever met in my whole life," the publisher remarked. He said that he had never seen "Bill Faulkner do anything that wasn't gallant, fine and the mark of a perfect gentleman."

A leading British novelist, Sir Charles Snow, better known as C. P. Snow, went be-

yond the bounds of the American scene to rank Mr. Faulkner among the world's great modern writers. He termed the death a "major loss for the world of literature."

"He was one of the great writers of our time," Sir Charles said, "difficult, but very American, very much in the great American line. Mr. Faulkner was enormously admired all over the world. Possibly he was admired more than read."

[From the London Times, July 7, 1962]

MR. WILLIAM FAULKNER: A GREAT NOVELIST

Mr. William Faulkner, who died yesterday in Oxford, Miss., was one of the few living novelists to whom the adjective "great" could be applied without much fear of overstatement. He was 64.

He was born on September 25, 1897, in New Albany, Miss., the eldest of the four sons of M. C. Falkner. During the First World War Faulkner (he later changed his name) left high school to join the Canadian Flying Corps and, on his return, entered the University of Mississippi at Oxford, to which his family had moved when he was a child. He took no degree, however, and, after various jobs and trips to New York and New Orleans, settled down to a career of writing.

His first published volume was a book of poems, "The Marble Faun," in 1924, and his first novel "Soldiers' Pay" (1926). After the lukewarm reception of his second and third novels, "Mosquitoes and Sartoris," Faulkner had the idea—prompted, so legend has it, by his lawyer friend Mr. Phil Stone—of writing to please himself and not the public. The result was "The Sound and the Fury" (1929), one of his finest works.

With the publication of "The Sound and the Fury" there began that series of novels which became known as the "Yoknapatawpha Saga," since they were based on the town of Jefferson in the county of Yoknapatawpha, Miss., of which its author once drew a map with the legend "William Faulkner, Sole Owner and Proprietor."

The best of Faulkner's novels: "The Sound and the Fury," "As I Lay Dying," "Light in August," "Absalom, Absalom!" and "The Hamlet" have been located in his home State. Towards the end of his life, after the publication of the ambitious but only partially successful allegory "A Fable," he turned even more earthly and realistically to his native soil with the publication of "The Town," "The Mansion," and "The Reivers."

Throughout his life Faulkner thought and wrote of himself as a poet. He said once, in an interview given to the Paris Review, that when he had satisfied himself that he could not be a great poet he turned to short story writing, and that when he had, later, proved to himself that he could not be a great short story writer he turned to the novel form. His poems, certainly, were not good, tending to fancifulness or imitation; but his poetic sensibility was exploited to the full in his novel.

The difficulty of his style seems to arise from the fact that he perceived, and wished to convey for any given situation, a variety of nuances. Another cause of obscurity lay in his attempts to grapple with the novelist's problem of consciousness in relation to time; the same problem of how to convey the multiple events and still more multiple meanings contained in a single moment of time that Proust, Joyce, and Virginia Woolf tackled each in their individual way.

DIALOG REALISM

The success with which, in his best work, he managed to "hold time in his hand" is shown in "Absalom, Absalom!" and "Intruder in the Dust." It was because he ballasted his psychological exploration with immediacy of description and realism of dialog that his work presents such a rich—and at first bewildering—texture.

That Faulkner was a southerner one would know from his scenes and characters, but the southern quality was also subtly present in his style. There was something of the cracker-barrel politician in his rhetoric, something of Poe's Gothic in his atmosphere. He suited his style to his subject. When he was dealing with primitives, as in "As I Lay Dying" and the Benjy section of "The Sound and the Fury," he could be simple and colloquial; when he was writing of sophisticates, as in the Quentin section of "The Sound and the Fury" his style was involuted and complex. But scratch the literary craftsman, the officer-romantic with the horn of Roland in his ears, and one found an earthy countryman. ("I'm only a farmer" he is supposed to have said when asked to look distinguished for the Nobel Prize gathering.) This "country" quality came out well in his last four novels. His favorite reading was reported to be the "Sut Lovingood" stories of George Washington Harris, and he liked nothing better than to go hunting with his friends from Oxford.

After the Second World War Faulkner's stature as a novelist was fully recognized. He brought to life a fictional world, the highest mark of a novelist's achievement, he developed a distinctive unmistakable style, and, under cover of his own myth of the South, he created stories with universal implications. One has only to savor the complex, rich, and subtle texture of Faulkner's writing to know that, for all the critical diatribes about his violence, his primitivism and his obsession with lust and incest, here is a great literary imagination. But it is not only that. Were it only that, Faulkner would not have been great. What made him great, to quote his own Nobel Prize address, was his single-minded concern with "the old verities and truths of the heart, the old universal truths lacking which any story is ephemeral and doomed—love and honor and pity and pride and compassion and sacrifice."

[From LeMonde, Paris]

THE DEATH OF WILLIAM FAULKNER

(By Marcel Brion)

William Faulkner's death plunged the entire literary world into mourning. Suddenly it brings us to consider as a whole a work which is properly one of the most "monumental" of contemporary novels. The author himself seemed to have put the finishing touch on this work almost as long as "The Human Comedy" when he wrote in the preface to his last novel, "Le Domaine," published in France a few months ago: "This book is the final chapter and the end of a work conceived and begun in 1925."

It was 34 years ago that Faulkner had undertaken this extraordinary portrayal of American society in the Southern States, and he had been so captivated by his characters that he could not separate himself from them after he had infused them with life. When a hero of a novel truly lives, it seems necessary to elaborate or develop him for an indefinite, and perhaps infinite, time.

More than merely describing a social class, what interested him was developing characters throughout all human experiences and even carrying them over into succeeding generations. Individual destinies become entwined from one volume to another, and as life progresses, new situations are depicted which bind the sons to the fathers through the relentless destiny which hangs over the families. Ancestral hate smoulders for a long time, then bursts forth in violent flames, and everything which seems to have been forgotten or overlooked suddenly surges forth with glaring obviousness.

Even that sort of sleepy inertia which one notices in certain characters only denotes the expectation of that moment when they



will overtake other fully evolved figures and henceforth intermingle their destinies.

William Faulkner was actually, in fact, one of those "novelists of temperament" who identifies himself with his characters and who seemed incapable of detaching himself from them, or them from him once they have gained "three dimensions" which is the greatest thing in life for fictional creatures. This is the spell cast upon the reader when he opens one of Faulkner's books. William Faulkner himself seemed to be the first to fall under the spell.

For him, the imagination was an awe-inspiring faculty for inventing an entire region so well delineated by his strength of mind that the myth is transformed into reality, and all his settings are "here and now," in Faulkner's country. The fields of cotton, great rivers, the color of dawn or clay, the small towns bustling yet somnolent with their Negroes, their "poor whites," their plantation owners proud of their ancestral heritage and new prosperity—all that lives and breathes thus as powerfully, and sharply in our mind as Balzac's province, his notaries, his old maids and his castle-building adolescents.

Faulkner compels us to take for gospel truth that which it pleased him to invent. Doubtless this dominating fascination is due to an extraordinary quality of poesy, which succeeds in illuminating secret passions, consuming hatred and stifling carnal desires, whose very shadows are pierced by strange lights.

He rebels against the classical analysis of characters. He is interested (and this interests us) in those intermediary positions between crime and lunacy in which man seems to be led by some obscure evil design. Because of the moral standards of his characters, they are powerless to restrain their vital forces but more readily follow their sinister instincts either well within or beyond reason, without any degree of the "normal" conduct required by a civilized society, no matter how much reminded of it.

The collection of Faulkner's novels are living—and they will continue to live—because they constitute not only a "saga" but give birth to a myth, to several myths. Thus, his complete works, with his vibrant architecture, stand out right now like the epic of an unending struggle between life and oblivion in this collection and in each individual work therein from "Sanctuary" to "Domine." The beings which he drew from the shadows . . . with that kind of cold arrogance toward destiny possessed by Homer's heroes. If it were necessary to compare this American novelist who has now returned to the land of shadows, to some other author, it would be to the tragic Greeks among whom he would find his true relationship, rather than among his fellow countrymen and contemporaries: Dos Passos, Steinbeck, Hemingway, themselves drawn by life's daily drama and imminent destiny.

It is not that the "fatum" of Atrides and Sartoris resemble them "historically." The Faulkner world is just of their time and country. But rising above the work is a torment of living and a restlessness for evolution, the divine or diabolical burden of which has not yet, I think, been fully measured. His unbroken third dimension, his equilibrium between substance and spirit assure him eternal life.

[From the Manchester Guardian]

THE PRIVATE GENIUS OF WILLIAM FAULKNER  
(By W. J. Weatherby)

If William Faulkner had died before receiving the Nobel Prize, only a small group of fans would have mourned him. Now his sudden death in Oxford Miss.—or was it in Yoknapatawpha County?—calls for a tribute from the White House, even though Mr. Faulkner recently refused an invitation to

dine there because, as he said, "It's too far to go to eat with strangers."

His long period of obscurity was due partly to the originality and complexity of his novels and partly to his refusal as a man to compromise in public relations. The Nobel Prize thrust him into the headlines in a way that perhaps could only happen in the United States, but Mr. Faulkner hardly altered his routine of farming and writing and giving the odd-lecture to people he approved of. If Hemingway was the public genius in the American writing field, Faulkner was the private one: a man who perfectly mirrored the books he wrote.

He came from one of the aristocratic families of the Deep South—a family that had declined in a social sense like the Sartoris in his novels. He was born in New Albany, Miss., but soon afterward his parents removed to Oxford where Faulkner attended high school, played with the idea of going to the university, but instead went off to the First World War in the Royal Canadian Air Force. When he returned to Oxford, he could not settle either as a man or as a writer. He tried odd jobs, he tried poetry, and then produced short stories in great quantities which he could not sell.

Sherwood Anderson—who with Mark Twain was one of the strongest influences on Faulkner's generation of American novelists—helped him to get his first novel, "Soldier's Pay," published, but neither that nor the next two novels he wrote brought him any money. He had to borrow the money to get married and he was then in his early thirties. He decided not to try to write books that would sell but just to write the "best I could," as he later described it.

The result was "The Sound and the Fury," his own favorite among his books and often rated as the greatest. It is a complex study of the decline of a southern family and highly experimental in technique, studying the same situation from several viewpoints and extending the range of stream of consciousness writing as used by Joyce. While stoking the furnace at night in a local powerplant, he wrote, "As I Lay Dying" which again studied the decline of a family from multiple viewpoints.

He had realized by now, as he said recently, that "I didn't need to write about interesting foreign places. There was more than enough in my own little postage stamp of earth to last me a lifetime." And he settled down to write the great epic of the Deep South which he set in the mythical county of Yoknapatawpha.

For about 10 years he wrote "at the top of my talent" and produced "Light in August," a vast novel about segregation (spiritual as well as social); "Absalom, Absalom," more about the significance of the family; "Go Down, Moses," which included his great short story of the wilderness which he used as a symbol of the past, "The Bear"; "The Unvanquished," his tales of the Civil War which had marked Yoknapatawpha for eternity. The titles perhaps are not too important for, more than most novelists, Faulkner must be read for the body of his work. The characters, the place and the problems reappear in book after book, a reflection of the Faulkner saying that "You just always know the past for there is no real 'was,' 'there is only is'."

In his later life, when fame brought him reporters to jot down his most casual remarks, he was attacked for believing the South should solve its own racial problems. This was interpreted as meaning that Faulkner was really a go-slow conservative. Any reader of the Yoknapatawpha saga will know his feelings about segregation. He was brought up as a boy with Negroes and many of his stories reflect the deepest disgust with the behavior of many of his fellow whites. His favorite character was Dilsey, the old Negro grandmother in "The Sound and the

Fury," and probably his finest short story, "Pantaloon in Black," described the heart-breaking grief of a young Negro at the death of his wife which the whites completely misunderstood.

What Faulkner would not endorse was the claim of the North to be the civilized leader and the South as the blind bigot. He was a southerner who knew the reasons for the breakup of the old system and why the materialism he represented in his Snopes family had arisen. But the materialism was as much of the North as the South: the Yoknapatawpha characters had the guilt of slavery to the work out for their salvation but in the end this was only a symbol of man's inhumanity, and this is where Faulkner's work rose to an international level. Other Deep South writers have written about the same situation and produced only local fiction: Faulkner saw Mississippi in terms of the most uncompromising tragedy.

It was not the tragedy that made popularity elude him but his thick, often clotted style: in later life his sentences sometimes stretched for pages. He said recently: "Part of the trouble is that I left school early and didn't do enough mathematics to get a properly disciplined mind, but I guess most of it is due to the fact that I tried to capture everything in every sentence. It was like trying to inscribe the whole of experience on the head of a pin. Something had to go and sometimes it was lucidity, sometimes it was the reader, and sometimes it was my point as a writer. I was never satisfied with anything I ever wrote. I always tried to say more than I had the talent to."

After his great period up to the Second World War, he seemed to relax, wrote less and what he did publish was more rhetorical and less tragic. As well as being a great tragedian, he is a humorist of the stature of Mark Twain, as his trilogy about the Snopes family shows, and more and more after fame came to him with the Nobel Prize, he used humor to reach his increasing audience. It was, as a friend remarked "as if Bill realized his best work was done and he could relax and enjoy himself as a writer."

Although a reserved man who hated the phoniness of public life, he followed his family's tradition of fighting publicly any local threats to democracy as he saw it. In his great period, he drank heavily, presumably to be able to live with so tragic a vision. He earned much of the money that enabled him to buy one of the old southern mansions in Oxford from Hollywood where he went occasionally to write scripts, including one or two for the late Humphrey Bogart. "Writing for movies and television is a fine way to get a regular paycheck, but it has nothing to do with real writing," he said recently.

These towering standards, both as writer and citizen, frightened many of his acquaintances, but they explain why he made such a mark—and so quietly—as both.

#### HEALTH CARE FOR SENIOR CITIZENS

Mr. PELLY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. PELLY. Mr. Speaker, those who oppose the Kennedy administration's so-called medicare program will concede, I am sure, that regardless of the merits or demerits of the King-Anderson bill, the issue is serving an important purpose by focusing nationwide attention upon a real problem. Indeed, so much so that some weeks ago Time magazine said



there is no longer a question of a health plan for the aged; rather it is a matter of what kind of plan there will be. In this connection, I am sure, most people agree that adequate medical and hospital care should be available to every older person, regardless of financial circumstances. The argument is over the means by which this medicare should be provided.

Some of my constituents seem to take for granted that because I sent out a questionnaire on this subject and the answers showed a majority opposed to health insurance under social security that I am against such a plan. I find myself listed as opposed to it and many letters reaching me indicate their authors are also under this impression.

Actually, this is not so. As a matter of fact at this point I have taken no firm position on any specific proposal now under consideration. Instead, I have made certain broad statements as to provisions which, in my opinion, should or should not apply to a health program. Likewise, I have pointed up, as a matter of information to my constituents, various benefits such as surgery and physician's care, and so forth, which are not included in the King-Anderson bill. Inasmuch as the King-Anderson proposal, H.R. 4222, is being widely acclaimed, and has administration support, I have felt that my constituents are entitled to know exactly what the bill would or would not accomplish. At the same time I stated and I state again that I have not closed my mind except on one point. I refer to the section 402 of the King-Anderson bill which, in my judgment, should be amended. This provision directs the Secretary of Health, Education, and Welfare to carry on further studies to develop recommendations as to additional types of health benefits and looking toward the broadening of the program. I believe, along with the medical profession, that the language of this section constitutes an open invitation for Federal bureaucrats to recommend constant expansion of the plan, with the door being opened to complete socialization of all medicine in the United States.

Therefore, as I have said, I would be compelled to vote against the bill unless this provision is changed. In this connection, under date of June 19, I wrote Secretary Ribicoff, after he had stated his willingness to consider "not compromises but alternatives" to the King-Anderson bill and I specifically asked the Secretary to inform me if he was agreeable to a change in section 402. As yet I have not received a reply to my inquiry.

My other criticism of the bill may be covered by the new bipartisan compromise proposal which is being considered by the Senate. For example, one of the new provisions which I support blankets in 2½ million persons not covered by social security, and also I understand retired persons without social security would be included.

In addition the Senate compromise version also permits a highly desirable option under which benefits could be used to finance premiums to private

carriers. This I strongly support; in line with our free enterprise system this option is highly desirable and certainly, in my judgment, adds a great deal to the bill.

Contrary to the medical profession I believe that a social security tax is the most fair and efficient way of Federal financing. It allows workers and lower income persons to pay into a trust fund. This would be better, to my way of thinking, than financing any health program by congressional appropriations out of the general funds of the Treasury. With a trust fund the income, of necessity, must bear a relationship to the outgo. Therefore, it seems to me raising funds by this payroll tax to meet the cost of the program is preferable and more fiscally responsible than funding out of general taxation.

Mr. Speaker, I realize that a tax under social security is not voluntary, but I think this compulsory factor would be offset to some degree by a credit for payment to private institutions. I believe that State and private agencies should be given a role in administration of the program. This local management provision should be written into the bill and special care provided to assure against Federal control over hospital management. In other words there is a lot more to legislation than rubberstamp approval.

Certainly, Mr. Speaker, I would not expect any proposal on which the House might be called to vote to satisfy me on all points. However, I will never compromise on one basic principle. That is, I will never vote for a bill which could constitute a toe-in-the-door approach to socialized medicine. I am not against a health program which would provide a means of the people doing something for themselves with Government help, which otherwise they could not do. Especially, I think a plan to cover catastrophic illness is needed.

The impressive progress made by union-employee group insurance coverage through private competitive enterprise must not be voided. In fact, I would hope the Federal plan would lend itself to encouraging such contracts and establishing an objective of making it possible for more of our senior citizens to afford adequate private health insurance. Certainly, my personal experience in Congress with a Federal payroll deduction plan for hospital protection under a private insurance company is most satisfactory. I am sure other Members agree.

Mr. Speaker, I emphasize that in my district both the proponents and opponents of the King-Anderson bill, H.R. 4222, have placed their own interpretation as to my position on H.R. 4222. Consequently, by these remarks I trust I have made it clear; namely, that section 402 must be changed so as to assure the King-Anderson bill does not lead to Government control of medicine. If I could be satisfied on that point I would then give the measure my full consideration, assuming that recent Senate provisions are included to allow payment from benefits toward premiums on private health insurance. However, until a

specific measure comes before this House I shall not commit myself other than to say that my judgment on such legislation as indicated will be based on its protection from ultimate Federal Government intervention and administration of hospital and medical care for senior citizens.

If a bill comes before us on a straight vote, up or down, under parliamentary procedures denying Members an opportunity to make changes I point out that many Members may be forced to oppose legislation that otherwise would gain their support. That is why, I for one have withheld any formal statement as to how I intend to vote.

#### WHY FRANCE WANTS TO HAVE ITS OWN NUCLEAR CAPABILITY

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, Constantine Brown, writing from Rome, gave us a new slant on why France wants to have its own nuclear capability. His article was published in the Evening Star on Thursday, July 5, and gives rise to the question that perhaps European nations may have a better intelligence system than our own or that their people are better informed than we have been in this country. It further gives rise to the question as to why Pierre Salinger went to Russia for conferences with Khrushchev, as well as what was the subject and what was the topic of his negotiations. So far as I know, the public has not been let in on that secret.

Mr. Brown's article follows:

[From the Washington Evening Star, July 5, 1962]

#### SUSPICION IN WESTERN EUROPE—POSSIBILITY OF UNITED STATES-SOVIET ALLIANCE HELD KEY TO TENSIONS IN NATO

(By Constantine Brown)

ROME.—Throughout the ages great alliances have been reversed. This fundamental of world politics has not changed over the centuries. Our present policies of accommodation with Moscow have made Western European leaders suspicious that another reversal of alliances may be in the making.

Suspicious of this nature are the compelling reason for Gen. Charles de Gaulle's stubborn insistence that Europe have its own nuclear power.

President Kennedy and his advisers should know, say those close to General de Gaulle, that Western Europe has no more desire to use its own nuclear power offensively than have the United States and Britain. But it feels it must have this power to meet possible blackmail.

In view of the changing trends in world alliances, the Europeans do not wish to be left out just in case the whispered Anglo-American-Soviet entente, described as necessary for the sake of relaxation of tensions, becomes more than a rumor.

Who would have thought 15 years ago that France and Germany, bitter enemies for more than a century, would become bosom friends; who would have thought in 1945



that Japan would become America's closest ally in the Far East? It is because of the political quadrille which has been danced on the international scene for centuries that so many Europeans give some credence to reports that the world may witness another change in the international setup; an American-British-Russian entente.

This would certainly eradicate the possibility of a completely destructive nuclear war, but would not remove the possibility of local Soviet aggressions with nuclearized conventional weapons. And this is the fundamental reason why France insists on becoming a "modest nuclear power" able to provide weapons to all its partners on the Continent. The neutral Swiss, who have not fought a war for more than 150 years, have recently decided by a referendum to provide their defense forces with nuclear weapons.

Your reporter asked a personality close to General de Gaulle what America could expect from such political incest. True enough, I said, throughout history the enemies of yesterday have become the friends of today. But that occurred because of self-interest. What could America gain from accepting the hand which hides a poisoned dagger and thus forsake present friendships based on the mutual desire to keep freedom alive?

The answer of my French friend whose experience in international affairs dates back to Versailles was that America is blinded by the glare of peace, domestic and international. "Despite the many wars you Americans have fought in the 180 years of your existence there are no peoples in the world more dedicated to peace. Sometimes you retreated to your isolationist shell," he continued, "but came out again when tyranny threatened to engulf the world."

"Since the end of the last war you have helped rebuild Western Europe which has lost a war but not its intrinsic power. Our revival was beyond your most optimistic expectations. But at the same time when we reached the zenith of our power you turned panicky and seem to be carrying the olive branch to Moscow in both hands. Do your statesmen really believe that Russia, after having agreed to relax tensions on her own terms, will abandon its imperialistic goals?"

Thus, despite the reassuring statements from Washington and Bonn that the present cracks in NATO are only superficial and inevitable in an alliance of free democracies, the fear exists that the American-Russian flirtation may eventually permit Moscow to nibble further at Western Europe.

The first on Premier Khrushchev's list is Italy where the Russian diplomacy is exerting its own brand of "gentle pressures" to induce the present left-of-center government to abandon the Common Market and NATO. This, however, won't succeed so long as Prime Minister Fanfani is in power. But it has a chance if, for instance, Pietro Nenni were to come to office and the feared Russian-American-British entente become an accomplished fact.

#### HOUSING FOR THE ELDERLY

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WIDNALL. Mr. Speaker, on Wednesday of this week the Housing Subcommittee of the House Banking and Currency Committee will begin hearings on housing for the elderly. Under con-

sideration will be a bill H.R. 12348, introduced by the able chairman of the subcommittee, which would increase the appropriation authorization for the direct loan elderly housing program by \$125 million.

Mr. Speaker, we all are concerned with the housing problems of our elder citizens. I think the existing program can and should be improved. Accordingly I have introduced today H.R. 12430. This bill in addition to making an additional appropriation authorization of \$125 million available, same as the chairman's bill, would go further and provide that hereafter the direct loan elderly housing program be limited to the financing of new construction. There are three reasons for this proposed change.

In the first place, confining the loan program to new construction will assure that the housing accommodations provided are designed specifically with the special needs of our elderly citizens in mind. These special needs involve not alone convenience factors but safety factors as well.

In the second place, confining the loan program to new construction will eliminate any possibility that this worthy program can become tainted with speculative windfall profits arising from the sale of existing structures at excessive prices with the sale transactions financed 100 percent out of Government loans. Aside from the questionable use of taxpayer funds for such purpose, we simply must not permit windfall financing to infiltrate this program as it would result in our elderly citizens paying more for their rent than they otherwise would have to pay. Our elderly citizens should not be gouged in their rent payments to support grossly inflated prices on old structures.

In the third place, confining the loan program to new construction will avoid the displacement problem that is incapable when existing structures are converted to elderly housing use. Our concern for the elderly must not blind us to the hardships of displacing families from the accommodations they presently occupy in such structures.

Mr. Speaker, as the witnesses appear at our hearing, I hope to fully explore these problems. There has been discussion of them in news accounts appearing in the local papers in connection with the proposed conversion of Hotel 2400 of this city to an elderly housing project.

#### IGNORANCE WILL DESTROY OUR SOCIAL SECURITY SYSTEM

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. CURTIS of Missouri. Mr. Speaker, I believe the most discouraging feature which has shown up in the national debate on health care for the aged has been the failure of American academic scholars to come forward and assist in

separating what may properly be termed an exchange of ignorance and vilification constituting 95 percent of what is being said and printed on the subject, from the exchange of knowledge and differing viewpoints.

Indeed, our American scholars as a group have permitted without serious challenge men and women who bear the proud titles of scholars to abuse their positions as scholars to corrupt honest debate. They applaud their abuses and hiss those who try to dispute them.

I am all too aware of the fact that our scholars by and large have aligned themselves with a school of economic political thought which has as its basic tenet that an increased role for the Federal Government is required if our society is to meet and solve the social problems of our times. This would be perfectly proper if they would constantly check their conclusions against whatever new evidence and arguments come forward, as all scholars should. This, however, has not been done. Instead there seems to be an unhealthy indulgence in the unscholarly emotion of thinking that anyone who disagrees with the basic doctrines of neofederalism is motivated by lack of humanity or is ignorant, regardless of what the facts and arguments may reveal.

Surely, the failure of the scholars who have participated in public debate on such issues as health care for the aged, to utilize the approved techniques of scholarship and in their stead employed techniques that by any fair standard are unethical, should warn those who have been relying upon their conclusions that something is tragically amiss.

I am placing in the Record an address by Ray M. Peterson, vice president and associate actuary, the Equitable Life Assurance Society of the United States, New York, entitled "People, Pensions, and Production." I do not expect very many people to read this somewhat complicated address but I do expect those who claim the title of scholars in the area to do so. Further, I expect scholars to discuss the points raised; to dispute them, if they are so inclined, to agree with them or to add to them.

It is the failure of American scholars to carry on forthright discussion for the benefit of the public that constitutes the primary sickness in our society today. When the wellspring of truth has been contaminated, all suffer from the foul water.

We look down our noses at Lysenkoism in Soviet biology but we are indulging in the same phony scientific approach when we swallow neofederalism simply because it is the approved version of economic and political science advanced by our modern-day scholastics.

Perhaps the only way out is for scholars in other disciplines where truth still remains the untarnished goal, to go over the working papers of our economists, sociologists, and political scientists—show up the pseudoscience for what it is, a corruption of the truth. It has become increasingly evident to me that because of some weakness, the true scholars, and there are many, in these disciplines, cannot or will not establish an approved



code of ethics to guide their search for truth in their disciplines, and call to task those who violate the code.

**PEOPLE, PENSIONS, AND PRODUCTION**  
(Address at 11th annual Southwestern Economics Forum, University of Southwestern Louisiana, Lafayette, La., March 7, 1962 by Ray M. Peterson, vice president and associate actuary, the Equitable Life Assurance Society of the United States, New York)

As a person who is not an economist, I am somewhat out of my element on this occasion. Consequently, I feel honored to be asked to take part in this economics forum. It may be, however, that my many years of association with retirement income programs, my deep interest in our social-insurance programs and my concern about the economic impact of all such programs, will enable me to furnish some information and identify some questions that will stir you to investigate, study, and even act.

The future behavior of our people in the voting booth and in their savings habits will determine whether claims on future production to provide old-age pensions are established on a sound economic basis.

I. People: First, let us take a look at some of the probable demographic characteristics of our people during the next 20 years based upon a population projection that assumes medium rates of fertility and mortality improvement. With each of the following items, there is an invisible qualifying warning that these are projections, not predictions—probabilities, not prophecies. Our foreknowledge is particularly weak as to future fertility rates.

Item 1. Contrary to the implication of the theme, "The Aging Characteristics of Our Population—Economic Implications," our population, measured by the median age, has been becoming younger. This will continue for the next 10 or 15 years if our population projection is good. Lower fertility rates than those assumed, however, could alter this picture. Here are the figures:

	Median age					
	1955	1960	1965	1970	1975	1980
Males.....	29.2	28.4	27.2	26.6	26.8	27.4
Females.....	30.4	30.3	29.6	29.0	28.9	29.4
Total.....	29.8	29.4	28.4	27.8	27.9	28.4

These figures are based on population projections made by the Social Security Administration.<sup>1</sup> Recent projections made by the Bureau of Census show median ages even lower than those shown—in 1965, 0.3 to 0.7 years less; in 1970, 0.6 to 1.6 years less.

Thus, our population is not aging—it has been "younging," and prospects are good that this "younging" phenomenon will continue for a decade or more.

Item 2. The anticipated decrease in mortality rates at most ages—i.e., increased longevity—represents a youthening of our population. A man reaching 65 in 1980 will be as good as a man of 63 today, and one reaching 65 in the year 2000 will be as good as a 61-year-old today. The mortality assumptions of our population projection, involving steady progressive improvement, produce the following expectations of life for the year 2000, as compared with those of a recent year.

<sup>1</sup> Greville, T. N. E., "Illustrative U.S. Population Projections," Actuarial Study No. 46, May 1957, Social Security Administration—Division of the Actuary. Mean of projection I (low fertility and mortality) and projection IV (high fertility and mortality). This means projection was used in Actuarial Study No. 53, August 1961.

Age	Males			Females		
	1959	2000	Increase	1959	2000	Increase
0.....	66.5	71.4	7.4	73.0	77.1	5.6
20.....	49.5	53.4	7.9	55.4	58.6	5.8
40.....	31.2	34.8	11.5	36.4	39.4	8.2
60.....	15.7	18.3	16.6	19.3	21.6	11.9
65.....	12.7	15.0	18.1	15.5	17.5	12.9
70.....	10.2	11.9	16.7	12.2	13.8	13.1

The figures reflect an assumption that males have greater room for mortality improvement.

Item 3. Changes in the age characteristics of the voting population are noteworthy.

Age group	Proportion of total voting population		Percent-age increase in number from 1960 to 1980
	1960	1980	
21 to 34.....	Percent 29.6	Percent 35.4	60.3
35 to 49.....	32.4	25.0	2.9
50 to 64.....	23.4	22.6	28.7
65 and over.....	14.6	17.0	54.9
Total.....	100.0	100.0	33.5

As to number of voters, the increase by 1980 will be 9 million for those 65 and over and 20 million for those under 35.

Item 4. The relation of the number of nonproducers to producers is an important economic factor. This is shown on two different bases.

Year	Number of nonproducers per thousand producers	
	Producers taken as 20-64 age group	Producers based on labor force participation rates <sup>1</sup>
1960.....	891	1,416
1965.....	919	1,391
1970.....	903	1,356
1975.....	880	1,336

<sup>1</sup> Labor force participation rates are those projected by Labor Department in Bulletin No. 1242: "Population and Labor Force Projections for the United States, 1960-75," Bureau of Labor Statistics, 1960.

At least in terms of numbers, the burden of nonproducers on the producers will decrease. An increase, however, in the proportion of young workers, female participants, and part-timers raises the question of relative productivity.

I have also prepared some population and labor force charts that you may study at your leisure.

II. Pensions. Now for a capsule view of the present pension picture. The two main sources of old-age income today, aside from the many forms of individual savings, are voluntary private pension plans and the compulsory public system known as the old-age, survivors, and disability insurance system—OASDI. In addition, there are programs for governmental employees, the railroad retirement system, veterans' and military pension programs, and old-age assistance, all of which I shall omit from this discussion.

#### A. PRIVATE PENSION PROGRAMS

(1) Magnitude: At the end of 1961 private pension programs had accumulated funds of about \$55 billion. These funds are held mainly by trustees and life insurance companies. This amount represents a net increase of \$43.5 billion since 1950. Over 22

million persons in industry are covered, and annual payments to pensioners are close to \$2 billion. My own company paid out \$102 million to pensioners in 1961; in 1950 our payments were only \$18.5 million. Continued growth of these funds should be expected, not only as a natural result in existing plans but also as a consequence of improvements in such plans and because of the adoption of new plans by small- and moderate-size companies. The rate of growth may tend to decline as the funding status of plans improves, but significant growth should continue for many years.

(2) Competitive factor: The growth of private plans has been stimulated by a number of vital influences, an important one being the advocacy and encouragement of such plans by life insurance companies and corporate bank trustees. Within the tradition of our competitive economy these two groups have vied vigorously for this business.

During the last 10 years or so insurance companies have lost ground in this struggle because of competitive disadvantages arising from statutory or regulatory restrictions affecting investment services in three respects: (a) Federal income tax discrimination, (b) investment restrictions that include a severe limitation on the purchase of common stocks, and (c) allocation by insurance companies of investment income on an average portfolio basis.

With the Equitable playing a leading role, the income tax discrimination was largely removed in 1959.

As to investment restrictions, vigorous efforts are now being made in several States, with definite results in some, to secure statutory authority to establish separate accounts for pension funds with wide investment latitude. The Equitable is very active in seeking such legislation in New York.

Finally, a number of the leading insurance companies have changed their methods of allocating investment income for surplus distribution or rate credit purposes. The new practice specifically recognizes the extent to which the financial operations of a particular pension contract contribute to money newly available for investment. This method has come to be known as the "investment year" or "new money" method. The effect is that a pension contract, as it shares in distributable surplus or receives rate credits, obtains the benefit of investment rates on new money in a manner essentially the same as if the employer's pension funds were in a separate trust fund. The Equitable, having secured all the necessary approvals from the New York State Insurance Department, will be using this method for surplus distribution purposes in recognizing the results of investment operations of calendar years 1962 and beyond.

These several changes and trends, when fully effective, will serve to put banks and insurance companies on essentially an equal competitive level and thus permit a fair rivalry as to which funding agency can do the best investment job. We in the life insurance industry have no doubt as to an answer in our favor.

(3) Research—The successful functioning of private pension programs is vital to our national welfare. To this end, it is important that competent research groups, independent of government, continue to examine these programs. One important study has just been completed (except for one phase to appear in a few months). This study, which has been underway for about 3 years, was sponsored by the pension research council of the Wharton School of Finance and Commerce and was devoted to an examination of the security of private pension plan expectations. Four aspects were studied: (a) legal protection of expectation, (b) legal status of rights, (c) impact of administrative processes, and (d)

impact of actuarial processes and responsibilities. Also, an all-encompassing appraisal, entitled "Fulfilling Pension Expectations," was written by Project Director Dr. Dan McGill, and includes his personal recommendations as to means of enhancing pension security. Although one would not expect universal agreement with its findings and recommendations, the study is a most valuable addition to pension literature. My immediate purpose is only to mention it in this brief survey. I do urge you to place all five volumes of this study in your libraries, but, most important, take them out of your library for study.

#### B. PUBLIC PENSION PROGRAM—OASDI SYSTEM

(1) OASDI Data: Here are some up-to-date facts<sup>2</sup> relating to our OASDI system.

1. Membership as of January 1, 1962: 59 million active workers and 9.6 million retired workers (excluding survivor beneficiaries).

2. Payments to old-age recipients in 1961: about \$9.6 billion, which is 80 percent of total payments of \$12 billion. Non-old-age recipients include survivors of workers and the disabled.

3. As of January 1, 1962, the OASDI trust funds amounted to about \$22 billion—roughly 2 years' payments.

4. The present worth, discounted at 3 percent interest, of benefits and expenses with respect to present members is \$625 billion; present worth of future scheduled taxes with respect to such members is \$282 billion, which, with the trust funds of \$22 billion, leaves a difference of \$321 billion—an average of \$4,679 per member. In terms of private pension plan financing, this is the value of unearned increments for present members.

5. In the aggregate, the scheduled taxes (employee and employer) with respect to present members are worth about 45 percent of the benefits these members will receive. In contrast, the scheduled taxes with respect to new entrants are worth about 167 percent of their benefits.

6. Under the 1961 act, a constant tax rate of 5.56 percent is required to support benefits for new entrants. Also, an additional constant rate of tax of 3.72 percent (total of 9.28 percent) is required as the equivalent of interest on a nonexistent fund of \$321 billion; i.e., this additional tax is needed to pay benefits to present and many future recipients simply because the taxes payable in respect to them will not have been, in the private funded plan sense, sufficient to pay for their benefits.

7. Under the 1961 act, interest on the present Trust Funds will cover only about 2 percent of the cost of benefit and expenses. This figure was close to 3 percent under the 1956 act. Under present scheduled taxes and benefits, the long-term support from interest on prospective funds will be 4 percent to 5 percent of benefits contrasted with the support from interest earnings of a mature funded private plan of 40 percent to 50 percent. Thus OASDI financing may be said to be 90 percent "pay-as-you-go" and 10 percent "full reserve."

8. The following table shows the critical age for a new entrant at which the value of scheduled taxes (employee and employer) would be about 100 percent of the value of benefits. These ages may be considered representative of the age at which the value of a general increase in benefits would match the value of a corresponding increase in taxes. Below these ages, the relationship is unfavorable to the member of the plan, and above, it is favorable.

Entry age at which value of future scheduled taxes is about 100 percent of value of benefits<sup>1</sup>

Marital status	Average monthly earnings		
	\$200	\$300	\$400
Single male.....	52	53	56
Married, no children.....	34	41	44
Married, 1 child.....	34	41	44
Married, 2 children.....	33	40	44
Married, 3 children.....	31	39	43

<sup>1</sup> Jones, John P., and Hart, Marice C. "Analysis of Benefits OASDI Program 1960 Amendments," Actuarial Study No. 50, December 1960, Social Security Administration, Division of the Actuary. Ages derived from tables 10-12.

For a typical case of a married man with two children, the critical age would appear to be around 40.

(2) Competition of OASDI with private pension plans and individual insurance and annuity contracts. The United States is the only country in the world that is financing a social insurance program solely by a payroll tax that is split 50-50 between employee and employer. Other countries have either support from general revenues or a larger share from employers, or both. What is likely to develop in the future where we have one system of old-age benefits that is financed with very little reliance on interest earnings and another—funded private pension plans—where there is great reliance on interest earnings, with consequent substantially lower costs? As I have indicated elsewhere,<sup>3</sup> the 80 percent of social security taxes properly allocable to old-age benefits with respect to the new employees of a company would provide under a private funded plan old-age benefits that are 150 to 200 percent of those under the OASDI program. (The interest earnings assumption is 3¼ percent. Since actual interest earnings would probably be significantly more, the advantage in practice would be greater than indicated.) Also, the OASI taxes with respect to a young man with two children (disability taxes and benefits excluded) could provide under individual insurance and annuity contracts significantly greater life insurance (survivor benefits) and old-age income for himself and his wife than are available under the OASI program. Employers, union leaders, and purchasers of individual insurance are very much market oriented in this country as to the costs of pensions, insurance, and so forth. They are increasingly aware of these costs provided by private voluntary agencies. As the relative costs of the type cited become better and more widely known, we should be prepared for increasing dissatisfaction with the social security tax burden.

The situation has been aggravated in a most serious way by the depiction of the OASDI system as greatly similar to private insurance and not as a system of social insurance, under the relation of taxes to benefits is in no way like the relation of premiums to benefits under private insurance. Under social insurance there is and must be a broad socialization of costs, not only between the members of one generation, but also between different generations; i.e., the taxes with respect to active workers, in the main, support the current aged.

C. Research relating to both public and private pensions. I also wish to bring to your attention some important research by the National Bureau of Economic Research,

Inc., relating to both private and public pensions. It is described in these words in the 41st annual report of the bureau under the heading, "The Impact of Public and Private Pension Systems on Saving and Investment":

"This study of the economics of pensions, directed by Roger F. Murray, is now in its 3rd year and some of the major areas of investigation have been fully explored. There remains the task of integrating the findings, some of which are discussed below, into a comprehensive view of the economic implications of the present and prospective pension structure.

"One of the major questions with which the study is concerned is this: What difference does it make, in economic terms, whether public or private pension programs take over an increasing share of responsibility for providing retirement benefits in the years ahead? This broad question can be approached most effectively on the basis of a distinction between the economic effects of transfer payments (redistributive effects), which predominate in most of the public programs, and the economic effects of accumulations (saving effects), which predominate in the programs for the employees of Government and private industry. A logical sequence for the development of the study, therefore, is (1) an examination of the present and prospective pension structure, (2) an analysis of the redistributions of income which take place through different programs, (3) the implications for aggregate saving in the economy, and (4) the impact on investment and the capital markets of fund accumulations.

"As to the impact on aggregate saving, it is reported that the net increase in national saving is probably a high proportion of the growth in pension funds. The evidence for this conclusion is that employers' and employees' contributions do not on the whole substitute for other forms of personal saving (though under certain circumstances they may), and the reduction in Federal income tax revenues from the exemption of pension contributions and from earnings leads to other taxes that possibly reduce corporate saving by only a modest fraction of the growth in pension funds."

Thus, we have this preliminary finding that private pension funds have been an important source of additional saving.

Prof. John J. Carroll, of St. Lawrence University, who is conducting the NBER study of the redistributive effects of transfer payments under Federal governmental pension programs, published a study<sup>4</sup> in 1960 which concluded that the OASDI system produced significant inflationary effects in recent years because of the greater marginal propensity of recipients to spend. He also wrote:

"The new situation is highly significant. It gives us a foretaste of things to come. The program is creating inflationary pressures of the type which we may expect later under any of the alternate methods of financing studied here."

For the 4 years 1959 through 1962, actual and estimated OASDI operations show social security taxes of \$46.4 billion and benefits, expenses, and railroad retirement financial interchange totaling \$50.6 billion (22d Annual Report of Board of Trustees of OASDI Trust Funds). This \$4.2 billion of excess outlays would appear to be an additional inflationary influence that supplements the greater spending proclivity of recipients identified by Professor Carroll.

<sup>2</sup> Myers, Robert J., Chief Actuary, Social Security Administration. "Balance Sheet Cost Analysis of OASDI System," memorandum of Jan. 18, 1962.

<sup>3</sup> Peterson, Ray M., "How To Preserve Our Social Security System," address before Council on Employee Benefits, Oct. 27, 1961.

<sup>4</sup> Carroll, John J., "Alternative Methods of Financing Old-Age Survivors, and Disability Insurance," Michigan Governmental Study No. 38, Institute of Public Administration, the University of Michigan, 1960.



III. Production.—Old-age income—pensions—for the 25 million people who will be aged 65 and over in 1980 must be provided by establishing claims on the production of that time. This can be done in two ways: (1) By legislated transfer of income from producers to the aged nonproducers; i.e., through the OASDI system, and (2) by an effective savings process that increases future productivity in a free enterprise economy. A proper balance is vital to our national economic health.

In a statement before a Senate subcommittee,<sup>5</sup> Prof. Roger F. Murray gave this interesting analysis of how current savings can be translated into legitimate claims on future productivity:

"A public or private pension plan which invests an excess of contributions over benefits in productive capital formation contributes, as do other saving institutions, to economic growth and a rising standard of living. Everyone shares in these gains currently; they are not reserved for the future to honor the claims which we call pensions. When I retire in 1979, I shall cease contributing to current output and start presenting my claims to the goods and services produced in that year and in subsequent years. Presumably, someone else will be willing to forgo current consumption in order to provide for his future and will take over my claims in exchange for a portion of his current output.

"For this to work out so that my pension claims have a command over real goods and services which satisfy my needs and wants, it is essential that three conditions be met:

"First, my productively employed fellow citizen must be willing to take my place as a saver because he has confidence in the process of saving and investment.

"Second, in the interim period my saving must have been employed as productively as possible so that there will be an abundance of goods and services to share with me and the other people who have ceased to contribute to current output.

"Third, and underlying both of the preceding conditions, the general level of prices must remain reasonably stable over long periods of years.

"Otherwise, confidence will be lost in the saving and investment process and I shall find that my pension gives me command over very little real output.

"The key questions, therefore, are: (1) How the pie of real resources is divided between the active and the retired; and (2) the size of the pie. It is clear that the volume of pension payments under public and private pension programs will increase much more rapidly in the years ahead than we can expect real output to grow. In other words, the fraction of the year's pie going to the retired will be increasing. However, if the size of the pie is enough larger each year, the remainder may still grow; the active contributors to current production may still be receiving more in the way of rewards for their efforts.

"The productivity of the investments made with funds accumulated in public and private pension systems becomes crucially important, then, in our appraisal of the functioning of these arrangements."

Per Jacobsson, eminent international economist, had this to say recently regarding the interrelationships of "mutual aid"

or the operations of a state welfare system and a competitive market economy:<sup>6</sup>

"It is a question of combining mutual aid with effective competition, while at the same time creating conditions which permit a variety in the mode of life. There are great advantages to be gained if one can do so, but certain dangers to guard against. Large industrial and labor organizations may seek to exclude effective competition. Mutual aid may become so costly that the economy is crippled by the load it has to carry, diminishing the incentives to further efforts. This will probably be the case where aid is extended all along the line, even to those who can afford to make provision for contingencies out of their own—nowadays generally much better—earnings, either directly or through insurance.

"Another danger is that egalitarian tendencies may limit too much the scope for diversity. While, quite rightly, the demands of social responsibility are more fully recognized today, and countries have taken positive action in many fields, there is danger in establishing society on such a basis that the result is, at best, a high level of mediocrity. I personally believe that a pronounced emphasis on equality may easily lead to economic stagnation, and thus before long to a lowering of the standard of living for all income groups. Those countries that give sufficient scope to free enterprise and diversity and permit the operation of free market forces will fare best economically, and will consequently be best able to improve the general conditions for their people and provide proper social security. And I must emphasize once again how dangerous it is if the welfare system is such that it is allowed to impede the adjustments needed for continued economic progress. Surely it is not beyond the capacity of men to combine freedom for market forces and a variety in the mode of life with provision of social security for those in need. Some may wish to go further—to insure a broader participation in what has been called "the affluent society"—but looking around the world as it is today, it would already be a great step forward if better conditions could be secured for those whose needs are still very inadequately met. Improved standards for the many can be obtained in a wide field by the operation of the market system, with gradually increasing wages, and more extensive fringe benefits, without direct intervention by government."

Also, he emphasized the importance of savings in these words:

"But without a ready flow of savings no economic progress can be sustained."

Another economist Wilhelm Röpke,<sup>7</sup> who has an international reputation and has been called the architect of the economic policy of the West German Government, has this to say about the financing of old-age benefits. He observes that:

"The argument is sometimes adduced . . . that a compulsory state system of social security has a great advantage over self-providence in that it does not require prior capital accumulation and needs to raise only the currently necessary means each year, thereby living from hand to mouth. Is this not much cheaper, it is said, and does it not, therefore, make possible much more comprehensive and generous social benefits for the masses?"

\* Jacobsson, Per, Chairman of the Executive Board and Managing Director, International Monetary Fund. "The Market Economy in the World of Today," Jayne Lectures for 1961, The American Philosophical Society.

<sup>7</sup> Röpke, Wilhelm, "A Humane Economy," Henry Regnery Co., Chicago, Ill., 1960.

"This simple procedure, which has been called the pay-as-you-go method, is in fact applicable also to mutual aid in smaller groups, but on the large scale necessary for mass social services, it is obviously reserved to the state, with its powers of compulsion. However, this is anything but an advantage. It is not enough to appeal to the elementary principle that any social payments must, in reality, always be covered by current production. Another circumstance needs to be stressed, and it adds an important qualification to an axiom we have mentioned before: the extent of current production is decisively influenced by previous investment, and unless this investment is to have inflationary effects, it must as a general rule be covered by savings.

"Therefore, a pension system resting on capital accumulation makes a considerable contribution to national capital formation as a determining factor of the national product. The system thus tends to increase the national fund of goods out of which the social payments, translated into goods, are made. A pay-as-you-go system, on the other hand, would stop up this source of capital formation and, unless a substitute can be found, hamper the growth of the social product."

I should like to add one more to my "cloud of great witnesses" who testify to the vital importance of savings and investment as distinguished from redistribution of income by legislative fiat. Gabriel Hauge made this observation in a recent speech:<sup>8</sup>

"Investment tends to distribute income to the productive on the basis of economic contributions; it thereby serves the cause of growth. Charity tends to distribute income from the productive to the unproductive on the basis of need; its effect on growth is obviously different. Each has its proper place, but to confuse them leads to further confusion of economic with social equity, equity with equality, and production with distribution."

We may now ask whether savings and investment during the next 20 years will be sufficient to produce the economic growth necessary to provide for the increasing number of elderly persons adequate claims on future productivity, along with other claims, and in dollars that have not depreciated. We find a discouraging answer in the recently published monumental study by Prof. Simon Kuznets of Harvard. James J. O'Leary, director of economic research of the Life Insurance Association of America, in his 1961 annual report, gave this summary of the Kuznets' study, entitled "Capital in the American Economy: Its Formation and Financing."

"Kuznets' monograph, just published, sets forth conclusions about capital formation and financing in the entire economy in the next 15 to 20 years in the light of perspective on the various forces which have in the past and are now influencing capital formation and financing. The Kuznets report is an outstanding piece of work and contributes a great deal to our understanding of the basic importance of savings to the economic growth of the country in coming years. It also sheds light on financing problems and the course of interest rates in the next 15 to 20 years. Kuznets' book will be widely regarded as the outstanding work produced on capital formation and financing and the growth of the American economy.

<sup>8</sup> Hauge, Gabriel, vice chairman of the board, Manufacturers Hanover Trust Co. "Our Economic System and the National Character," address before 46th annual meeting of the Rubber Manufacturers Association, Inc., Nov. 16, 1961.

<sup>5</sup> Murray, Roger F., S. Sloan Colt Professor of Banking and Finance, Graduate School of Business, Columbia University. Statement to the Subcommittee on Retirement Income of the Special Committee on Aging, U.S. Senate, hearings, July 12-13, 1961. U.S. Government Printing Office, Washington, 1961.

"Kuznets' findings may be summarized as follows: During the period since the Civil War there has been a significant decline in the ratio of the output of capital goods (industrial plant and equipment, housing, commercial facilities, public improvements, etc.) to the total output of all goods and services. This is surprising in view of such forces since the Civil War as population growth, technological change, and others. Kuznets concludes that the available evidence suggests that the force which explains the declining rate of capital formation has been a longrun tendency for the national rate of saving to fall. A major reason for this has been the great expansion of Federal spending which has required a corresponding increase in Federal revenues. The sharply rising Federal revenue requirements have been met by placing a rising tax burden on individual and corporate incomes, with the overall effect of cutting the Nation's rate of savings. Kuznets holds that at the bottom of much of the rise in the general price level experience since the end of World War II has been the deficiency of saving relative to capital demands, and the fact that this gap has been filled by an expansion of the money supply. Kuznets indicates that if past trends continue, which he expects to be the case, capital demands will in the next 15 years continue to run ahead of the supply of savings, inflationary pressures will persist, and interest rates will remain very firm. In a country so interested in obtaining a faster rate of economic growth, Kuznets' analysis has tremendously important implications for public policy. One of these is that it is highly important that Government policy be directed toward improving the rate of national saving."

I noted earlier that accumulations under private pension plans have constituted an important source of additional savings. We may also note that OASDI financing does not contribute to economic growth; it is a sterile source. Consequently, it is evident that great encouragement should be given to the growth of private programs (including programs for State and municipal employees where funds are invested in private industry) and that the greatest restraint must be exercised in expanding old-age provisions under the OASDI system.

IV. Prospects and proposals: In the light of this brief survey, we may ask what are the prospects of sound pension developments and what proposals do we believe will contribute to that end.

As I have sought to envision the prospective pension picture, its sound development, I believe, can well depend upon two imperatives:

1. A genuine, widespread understanding of the nature of our OASDI system, together with an appreciation and acceptance of the limited role it should play; and

2. A surge of savings, for which we need an urge for savings, in the private sector of our economy, including, particularly, improved and more widespread advance funding of old-age income, medical care benefits, and life insurance.

A. Misunderstanding of nature and purposes of OASDI system: There has been a widespread belief that the OASDI system is greatly similar to private voluntary insurance. This is a serious misunderstanding, which has hardly been discouraged by publications and statements of the Social Security Administration.

In connection with the administration's bill providing medical care for the aged financed by social security taxes (H.R. 4222, S. 909), I could cite statements made by leaders of both the legislative and executive branches, heard or read, some of which call social security financing a "savings" program, and others clearly imply that a fund is being built up for the individual's particular benefit. The fact is that, according to

official Government estimates ("Actuarial Study No. 52, table 3") total taxes under H.R. 4222 for years 1963-2000 would amount to \$70½ billion and total benefits and expenses, \$72½ billion. Other experts have estimated benefit payments of \$150 to \$200 billion. How could this be possibly described as a savings plan or fund accumulation?

The great hazard involved in this private insurance parallel is the expectation that there is a close actuarial relationship—a direct quid pro quo—between the taxes with respect to an individual and the benefits he will receive. The public must be made to understand that there is no relationship between the taxes in respect to an individual and his benefits. Rather, there is a broad socialization of costs, not only within a generation, but, most significantly, between generations. At the same time there must be general recognition of the idea that such broad socialization is fair and will be workable only where the level of benefits is held to a basic floor of protection against want and destitution.

The middle-aged and the oldsters must be given to understand that the cost of an increase in benefits is not covered by a corresponding increase in taxes that they and their employers would pay but that an additional burden is placed on the young. Three aspects should be made clear to the young.

The young must be mindful of three aspects:

1. A broad socialization of costs should be accepted as an appropriate feature of a program instituted by society to cover a presumptive need for protection against want and destitution;

2. Social security financing does not relieve the young and their employers of the costs of providing increased benefits under the Social Security Act; and

3. The young should resist vigorously (a) any amendments that would provide benefits for large segments of the aged who can provide for themselves and (b) amendments to provide for a level of cash benefits that goes beyond a basic floor of protection.

If this education is not provided and the private insurance parallel continues to be dinned into the minds of the public, what is likely to happen? Will there be a demand for increase in benefits in 1963, 1966, and 1968 when the tax rates go up to support just the present level of benefits? It may be noted that if earnings at all levels increase at an annual compound rate of 4 percent to 1964 and 3 percent from 1965 to 1980, and the present maximum wage base and benefit formula remains unchanged, it is probable that the tax rate of 7¼ percent effective in 1963 could support benefits on a pay-as-you-go basis until 1980.<sup>5</sup> Although voting motives are complex and diverse and do not spring from simple self-interest, should we consider whether there could be a clash between the voting power of the oldsters, those age 65 and over, and the voting power of the youngsters, those age 21 to 35? By 1980, the voting proportion for oldsters increases from 14.6 percent to only 17.0 percent, while that of the youngsters increases from 29.6 percent to 35.4 percent. In numbers, there will be 9 million more voting oldsters and 20 million more voting youngsters. If the voting age is reduced to 18, there will be 32 million more voting youngsters in 1980. Will a growing young electorate, as reflected in our "youngling" population, faced with the high costs of education and raising a family, be unwilling to pay high social security taxes foisted on it by a growing bloc of oldsters produced by the youthening phenomenon? Will this then create great pressures for support from general revenues—a door that,

if opened, could lead to further extravagant demands upon the social security system?

The National Planning Association has projected an increase in average family income from about \$6,800 in 1961 to \$9,200 by 1971. With this prospect of increased "affluence," shouldn't the social security system, in its sole role of protecting against want and destitution, play a relatively decreasing part in providing old-age needs?

I recommend that this be achieved by freezing the present benefit formula and wage base. Then, if average real wages increase as mentioned earlier, more and more workers will qualify for the present maximum ultimate primary amount of \$127, the tax rate of 7¼ percent effective in 1963 can be kept at that level for 15 years or more and a significant additional margin for savings will exist each year, ranging from \$2.5 billion in 1966 to \$7 billion in 1980.

I propose that educational institutions throughout the United States, such as this one and those represented here today, take definite measures to deducate and reeducate the public along the lines indicated.

There would then be a better prospect that the social security system would operate successfully within its proper area and that other instrumentalities providing old-age support would function far more effectively. Our social security system has come to have a vital place in our national economy but the great problem is to summon the necessary knowledge, wisdom, and political courage to keep it in its place.

I have one more question with respect to social security financing. Is there a prospect that as automation and cybernation have their impact on our economy we will have to find ways by which our workers enjoy a proper share of national income through means other than salary and wages? Must we devise means by which more families derive a significant part of their income from their investment in the "machines" of production? (See "The Capitalist Manifesto," Kelso and Adler.) If this does develop, will the payroll tax supporting the social security system be adequate? Will there have to be a social security tax on machines? The Railroad Retirement System is now in difficulty because of its reliance on a tax on payrolls that are not being maintained at the level originally assumed.

B. Savings urge and surge.—The great importance of increased savings as a source of economic growth was attested to in my comments regarding production. Dr. Kuznets, in his study, gave this warning:

"The demand for capital over the coming two and a half to three decades is likely to be large. The drains upon the national product for current consumption by governments will continue to be proportionately sizable and may well rise.

"High levels of consumption and the high secular propensity to consume by individuals and households are likely to continue.

"Under the circumstances, the supply of voluntary savings may not be adequate. Inflationary pressures may well continue, with the result that part of the savings needed for capital formation and Government consumption will be extracted through this particular mechanism."

Edward F. Denison, associate director of research of the Committee for Economic Development, believes<sup>6</sup> that adequate growth-stimulating measures depend mainly on increasing the overall amount of work done or shifting resources from consumption to investment. Without such drastic action, he doesn't expect growth to climb above the present trend.

Although I am not qualified to get into this growthmanship debate, my economist associates in the Equitable tell me that the

<sup>5</sup> See footnote on p. 13021.

<sup>6</sup> "A hard-boiled look at growthmanship," Business Week, Feb. 17, 1962.



President's Council of Economic Advisers hopes to use monetary policy primarily as a stimulant to growth and plans to achieve stability by giving a larger and more discretionary role to fiscal policy. The council believes interest rates should be kept as low as possible, consistent with the external demands imposed by our balance of international payments. When a budgetary surplus has been created at a time of full employment, the council suggests:

"Under these circumstances, a surplus in the Federal budget plays the constructive role of adding to national saving and making resources available for investment."

Thus, they would promote savings through public channels, but do not mention the important role of increased savings in the private sector, particularly the savings of individuals and that achieved by the funding of private pension plans and the operations of life insurance companies. Mr. James F. Oates, Jr., president of the Equitable, recently pointed out the vital role of life-insurance company investments.<sup>10</sup>

"The life insurance industry, with assets of more than \$126 billion, continues to hold the world's largest portfolio of long-term investments. Moreover, life insurance funds at work in all sectors of the American economy, more than any other major source of savings capital, have demonstrated an ability to channel credit to a diversity of desirable uses. Too, the employment of these funds is constantly being adapted to the changing needs of a growing Nation."

"Investments extended far beyond the familiar fields of institutional investment. In addition to such traditional areas as industrial development and farm and residential mortgages, life insurance financing covers a wide range of economic activities extending from modern office buildings and small business expansion to urban renewal projects, research facilities, hospitals and educational institutions."

In his testimony before a Senate subcommittee cited earlier,<sup>5</sup> Prof. Roger F. Murray emphasized the importance of a free, unimpeded flow of investments in these words:

"I believe that the best results will be achieved if we give market forces and the market mechanism maximum freedom to perform their function of allocating real resources. Specifically, in relation to the investment of retirement system funds, this point of view suggests that we move in the direction of less rather than more kinds of specific and detailed regulation of investment powers. The history of our efforts to legislate investment judgment is one of dismal failure. I would advocate support of the recommendations of the CED Commission on Money and Credit 'to provide greater flexibility for portfolio investment' and 'increased mobility of funds' by relaxing the restrictions on the loans and investments of banks and other financial institutions."

He concludes:

"Stable prices, productive investment for economic growth and restraint in the printing of claims to future output are the ingredients of a socially and economically desirable pension structure for the future."

It is clear to me that an enhanced urge to save with a consequent surge of savings is vitally necessary for our future economic health and to enable us to make sound provision for the future elderly. A stable dollar and interest rates established by a free market are basic requisites. In addition to proposals implicit in my foregoing remarks, I propose the following measures or principles:

(1) Tax incentives:

1. Enactment of H.R. 10, which would encourage the self-employed to fund pensions for themselves and their employees.

2. Deduction as a business expense of employer contributions that are irrevocably dedicated to advance funding of life and health insurance benefits for the years after age 65. Congressman CURRIS of Missouri introduced a bill on February 7, 1962, H.R. 10117, which would authorize provision of medical care benefits under "qualified" pension plans.

3. Relaxation of rules for deduction allowances for employer private pension plan contributions, instead of additional restrictions which, it is rumored, are under consideration by the Treasury Department.

4. Restraint at both the Federal and State level in taxing thrift institutions of all kinds, and without discrimination.

5. Study of measures that will provide additional tax incentives to encourage vesting of benefits derived from employer contributions and to eliminate the discouragement of contributory plans.

(2) Tax disincentive: Include social security benefits in taxable income in order to eliminate the unwarranted attractiveness of these benefits to higher income classes.

(3) Research: As a continuance of the research I have described, further research activities should be encouraged, particularly by grants from private foundations. I endorse the following suggestions recently made:

"There is \* \* \* a need for cooperative well-balanced analyses and appraisals under the coordinated guidance of leaders in different fields to try to identify and agree on the strong points of our private plan complex and the weaknesses, if any, which should be corrected so it can serve the best interests of employers, employees, and our free society."

"Since private plans, as well as Government plans, operate in a dynamic economy and society, a strong case may be argued that such analysis and appraisal be made a regular practice at periodic intervals, so that they will continue to carry out effectively their purposes and objectives."

"A major, but by no means the only, reason [for such studies] is the function of private plans in helping to generate sound economic growth through capital investment."

"There is need for more sustained study of the effective social security and social welfare programs on both economic instability and economic growth."

"Further analysis of the comparative economic and social effects of public and private benefit programs would be fruitful. More study is needed also of the combined effect of such programs not only on aggregate savings but on the changing structure of savings and the savings patterns of different groups and on the asset position of the aged and of individuals and families at different income levels."<sup>11</sup>

I hope that these few observations will stimulate you to do your part in determining how best our people may properly obtain pensions in old age from production of others after they, as aged persons, have left the labor force.

I have a personal note. During my business career, I have been privileged to be associated with the building up of \$4 billion of pension funds in my company which are not only contributing to the productivity of our Nation but also constitute a great bulwark of old-age protection for a million

<sup>11</sup> Hohauser, R. A., senior vice president and chief actuary, Metropolitan Life Insurance Co. "Retirement Income Protection: Private Responsibility? Public Responsibility?" address before 43rd midwinter Trust Conference, American Bankers Association, New York, Feb. 6, 1962.

<sup>12</sup> Burns, Eveline M., et al., "A Research Program for the Social Security Administration." Report of Advisory Group to the Commissioner of Social Security, U.S. Government Printing Office, Washington, August 1961.

workers. I hope you will pardon me, and even understand me, if I quite brazenly enjoy a certain sense of a business life well spent. But much more can and must be done. I expect to have a share in that, too.

I shall close with this philosophical observation by Gabriel Hauge,<sup>8</sup> which may serve to guide us:

"The ability to sacrifice the momentary present for a more durable future is a trait of character which marks the civilized man. Thinking and working ahead has been natural for Americans, with their faith in progress."

"When the individual is responsible for his fate, he tends to take the long view. He weighs the consequences of his choices, orders his priorities, and acts accordingly. Starting with a sense of duty to himself, he learns self-discipline. But when he delegates his welfare to the community, he tends to multiply his claims and assert his rights with little concern for costs. His interests come into conflict with the claims of others to the limited resources available to the state."

"Individuals severally hoping to get without giving through manipulation of the state only substitute political coercion for self-discipline."

## WHAT'S WRONG WITH THE STATE DEPARTMENT?

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the Record and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. KEITH. Mr. Speaker, I am resuming today the insertion of an important series of articles on the State Department by a nationally recognized journalist, Everett S. Allen, of the New Bedford Standard-Times. The first article in this eight-part series, entitled "What's Wrong With the State Department?" was put in the Record prior to the holiday.

These reports are the result of some 18 months of investigation and research. They throw a critical new light on the operations and policymaking machinery of the agency primarily responsible for the formulation of our cold war foreign policy. They will be of particular significance at this time, in view of pending congressional action on foreign assistance legislation.

In the first article Mr. Allen declares that we are losing the cold war, despite the efforts of the State Department to gloss over the glaring, undeniable truth that communism continues its advance. In the two installments I am inserting today, he discusses the Department's "executive hodgepodge," and events that led to the Castro takeover of Cuba.

I urge my colleagues to read and carefully consider these and subsequent articles in this highly important series.

## WHAT'S WRONG WITH THE STATE DEPARTMENT—II: EXECUTIVE HODGEPODGE FOILS ACTION ON POLICY

(By Everett S. Allen)

WASHINGTON.—Even if there were no security risks in the State Department, the

<sup>8</sup> See footnote on p. 13021.

<sup>10</sup> Oates, James F., Jr., "Life Insurance Growth Expected," Journal of Commerce, Jan. 26, 1962.

<sup>8</sup> See footnote on p. 13021.

administrative hodgepodge would "foul things up," according to the man whose 4-year effort helped to eliminate some of 1,400 such risks. In an exclusive interview only a few days before his death in November 1961, Robert Walter Scott McLeod, administrator of the Department's Bureau of Security and Consular Affairs from 1953 to 1957, told this writer: "I would almost bet it isn't that we make bad policy. It's that we have no policymaking procedure except that based on the lowest common denominator at which we can get an agreement after a series of endless conferences."

McLeod, a former FBI agent and later U.S. Ambassador to Ireland, asserted: "One strong-willed person can prevent policy because it's considered unthinkable in State to go up to the next echelon unless you have perfect agreement."

"This system makes error possible even with the best people. The ban on 'divided position' began when the generals came into Government, specifically beginning with Marshall (Gen. George C. Marshall, post-war Secretary of State under Truman). Ike also contributed a great deal to this. With him, it was almost a criminal offense to bring a divided opinion to him. He wanted it all on one page and either yes or no, so a good many people just wound up mechanically doing nothing."

#### A PRESIDENTIAL JOB

McLeod concluded, "This is a Presidential job. If we ever get a President who understands it, it will be ripped wide open."

"The President now has such authority on the books as he needs to revise the State Department by, among other things, cutting it down to size. (It now numbers 22,000 employees.)"

"President Eisenhower once asked former President Hoover for advice at the Commodore Hotel in New York, right after the former was elected. Mr. Hoover said, 'While you still control Congress, overhaul the State Department. Reorganize the department so it can operate; you must cut it down, weed it out, and until it is done, no President ever again will control the executive branch of the United States.'

"Ike didn't do it. No President ever has, although Mr. Hoover tried, and F.D.R. threw out his recommendations."

General Eisenhower may have wished later that he had done it.

#### CLUB PERPETUATED

A former U.S. ambassador said to me, "Loy Henderson, Deputy Under Secretary of State for Administration under Eisenhower, made classic mistakes in attempting to perpetuate 'the club' in the State Department but Ike and Dulles were disinterested. Many diplomatic careerists set the importance of continuance of control over most other factors."

In support of Mr. McLeod's theory of "administrative hodgepodge," the following examples are offered of what might be termed mistakes by default, undesirable results produced because State Department action was not taken, or not taken soon enough:

Povl Bang-Jensen, formerly a member of the Danish Foreign Service, was well known to State Department Foreign Service officers. Bang-Jensen's death has been the subject of lengthy and inconclusive studies to determine whether he committed suicide as the New York police reported or was murdered by Soviet agents because he knew too much.

From November 1956 Bang-Jensen tried to see Allen W. Dulles, then chief of the Central Intelligence Agency, to tell him the Soviet Union had infiltrated the high command of the U.N. as well as U.S. intelligence, possibly the CIA itself. Dulles was unaware of Bang-Jensen's efforts until May 3, 1957.

#### SIMPLE SUGGESTION NEEDED

The Senate Internal Security Subcommittee, which found no fault with CIA or FBI

efforts in this episode, commented, "Since this was a highly sensitive matter involving the U.N., both the CIA and FBI took the stand they could not act without higher authorization from the State Department."

"The only action called for was a simple suggestion from State to Mr. Dulles that he listen to what Bang-Jensen had to say."

"But for some reason, this suggestion was not forthcoming. The result was that nothing was done. From the standpoint of national security, the entire record in dealing with Bang-Jensen's request must be considered a lamentable example of procrastination and indecision."

"Matters such as this cannot be permitted to wait for months or even weeks before a simple decision is made to receive the information."

#### OVERSTAFFED?

The real poser in the situation is this: If Bang-Jensen, who had personal contacts in State couldn't get to first base, what kind of a tip on a threat to U.S. national security would the State Department take seriously?

Senator JACKSON, Democrat, of Washington, believes the State Department is the victim of "serious overstaffing," even though Secretary of State Rusk pleads that "because of the pace of business, relatively junior officers are sending out telegrams on matters which before World War II might well have gone to the Secretary himself."

JACKSON, apparently not much impressed, said, "many (State Department) offices have reached \* \* \* the point where the quantity of staff reduces the quality of product."

In any event, whether overworked, underworked, or simply incompetent, State Department personnel also fell down on the job preparing the now-classic American response to the aid memoir on Berlin given to President Kennedy by the Soviet Premier on June 4, 1961.

#### TOOK 43 DAYS

This memoir also was given to the British and French Foreign Offices at the same time. It contained nothing new, but for effective propaganda value, it required a quick and eloquent answer. The British and French Governments prepared theirs and then languished in frustration waiting for the United States to do likewise. Forty-three days later, after more than a dozen persons in State had done nothing else for a month and a half but conjure up a ponderous and tortured rehash of what had been said before, the United States produced its official reply. It was too long and too late and President Kennedy was doubly chagrined because a member of his White House staff had put together a month before a suggested response that was sharper and more effective by far. As for our allies, they considered our effort in this situation worthless.

A former Under Secretary of State, loyal to the career diplomat system, suggested to me that Foreign Service officers are "only agents of the administration," but our experience with Fidel Castro suggests this is not necessarily so. In other words, the administration may or may not know what is going on within the State Department.

Intelligence reports from the CIA and FBI and other intelligence agencies in 1955, 1956, 1957, and 1958 indicated Castro was at least pro-Communist. (Castro seized power in Cuba in January 1959.) By 1958, reports from the U.S. Embassy in Mexico, where Castro prepared his invasion force showed increasing indications of communism and procommunism surrounding Fidel.

Robert C. Hill, then U.S. Ambassador to Mexico, is on record under oath as revealing that such reports were sent to the State Department and never got to the upper echelons.

Hill recalled to me: "We sent in plenty of reports, but the decision had been made down at the lower level, in the corridors of

the State Department, that Batista (Castro's pro-United States, anti-Communist predecessor) had to go."

"In the spring of 1957, I said to Earl Smith, who went to Cuba as ambassador, 'You are assigned to Cuba to preside over the downfall of Batista. You must be very careful, because if you are not, your reputation will be destroyed.' Several Foreign Service people refused to go with him, because they knew Castro was coming into power, and they had young children and did not want to become involved."

#### SIDETRACKED

A representative of the FBI stated privately it was his understanding that reports concerning Castro's Communist affiliations had "not reached the upper echelon of the Department of State," although they had been transmitted. Hill said he was told they were "sidetracked at the desk level."

Despite congressional inquiry and much public attention, if it is known who "sidetracked" them, this never has been made public and those in a position to "sidetrack" them have been promoted and/or transferred, but in no case, fired.

It also is a fact that some months after Castro assumed power, Secretary of State Herter consulted J. Edgar Hoover, director of the FBI, regarding Castro's Communist associations, stating nothing of this sort had been brought to his attention.

Hoover informed Herter that the FBI had been sending reports of this nature to the State Department for approximately 4 years.

#### SENATORS NOTIFIED

In this connection, it is not generally known that former Ambassador Hill last June informed the Senate Internal Security Subcommittee of the existence of such documents which had been sent to the State Department. Hill referred specifically to an intelligence report of June 1959 supporting the point of view that Castro was a Communist or controlled by Communists, to a cable from Pentagon intelligence in September 1960 stating there was allegedly a pro-Castro cell in the U.S. Embassy at Havana, and to other documents indicating Castro's Red connections.

The Senate Internal Security Subcommittee asked the State Department for copies of these documents.

As of June 18, 1 year later, the committee still had not received them, the State Department presumably having invoked "executive privilege."

There were other methods of "sidetracking" information, too.

In April 1959 there was a meeting of U.S. Ambassadors in San Salvador, a principal purpose of which was to present to the Organization of American States evidence of Castro's ties to communism. Those present produced a communique over which Ambassador Hill and Philip W. Bonsal, then U.S. Ambassador to Cuba (now recently resigned as Ambassador to Morocco), clashed. Bonsal felt no reflections should be cast on Castro. Hill said the communique contained nothing but platitudes.

#### GET RID OF HILL

After the conference, Bonsal said to Thomas Whelan, then Ambassador to Nicaragua, "You have influence in the Republican National Committee. I hope you will utilize that influence to get rid of Hill. (Hill eventually did "quit in discouragement" and now is a member of the New Hampshire State Legislature.)"

Soon after the conference, Hill wrote to Roy Rubottom, then Assistant Secretary of State for Latin-America, asking for a tape recording of the meeting.

Rubottom said there was no tape recording and perhaps there was not, but there was a tape-recording machine in the room where the conference was held.



Instead, Rubottom sent to Hill a written transcript, of which Hill said, "It was a very inaccurate report as far as my position was concerned."

Hill, who described Rubottom as "a friend for whom I have high regard," wrote Rubottom that if the transcript or a report from the conference was submitted to the Senate Foreign Relations Committee, "at least 10 to 14 corrections should be applied \* \* \* as wherein your minutes have been whitewashed and I will not be a party to it."

Hill never received any reply to the letter and does not know to this day whether the Senate committee ever received the minutes.

#### WHAT'S WRONG WITH THE STATE DEPARTMENT?—III: CASTRO TAKEOVER AIDED IN UNITED STATES

(By Everett S. Allen)

WASHINGTON.—A former top-ranking U.S. career diplomat, known the world over, asserted privately that it was Milton Eisenhower who pressured the U.S. Government into putting Fidel Castro into power in Cuba. Said the State Department veteran, defending his colleagues of the Foreign Service, "They are basically conservative, but when idealistic leftwingers mobilize the press and Congress, when an uninformed public remains principally silent, then what should be a diplomatic situation emerges as a political pressure problem."

Assigning this role to Dr. Eisenhower is not unreasonable. Secretary of State Dulles conceded in 1956 that Milton's recommendations "have constituted the basis of our policy toward Latin America." Two days before, Ike had said Milton "never had a hand" in making foreign policy, but this apparent Ike-Dulles conflict is probably just a matter of semantics.

#### PRESSURE SOMEWHERE

In any event, there is increasing evidence Dr. Milton frowned upon Batista because he was a dictator and believed the legend that Fidel was a champion of the people. As recently as last April 2, Milton "urged the U.S. public to realize that its attitude toward Castro has changed more than that of many Latin Americans" so perhaps he still thinks so.

Certainly there was some pressure from somewhere.

Dr. Emilio Nunez Portuondo, former Cuban prime minister and twice president of the U.N. Security Council during the Batista regime, derives no pleasure in recalling why he now lives in exile:

"Milton Eisenhower," said the fiery little diplomat, "was the adviser on Latin American affairs, having power that really was the responsibility of the President."

"This was incredible to us, because Dr. Milton could not speak French, Spanish or Portuguese, the languages of Latin America and he was, before his appointment, never in Latin America a single day. Yet suddenly, he was adviser to the President and as the newspapers said, an 'expert' on the subject."

#### TELLS OF WARNING

"He seemed very to the left to us. He helped in favor of Castro and against Batista. Batista was a dictator, Latin American style, but a friend to the United States. Castro is a dictator U.S.S.R. style, and an enemy of the United States."

"As early as 1956, I warned Dulles, Lodge (Henry Cabot, U.S. Ambassador to the U.N.) and Rubottom (Roy Rubottom, Assistant Secretary of State for Latin America) against Castro. The proof I gave them was provided by the chief of police of Colombia in 1948, Alberto Nino, who published a book describing at firsthand the 'Bogotoza' in Bogota."

Nino said this now-notorious rioting action "originated in Moscow" because the U.S.S.R. was afraid of the Inter-American

conference then in progress there, fearful lest the United States might produce for Latin American countries a plan similar to the Marshall plan. Gen. George C. Marshall was chief of the U.S. delegation to the conference.

Nunez Portuondo asserted, "Nino said Castro was in Bogota to direct the Bogotoza action in the place of a Russian Communist who didn't go because Colombia refused to grant him a visa. Castro's luggage, when searched by police, contained a Communist affiliation card, and a letter of congratulations in advance from Blas Roca, head of the Communist Party in Cuba."

#### FINALLY RECOGNIZED

"After Castro came to power, I sent many memos to the State Department. After 2 years more, they finally recognized that his Government was a Communist movement."

In 1957, Senator MIKE MANSFIELD, Democrat, of Montana, now Senate majority leader, went to Secretary of State Dulles to ask him to appoint Republican Robert C. Hill, already a successful Ambassador to Latin America, to the then-vacant post of Secretary in charge of Latin American affairs.

Hill, forthright and politically oriented moderately right of center, told Dulles: "Latin-American affairs are run from Baltimore by Milt Eisenhower (Dr. Milton Eisenhower is president of Johns Hopkins University) and he doesn't want me. I am not on his team."

Hill refused to accept the post because of its tieup with Milton. Dulles and Ike were "disturbed" by Hill's remark and eventually the former assigned Hill as Ambassador to Mexico. Mr. Rubottom was given the Latin-American post.

#### NO GOP MONOPOLY

It is fruitless and inescapably saddening now to wonder whether Hill, tough, diplomatically able and anti-Castro from the beginning, might have been able to produce a happier result in Cuba had he taken the post, pressures from Dr. Milton Eisenhower notwithstanding.

Of course, the Republicans have no monopoly on this sort of thing. Richard Goodwin, now Deputy Assistant Secretary of State for Inter-American Affairs, was initially appointed adviser to President Kennedy on Latin-American affairs. Goodwin, only 29 at the time of his appointment, never had set foot in Latin-America and couldn't speak Spanish, but he was reportedly "learning," which put him one up on Dr. Eisenhower. Goodwin and Arthur Schlesinger, Jr., Presidential adviser, are credited with persuading President Kennedy and thus implicitly the U.S. Government, to become a principal in the prisoner-tractor swap which was cynically and almost casually proposed by Castro.

Goodwin apparently conceived the participation (including a committee of three Americans, one of which was Dr. Milton Eisenhower) and the State Department never was consulted. The reaction of most Americans suggested they found the idea revolting.

The late Scott McLeod, former State Department security administrator, spoke candidly of "pressures" in and out of the Department: "A public servant's decision is supposed to be in the best interests of the United States. Actually, it is more often in the best interests of the public servant. You can't blame the little guys for doing this when the big guys are doing the same thing."

#### MEN OF INACTION

"A French politician once said, 'I must rush out to see which way the mob is going so that I can lead them.' One of the worst things that can happen to you in Washington is to become controversial. (McLeod, strongly security-minded, did.) For example, any policymaker going against Herb Matthews (of the New York Times), the Alsops (Joseph and Stewart, columnists), or

Lippmann (Walter, columnist) would be out of his head. They wield tremendous power.

"Career service spawns men of inaction. You can't get into trouble if you do nothing."

A onetime State Department authority on the Far East compared the Cuba situation to events in Korea.

"Batista's downfall," he declared, "was prepared similarly to that of Syngman Rhee, a project hammered at over the years by the idealistic left wing. Tragically, such efforts, although starting from different motives, tend to coincide with targets the Soviet also has picked out to destroy—Batista, Chiang Kai-shek, Rhee, Adenauer, Richard Nixon, De Gaulle, Franco, Salazar, Menderes, Tshombe, and many more. They all have one thing in common: They hate communism."

#### FALL FOR BUILDUP

"Foreign Service personnel, of whom I have known literally hundreds, fall for this buildup, encouraged by information media and individuals whom it is professionally important to heed.

"Thus, the young Foreign Service officer goes to Korea, for example, and he is given to understand pretty well that it would be nice to have old man Rhee out of the way. Not that anything is done against Rhee; it is just that nothing is done for him. We gave him no support."

"I think Ike was unhappy about Rhee's going, but it was done from the inside rather than the outside, as was popularly suggested."

I asked my informant, who spent a professional lifetime in the State Department, why someone in the Foreign Service hadn't rebelled against the anti-Rhee "squeeze" if they really felt it was in the best U.S. interests to keep him in power.

"If Walter Robertson had still been there (Robertson was Assistant Secretary of State for Far Eastern Affairs, 1953-59) it wouldn't have happened, but his successors wanted to show a more liberal line—not consciously knowing to be popular, but year after year in State, the people not branded as liberal are slaughtered."

#### AFTER DRUMRIGHT

"Now for example, Everett Drumright (then U.S. Ambassador to Formosa) is a strong anti-Communist and gives support to Chiang Kai-shek. They're after him. The idea in State is to gang up on people considered reactionaries."

This interview occurred in February 1961. In July 1961, Drumright left Formosa for Washington, his relations with Chiang almost impossible because of tension on the issue of Outer Mongolia. At that time, the Kennedy administration was reported to be ready to establish diplomatic relations with the Soviet-sponsored Mongolian Peoples Republic. Drumright repeatedly urged the State Department to delay action, since Chiang maintained Mongolia was rightfully part of China.

On July 17, 1961, the State Department said there was no basis for rumors that Drumright would resign as Ambassador to Nationalist China, but on March 8, 1962, he ended his 4-year assignment on Formosa with what he said was a routine transfer.

A well-informed veteran of 27 years' service with Government, including the State Department, said to me, "In or out of the State Department, they remain in the establishment; if out of Government, they go into institutions of higher learning until they can get back, and whether they are in or out, they continue to peddle each other's papers."

#### LATTIMORE ACTIVE

"Lattimore (Owen Lattimore, one-time State Department official indicted in 1952 on charges he gave false testimony when he denied pro-Communist activities) is without official Government title.

"He is a lecturer at Johns Hopkins University, of which Dr. Milton Eisenhower is president. Lattimore was a former member of the Institute of Pacific Relations, and on the State Department China desk when we lost China to the Communists.

"Lattimore still is active in the State Department, despite all denials. We knew when he went to Outer Mongolia last year that he was going to arrange for its recognition.

"He and Milt Eisenhower are friends; when one talks, the other listens.

"The thinking doesn't change from one administration to another. Lattimore went to Outer Mongolia with the knowledge and consent of President Kennedy. Subsequently, Outer Mongolia was admitted to the U.N."

#### REPUBLICAN GOVERNORS AT GOVERNORS' CONFERENCE APPROVE RESOLUTION CALLING FOR BETTER BALANCE BETWEEN MAJORITY AND MINORITY STAFF MEMBERS ON CONGRESSIONAL COMMITTEES

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, it was significant to me and the other Members in the House and Senate who have been fighting for more minority staff members on congressional committees to have the Republican Governors who attended the National Governors' Conference in Hershey, Pa., unanimously pass a resolution favoring a reform in committee staffing.

Because I have introduced House Resolution 570 which would permit the minority to name up to 40 percent of the professional staff members on standing committees in the House, I am particularly pleased that the Republican Governors have taken a stand along with other leaders in the Republican Party in support of the changes which the resolution would bring about.

It is obvious that these Republican Governors are aware of the great injustice which Republican Members of Congress face by not having adequate representation on committees. They are also aware how this inequity handicaps them and the people of their respective States. When they come to Washington to testify before committees, there are precious few minority employees—often none at all—to assist them in preparing material, organizing briefings and drafting viewpoints which are consistent with the Republican philosophy of government. The Democrats are only too willing to let the Federal Government take over more and more of the responsibilities which belong to the States. The Republicans want to encourage local responsibility in those areas where the historical prerogatives favor the States.

The Republican Governors of some 16 States, representing millions of people who take the same position they do

on Federal-State relationships and other issues, feel the need to talk to committee people who represent their same point of view; to correspond with them; swap information; ask questions and get answers.

They have seen the value of a strong majority and an equally strong minority in their own States. They know that the proper representation of both the majority and minority viewpoints is in the best interest of all the people. They feel that their constituents who hold the minority viewpoint have the same right to have their views represented in Congress as the majority does.

These Governors agree with Senator KENNETH KEATING, of New York, who, in calling for a new Republican offensive, called the congressional staffing issue the No. 1 issue for consideration at the All-Republican Conference which preceded the Governors' Conference.

That is why they were emphatic in the resolution which follows in calling upon Republican leadership to work hard to take the necessary action to correct existing inequities.

Here is the resolution which was adopted by the Republican Governors at the National Governors' Conference. It reads:

Whereas we, the Republican Governors of the National Governors' Conference, are tragically aware of the most serious imbalance between the majority and minority within the Congress in the matter of committee staffing, often as inadequate minority representation as one or two on a committee of 40; Be it

Resolved, That we go on record as favoring a reform of committee staffing to achieve adequate minority representation to insure proper presentation and development of constructive Republican criticism and action within the congressional committee structure; and that we encourage the Republican members of the National House and Senate to urge their joint leadership and policy committees to insist upon and take immediate action to correct the inequities which currently exist in committee staffing.

#### MASS TRANSIT NONSENSE

Mr. DEVINE. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, as a member of the Banking and Currency Subcommittee which studied the mass transportation bill, and as a member of the minority whose views are expressed in the committee report, I feel it essential to call to the attention of the Members of the House the basic fallacies of the proposal.

One of the most pertinent observations necessary is the quiet manner in which the legislation is being processed, with little fanfare from the majority members on the committee. The reason for this quiet legislative process is the fact that this bill will pass only if the

Members of the House are unaware of the tremendous cost, complications, inconsistencies, and long-range commitments involved in the measure.

Therefore, I feel it necessary to direct attention to H.R. 11158 and ask that Members give specific attention to the minority views.

However, it is interesting that the responsible press of the Nation is evidencing an interest in the issue, and I was especially pleased to note that this morning's Wall Street Journal contained a precise, hard-hitting editorial, supporting our minority views. I submit this editorial entitled "Mass Transit Nonsense" for the RECORD, at this point:

#### MASS TRANSIT NONSENSE

"This is not a mass transportation bill at all. \* \* \* It seeks to establish as its fundamental policy that it is a Federal responsibility to subsidize public transportation in communities or places of 2,500 or more. \* \* \* We reject that policy as nonsense."

This is pretty plain language from the four Republican members of the House Banking Committee filing a dissent to the administration's \$500 million subsidy plan for urban mass transportation. But considering what the plan proposes and the probable results were it adopted, the criticism is not too strong.

Most people probably have been under the impression that the Administration's bill has to do with solving some of today's big-city mass transportation problems. Actually, as the dissenters observe, the bill defines neither "urban areas" nor "mass transportation."

Revealing definitions nonetheless came from the Federal Housing Agency, which would administer the program. It proposed to define "urban" as "any area that includes a municipality or other built-up place of more than 2,500 inhabitants." And "mass transportation" as "public transportation by bus or rail, or any other conveyances moving over prescribed routes." The minority report notes that this could apply to the horse-drawn sightseeing vehicles of bucolic Williamsburg, Va.

Now either such a measure would be hopelessly ineffectual, trying to subsidize the approximately 6,000 communities in the United States of over 2,500. Or else, if it were to provide significant subsidies, the cost would be fantastic.

Moreover, the plan is weighted in favor of public agencies. As the bill stands, the handouts would go only to public bodies which, if they desired, could lease their Federally financed facilities to private systems. This opens the door, as one of the committee members warns, to "direct Federal subsidy to Government-owned mass transportation systems in direct competition with \* \* \* private transportation companies."

Nobody doubts that the Nation's two dozen major urban areas have mass transportation problems—problems which are obviously local and not national. This plan would not solve them. Instead, it looks in the direction of the worst "solution": Transit nationalization.

#### LEASE-SALE SCHEMES IN GOVERNMENT COST-PLUS CONTRACTS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ZELENKO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection



to the request of the gentleman from Oklahoma?

There was no objection.

Mr. ZELENKO. Mr. Speaker, I have this date introduced legislation to close a glaring loophole in Government defense cost-plus contracts, which has allowed big business to reap millions of dollars a year in unwarranted windfall profits from the U.S. Government.

The bill, which would limit the rental payment for use of certain machinery and equipment under cost-plus contracts with the United States, is in line with President Kennedy's proposed program to spur the economy by plugging tax loopholes and allowing legitimate tax reductions.

The following fact situation gives rise to the manipulation and windfall profit: Company A is awarded a large Government cost-plus contract. In order to perform this contract, it becomes necessary for company A to obtain certain equipment or machinery. For the purpose of this illustration let us assume the equipment needed by company A is valued at \$1 million. Instead of purchasing the equipment, for which it would receive no tax benefit except normal depreciation, company A enters into a leasing arrangement with company B and rents the machinery for \$500,000 a year, charging the total cost of the rental plus 10 percent to the Government as one of its expenses under the contract. At the end of 2 years, company B sells the machinery to company A for \$1, listing it as depreciated and obsolete. The effect is that the U.S. Government has paid far more than it should have under the cost-plus contract and has, in fact, purchased the equipment for the future use of company A.

Where this scheme is utilized there is of course a substantial increase in the cost of these defense contracts. In addition, a great many businesses have equipped complete plants with practically new machinery through these widespread and notorious lease-deal agreements, operating at the expense of the U.S. taxpayer.

My legislation closes this expensive loophole and prevents these windfalls by limiting the rental fees on any equipment, under cost-plus contracts, to the amount of the normal depreciation allowed by the Government under present tax structure.

Investigation has revealed that oftentimes these lease-sale transactions are agreed to prior to the signing of the contract. This in many situations taints the transaction with fraud since the original agreement allows practically new equipment at a value of hundreds of thousands of dollars to be sold to the contractor by the lessor for a nominal sum.

Regarding this phase of the scheme, I am sending to the Attorney General and to the appropriate Government agencies, the facts relating to specific corporations for the purpose of determining whether there has been a violation of Federal conspiracy statutes.

I urge early and favorable consideration of this legislation.

#### HIGHER INTEREST ON FOREIGN DEPOSITS TO EASE GOLD SITUATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PATMAN. Mr. Speaker, I wish to advise the House that the Banking and Currency Committee of the House will begin hearings on H.R. 12080 on Tuesday, July 10. Our first witness will be the Honorable Robert V. Roosa, Under Secretary for Monetary Affairs, Treasury Department. Other witnesses scheduled to be heard on subsequent dates will be the Honorable William McChesney Martin, Jr., Chairman, Board of Governors of the Federal Reserve System and representative leaders in the field of banking.

Mr. Speaker, the purpose of this bill is to permit commercial banks greater flexibility in negotiating with foreign governments and central banks concerning the rate to be paid on time deposits of these official bodies. By exempting those foreign official deposits from the mandatory ceilings now applied to rates for all time and savings deposits at commercial banks, these banks will be able to make the fullest competitive effort possible, within limits set only by their own ingenuity and earnings prospects, to attract and hold these funds in the form of dollar balances.

Total dollars in the hands of foreign official institutions now amount to over \$10 billion, and provide an important part of the world supply of international reserves. These dollars may be freely converted, upon request to the U.S. Treasury, into gold at the established price of \$35 per ounce, and therefore represent a direct claim on the U.S. gold stock. One of the many factors that may influence a decision by a foreign government to hold dollars in preference to demanding gold is the return that it may earn by investing those dollars in the United States. Time deposits at commercial banks have traditionally been one of the favored media for the investment of these official reserve funds, and this bill would permit banks freedom to compete vigorously for these funds.

The exemption from regulation would be confined solely to deposits of those official foreign institutions that now have the alternative of drawing gold from this country. There would be no effect on ceilings applicable to deposits of either domestic depositors or private foreign depositors. Both of these classes of deposits will continue to be subject uniformly to the regulations and ceilings imposed by the Federal Reserve and the Federal Deposit Insurance Corporation. The exemption for foreign monetary authorities is designed, within the basic framework of a free market, to supple-

ment and reinforce other efforts taken by the U.S. Government to maintain the facilities appropriate to the position of the U.S. dollar as the principal international reserve currency.

Mr. Speaker, I want to make it quite clear that there are many factors which affect the judgment of any central bank concerning its holdings of gold, or of dollars. Interest rates are only one among these. I believe, however, that it is important for the United States, as the leading spokesman for private enterprise in the world, to enable its commercial banks to make their contribution in our effort to reduce the outflow of gold from this country. I believe the combined efforts of our commercial banks and the Treasury Department (which is prepared to issue special securities at attractive rates for exclusive holding by foreign central banks or governments) should help in inducing the foreign official holders of dollars to prefer dollar holdings to additional purchases of gold.

The hearings will begin at 10 a.m., in room 1301 New House Office Building on July 10, 1962. All persons who wish to appear and testify on this bill or submit written statements thereon, are requested to notify the counsel of the House Banking and Currency Committee, room 1301 New House Office Building, telephone Capital 4-3121, extension 4248.

#### A LOOK AT THE ADMINISTRATION'S CIVIL RIGHTS RECORD

The SPEAKER. Under previous order of the House, the gentleman from Kansas [Mr. ELLSWORTH], is recognized for 2 hours.

Mr. ELLSWORTH. Mr. Speaker, this is the second of a series of special orders taken and to be taken this spring and summer by the gentleman from Colorado [Mr. DOMINICK], the gentleman from Connecticut [Mr. SIBAL], and the gentleman from Massachusetts [Mr. MORSE], and probably others, and myself, comprising constructive and critical commentaries on various aspects of the conduct of our Nation's affairs. Today we will offer a group of comments on the present administration's conduct both at home and all over the world on matters in the field of human rights. I will offer comments in the field of domestic and civil rights. The gentleman from Connecticut [Mr. SIBAL] will talk on immigration policy, and the gentleman from Colorado [Mr. DOMINICK] on the rights of the people of the captive nations, and the gentleman from Massachusetts [Mr. MORSE] on the rights of the people of the emerging nations. We will comment on the administration's actions or lack thereof both at home and abroad and upon our Nation's leadership, both moral and political, all over the world. Our effort then is to offer constructive criticism on our Nation's action, or lack thereof, in the field of human rights.

Perhaps some of the most eloquent plans ever announced for action on civil rights were those outlined by Presidential Candidate Kennedy—during the



1960 campaign. It has often been stated that Mr. Kennedy's eloquence is unmatched. It is most assuredly unmatched by his actions and the actions of his administration.

Recent reports from various organizations, including a circular from Democratic national headquarters, give a false impression of what the Kennedy administration has done in the field of civil rights. One of them exaggerates the use the President has made of his Executive powers. Another is a condensation of items which have appeared in newspapers and press releases, without any critical evaluation. The Democratic circular asserts that the President has "moved decisively" and called for civil rights legislation. None of these statements is true. Congress passed no civil rights legislation in 1961—except to extend the life of the Civil Rights Commission for 2 years—because the administration made it known that it wanted none.

The senior Senator from New Jersey has stated the situation accurately:

Bills were introduced early in the session with bipartisan support. What was lacking was leadership support and, most of all, administration support. The sad fact is that the administration took pains to disassociate itself from civil rights legislation proposed by its own committee to follow through on its campaign commitments.

I suggest to the administration that if it would provide a modest measure of leadership in the field of civil rights legislation, it would find many Republicans following that leadership.

Congress has passed no legislation which aided Negroes in the fields of education, housing, and minimum wage.

Housing legislation has not been especially beneficial to Negroes because all of the programs enacted permit racial discrimination. That is particularly true of urban renewal, which is generally regarded as a program for the urban removal of Negroes.

The Minimum Wage Act omitted from its extended coverage laundry workers, probably the lowest paid group in the country and largely Negroes.

President Kennedy supported the packing of the House Rules Committee, but he took a hands off position in the fight in the other body to curb the filibuster. A statement that the executive branch of Government took the lead in promoting civil rights as never before is not historically true. Nor are statements true that the President provided vigorous leadership or appointed more Negroes to office than any other President.

During the campaign, Candidate Kennedy swallowed the sweeping civil rights plank of the Democratic platform and added some promises of his own, but since he took office he has failed to carry out any of them. He promised to end racial segregation in federally assisted housing by the stroke of a Presidential pen. He is yet to find that pen. An Executive order to ban such segregation was placed on his desk, but he did not sign it. He said he had to delay doing so until a more favorable "consensus" developed.

There is little truth in the statements that President Kennedy and Brother

Bobby persuaded school officials to desegregate schools in the fall of 1961. There is not now even token desegregation in any public school in South Carolina, Alabama, or Mississippi. The Clarendon County School District, a defendant in the original school segregation cases, is still segregated. Public schools in Prince Edward County, Va., another defendant in those cases, are still closed. Atlanta schools are desegregated because Georgians preferred token desegregation to school closings. In New Orleans, eight Negro pupils joined four who had entered previously all-white schools in 1960. The 12 qualified only after passing tough pupil placement screening tests. Dallas desegregated after 5 years of litigation, and a Federal court recently ruled that the Memphis plan of desegregation did not meet the requirements of the 1954 Supreme Court decision against segregated public schools.

The administration has sought to give as a sop to those who relied on the President's civil rights pledges a well-advertised number of appointments of Negroes to Federal posts. These appointees have been active speakers before civic, fraternal and other organizations on behalf of the administration, but there is an increasing disillusionment with such appointments. The realization is growing that, as exciting as these appointments may appear in a magazine or news story, they are no substitute for the promised action on civil rights. As the Negro Chicago Daily Defender editorialized recently:

Misguided Negroes are fond of believing that they are appointed to high positions in public affairs on merit and not because of their political identity as representatives of the Negro people. This attitude makes them kowtow to white sponsors. The truth of the matter is that there are plenty of white folk with brains, experience and skill and the member of a racial minority gets the nod for political reasons and not purely on personal merit.

On April 8 Urban Renewal Commissioner William L. Slayton issued a statement setting forth a requirement that development of urban renewal projects must obey State and local laws prohibiting discrimination. While the administration endeavored to picture this move as progress, actually it was just the opposite. Commenting on the Slayton move, Charles Abrams, president of the National Committee Against Discrimination in Housing—composed of some 35 national organizations interested in ending housing bias—said:

This policy is the first official sanction of federally aided discrimination in the Kennedy administration.

He pointed out that the new policy would give 37 States, including the South, "a free hand to discriminate against Negroes." Thus, a Kennedy campaign pledge to end housing discrimination becomes a Kennedy administration action which gives a Federal hand to such discrimination.

This doubletalk on housing discrimination is nothing new. Under both the Roosevelt and Truman administrations, as reports of the Civil Rights Commis-

sion will show, the FHA not only encouraged discriminatory real estate practices but suggested the text of a model restrictive covenant. As a matter of fact, the FHA manuals containing this model restrictive covenant remained in circulation until 1950, 2 years after the 1948 Supreme Court decision which declared such covenants as unenforceable.

A key pledge made during the courtship days of the New Frontier was that one of the first orders of business of the new administration would be the enactment of civil rights legislation. Mr. Kennedy avoided recommending any civil rights measures to the Congress during his first year in office and during the second year has made only half-hearted—albeit, well-advertised—efforts in that direction. As Mr. Shad Polier, American Jewish Congress leader pointed out last month, President Kennedy's failure to give active leadership in the fight for antidiscrimination legislation has resulted in increasing apathy and discouragement among civil rights supporters. Mr. Polier charged that the "collapse" in Congress recently of forces seeking to bar voter literacy tests reflected widespread sentiment that the struggle to "enact meaningful civil rights legislation was all but hopeless without the vigorous support of the President."

One wonders if a deal has been made by the administration to forego civil rights legislation in the interest of avoiding controversy and obtaining votes from the majority party on other legislation? If so, one cannot help feeling the deal has been a failure from the standpoint of the administration—certainly very little forward motion has been discernible on most of the administration's legislative program. In the case of the farm bill defeat, the no-civil-rights deal, if any existed, must surely have collapsed completely.

Today, 8 years after the historic 1954 Supreme Court decision on school desegregation, only 7.3 percent of the Negro students in the 17 Southern and Border States are attending integrated schools—and the percentage is zero in Alabama, Mississippi, and South Carolina.

Contrast this lack of progress with the glowing words of the 1960 Democratic platform:

A new Democratic administration will also use its full powers—legal and moral—to insure the beginning of good faith compliance with the constitutional requirement that racial discrimination be ended in public education.

Has any legislation by the administration been proposed to this end? Has any executive action been taken to achieve this goal? Oh, there will be some on the other side of the aisle who may now rise and cite the well-publicized March 30 order of HEW Secretary Ribicoff with respect to Federal aid to impacted areas under Public Law 815 and Public Law 874. At first blush it would seem that this order applied to all such school districts. Upon further examination, it was revealed that its only effect would be where children came from military posts. And now, as protests by



the American Civil Liberties Union disclose, even this pittance is not covered.

Sterling Tucker, executive director of the Washington Urban League, summed up some of the points I am making when he wrote in the January-February issue of the Civil Liberties Bulletin:

Despite earlier trumpetings of this national administration, it appears that we're still in the "with all deliberate speed" era and I fear that deliberate may bear to speed the same resemblance that separate bore to equal for so many years.

The storm signals were already out on the civil rights legislative front before President Kennedy took office but there was every indication that his administration was all tooled up for forging ahead with executive action.

Somewhere along the way somebody must have dropped a monkey wrench into the works for, after the initial splurge of appointments of Negroes and Jews to high posts, activity on this front came to a nearly screeching halt.

Another hit on the administration civil rights publicity parade has been efforts against discrimination in employment. Commenting on this Mr. Tucker wrote on the one major effort to date of the President's Committee on Equal Employment Opportunity:

"The well-publicized 'plans for progress' seems actually somewhat of a sham." Mr. Tucker points out that the companies agreeing to the plans have agreed to do nothing to which they are not already obligated under law. In fact, he observes, some of the points covered in Executive Order 10925 are omitted. His conclusion:

It would seem that the "plans for progress" are, in point of fact, regression.

It would seem that Mr. Kennedy has realized quite a few "paper profits" on civil rights. Unfortunately, there have been too few dividends to the citizen stockholders in the world's greatest public corporation, the U.S. Government.

Let me sum up by saying again: If there has been a "deal" of any kind—either express or implied—for the administration to stay its hand from civil rights leadership in exchange for votes on other New Frontier legislation, then let notice be taken that the "deal" has been all one way.

Let the administration show the hand of leadership in civil rights legislation and executive action—as distinguished from mere words—and it will find, and the Nation will find, many Republicans following that leadership.

Mr. SIBAL. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Connecticut.

Mr. SIBAL. Mr. Speaker, when my colleagues and I opened this series of discussions in May, I spoke of the dangers of dealing in illusions rather than realities. I charged that the administration was doing this and that it frequently appeared to be either blind to the realities or to be deliberately ignoring them.

We spoke then in general terms of concern over the way this attitude was affecting our foreign policy. Today, we become more specific, devoting our at-

tention to the broad area of human rights.

America is now and always has been a world leader in the historic crusade for human rights, which we, in this discussion, take to mean the right of every human being to work out his personal destiny for himself, limited only by his own abilities and, of course, by consideration for the rights of others.

This is the meaning of the American dream, which has come true for so many over the years. Our example has been and continues to be an inspiration for countless millions, including millions who have left their homelands to make new lives in the United States.

In the marketplace of ideas, our stock is at the top. The stream of refugees flows from East to West and not the other way. The message of America, fashioned in actual deeds, is heard clearly above the strident tumult of Communist propaganda. The oppressed people of the earth look to the Statue of Liberty, not the Tomb of Lenin, for their salvation.

It is essential that we keep this dream alive and that the message of America remain meaningful.

If we fail to do this, the very reason for our existence will wither away, like a tree whose roots have been severed.

My remarks today are addressed to our immigration policies, which are in need of major overhaul to fit new conditions. It is in these policies that we speak our minds most clearly on our regard for our fellow men.

To correct existing inequities I urge an end to the national origin quota system and a permanent policy toward the world refugee problem.

These are not thoughts that are new with me. My speech today is an urgent call for action on existing proposals.

Both parties pledged action in their 1960 platforms, which remain in force.

The President has spoken clearly in favor of these revisions at the time he was seeking the votes that placed him in office.

The Democratic platform states:

The national origins quota system of limiting immigration contradicts the founding principles of this Nation.

It assures us in addition:

A Democratic President in cooperation with a Democratic Congress will again implant a humanitarian and liberal spirit in our Nation's immigration and citizenship policies.

We have a Democratic President and an overwhelmingly Democratic Congress, Mr. Speaker, but that's the last we have heard of that pledge. What can the world think of this official silence, following such strong statements, except that we do not mean what we say?

On a number of occasions, then Senator Kennedy endorsed the party's platform on this question.

In August 5, 1960, in remarks at the Overseas Press Club in New York City he declared:

If we present, in this area, an image to the world of hostility, of saying that one country is better than another, by writing that into our national immigration laws, I think we do a disservice to our people and to our country.

On the following day, he issued a press release from his press office in Hyannis, Mass., which began:

Senator John F. Kennedy today pledged that "high priority" would be given by a Democratic administration to the platform plank calling for amendments to the immigration and naturalization laws to ban discrimination based on national origin.

On September 6, 1960, he reinforced this statement at a press conference in Pocatello, Idaho, in which he declared:

The platform on these matters (of immigration) we are going to attempt to carry out if elected.

Again, in a statement he issued on Citizenship Day, September 17, 1960, President Kennedy asserted:

We cannot afford, for example, to continue to keep on our books an immigration law which rates people of one national origin better than people of another national origin. Such a law is not in keeping with the ideals of American democracy, not with the spirit of the American Constitution.

No attempts to carry out these pledges has been made by Mr. Kennedy's administration. The American people and the world wait for noble deeds to match the noble words. Are they to conclude the words were only cynical appeals in a close campaign?

The Republican platform of 1960 declares that:

The annual number of immigrants we accept be at least doubled.

Obsolete immigration laws be amended by abandoning the outdated 1920 census data as a base and substituting the 1960 census.

The guidelines of our immigration policy be based upon judgment of the individual merit of each applicant for admission and citizenship.

This is preceded by the statement that:

Immigration has been reduced to the point where it does not provide the stimulus to growth that it should nor are we fulfilling our obligation as a haven for the oppressed.

Several bills to implement this platform have been introduced by Republican Members of Congress, notably, the broad bill, H.R. 7987, by the distinguished gentleman from New York [Mr. LINDSAY] and in the other body, S. 551, by Mr. JAVITS.

With the support of both parties, with a concrete plan, and the backing of the President, one wonders why steps are not being taken by the Democratic leadership to get these changes adopted.

The system of national origins is contrary to everything we stand for.

It is radically biased, statistically incorrect, and a clumsy instrument of selection, which bars individuals by discrimination against nations instead of considering the personal qualifications of applicants for citizenship. It overlooks the innate differences of individuals among members of a group and it confuses racial traits and cultural attainments by identifying both physical and mental developments with country of birth.

This is an indefensible stance for us to adopt while we claim the leadership on the battle to secure full human



rights. We should depart from this principle as far as we can in rewriting our immigration laws.

Insofar as possible, we should allocate quotas only on the basis of national need and priorities of applications.

As a base, we should use the total populations according to the 1960 census. Quotas should be divided up and the unused portions allocated at the end of each year proportionately among those countries who are oversubscribed.

We should have a permanent policy on refugees so that we will be able to accept a reasonable number on an orderly basis. We can scarcely seek to settle the worldwide refugee problem unless we are willing to accept some refugees ourselves as a permanent part of our policy and not on the basis of special exceptions following on the heels of crisis.

We should end the discrimination that currently exists between natural-born and naturalized citizens. Under present concepts, the naturalized citizen is subjected to involuntary loss of his citizenship through residence abroad. Renunciation of citizenship historically has been the positive act of the individual. It is improper for the State to presume it in the case of a naturalized citizen where it does not for the native-born. This gap between the rights of citizens should be abolished.

The revision in the quota system thus proposed would create an annual quota of about 300,000 instead of the present 154,000. This is in accordance with our capacities and would fulfill the platform pledges of my party.

A bill such as the Lindsay bill, would end the discrimination between the naturalized and the native-born citizen.

It would permit us to meet our obligation to receive a reasonable number of refugees. It would make other technical reforms in accord with our feelings of justice and common decency.

Mr. Speaker, we must act soon to match our deeds to our words. Our unmoderated barriers, our biased strictures in this area greatly shackle us in the conduct of our foreign policy, the end of which is the freedom, security, and prosperity of ourselves and our fellow nations.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield.

Mr. LINDSAY. Mr. Speaker, I want to compliment the distinguished gentleman from Connecticut for addressing himself to the question of our immigration policy and to commend him on the excellent dissertation he has just given on the complex subject of immigration and nationality. I applaud him for his concern and for his efforts to reform this appallingly sad piece of legislation that is now on the books.

I compliment the distinguished gentleman from Kansas on the excellent talk he gave us a few minutes ago and the knowledge he brings to the subject of civil rights and his concern with the subject and the people who would be affected by proper legislation in this field.

Mr. SIBAL. I thank the gentleman.

Mr. ELLSWORTH. I thank the gentleman, and I want to join with the gen-

tleman from New York in complimenting the gentleman from Connecticut on his exposition of our immigration policy.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Colorado.

Mr. DOMINICK. Mr. Speaker, our very able colleagues Congressman ELLSWORTH and Congressman SIBAL have once again set forth in penetrating terms the contradictions in the present administration—it is long on speeches about intent but woefully short in any action to back them up. In the human rights field this contradiction has swept through not only the civil rights section of human rights and the immigration policy but also the captive nations issue. The vast majority of Americans retain deep in their souls the fundamentals of human rights set forth in the Declaration of Independence and fortified in the Bill of Rights.

We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty and the pursuit of happiness—that to secure these rights governments are instituted among men, deriving their just powers from the consent of the governed.

Millions of people from all over the globe have rushed to these shores in answer to this clarion call and have served with distinction in our Armed Forces in battles against tyranny over the world—battles which history has shown were necessary to preserve the right to liberty so deeply proclaimed by our heritage.

Yet today there are millions of people throughout the world held in bondage by the greatest conspiracy against freedom in the history of the world and we are doing relatively nothing. In Eastern Europe alone there are 22 countries with millions of inhabitants held in physical and spiritual slavery by a few hundred thousand Communist stooges backed up by the armed forces of the Soviet Union.

Lest we forget the inhuman nature of this slavery it is worthwhile repeating some few facts which might otherwise be shrouded in the mists of time. Over 290,000 Latvian citizens were deported, murdered or sent to slave labor camps by the Soviet Communists in the period from 1944 to 1950. During the collectivization drive in 1948 and 1949, more than 287,000 Lithuanians were deported to Siberia. In a 3-day period in 1949 alone, over 30,000 people were deported from Estonia to Soviet slave labor camps with constant additional purges occurring in 1950 and 1951. Witnesses have testified before our own House Select Committee on Communist Aggression that 1,692,000 persons were deported by the Soviet Communists from Poland during 1939 to 1941 alone. Fifteen thousand prisoners of war, mostly Polish officers, were murdered in cold blood by the Soviets in the spring of 1940 at Katyn Forest. Millions of people in Hungary are prevented forcibly from the exercise of any fundamental human right by approximately 150,000 members of the Communist Party ruling by the force of guns, torture, slave labor and the discipline of fear and hopelessness.

The ruthless display of power by the Soviets in subduing the Hungarian revolution and the East German youth revolt are still clear horrors in the minds of all of us. Rumanians, Bulgarians, Yugoslavs and Germans are held in forcible subjection by a few thousand Communist thugs using machineguns, torture chambers, slave labor camps, and constant repetition of outright lies designed to brainwash the young, the gullible and the unknowledgeable.

By relentless pressures based on fear and deceit, these ulcerous tentacles have contrived to erode the free world until it now threatens our own shoreline. What have and what can we do about rekindling in the minds and hearts of people throughout the world the basic beliefs in human rights as set forth in our own Declaration of Independence, and what have and what can we do to give aid and assistance to the people caught in this quicksand of muck, torture, and deceit?

In 1959 an act of Congress was passed and President Eisenhower promptly implemented it by proclaiming the last week in July of each year as Captive Nations Week—when Americans are asked to work and pray for the early restoration of these enslaved people to their historic freedom and national independence. Thirty-nine resolutions are now pending in Congress to create a Permanent Congressional Captive Nations Committee which by public forum could further the spirit of Captive Nations Week on a year-round basis. Everytime the subject is mentioned, Communists throughout the world rant and rave at being hit in such a vulnerable spot.

In 1960 President Kennedy, while running for office, stated:

We must never—at any summit, in any treaty declaration, in our words, or even in our minds—recognize Soviet domination of Eastern Europe.

And yet the actions of this administration again do not follow the words. The present administration fails to distinguish between the people in these Eastern European countries and the governments holding the same people captive. We continue to give strategic material, including aircraft, to the Communist governments of Yugoslavia and Poland, which materials are used by those governments to maintain their iron claw grip over the lives and liberties of the people. Secretary Rusk in objecting to the Captive Nations Permanent Congressional Committee, and preventing its passage has said:

It would likely be a source of contention and might be taken as a pretext for action by the Soviet Union which would interfere with the resolution of the present crisis concerning Berlin.

This is a classic example of the confusion in thinking in the minds of many administration officials. They say in effect: "Do not irritate the Communists, it might give rise to more pressures. If we stay quiet maybe it will all blow away."

And while we hide in our shells like oysters, the Communist conspiracy continues to slice off additional sections of the world, enslaving millions more peo-



ple and drawing a literal noose around our country.

The minds, hearts, cultures, and beliefs of the people in the captive nations are still dreaming of their human right to freedom—of life, liberty, and the pursuit of happiness. Many are still risking their very lives to escape from the horror chambers imposed upon their minds and spirits. We should stimulate their feeling of independence—their drive for restoration of government based on self-determination. We should reiterate to the world our belief that the very spiritual forces which are largely responsible for this great country of ours will someday be available to the captive nations. We should cut off all aid to Communist governments and offer aid under our supervision to the people within the captive nations. We should establish the proposed Freedom Academy. We should try to force through the General Assembly of the United Nations a thorough investigation of the methods used by the Communists to capture these countries, the methods used to keep the people in subjugation, the horrors perpetrated by the Communists on the millions from the captive nations who have been ruthlessly deported, placed in labor camps, liquidated, or tortured. We should give aid and assistance to refugee groups to maintain communications with the people within these countries. We should support all missionary groups trying to prevent the ruthless atheism of communism from taking over the souls of those within these areas.

And this administration is not taking any action to support any of these proposals and in fact has opposed them.

Are we to accept the position that the people in the captive nations are doomed to live under communism?

Are we to accept the position that the people of Russia itself must be written off because the Communist career started here?

Are we to remain quiescent while the remainder of the world is shredded by the basically evil tenets of this doctrine?

Are we to be forced into a war in order to preserve our own liberties when we have opportunities throughout the world and particularly in Eastern Europe to demonstrate by word and deed that the vast majority of people everywhere abhor living under fear and torture?

We have in the people of the captive nations one of the greatest assets in our struggle for freedom—an asset which could literally start the downfall of the Communist empire if properly used.

We reject the policy of inaction and softness advocated by this administration. Rather we believe this—we must not only reaffirm the basic human rights of these captive nation people by words but we must make use of all available methods to act on these premises if we are to make progress in winning the cold war. We must move forward within our own basic tenets to give the opportunity to the people of this world to live with dignity and justice.

Mr. ELLSWORTH. I want to thank the gentleman for his contribution, and commend the gentleman for it. The gentleman said just the right things in just the right way.

Mr. MORSE. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I would be glad to yield to the gentleman from Massachusetts.

Mr. MORSE. Mr. Speaker, my colleagues have dramatically articulated the intimate relationship between our concern with human rights here at home and in those nations which are subject to Communist domination and the effectiveness of our long-range efforts in the international community. They have demonstrated the essential truth of Adlai Stevenson's statement that "What we say has little impact compared to what we do."

I was particularly impressed by Congressman DOMINICK's reference to Jefferson's magnificent language in the Declaration: "We hold these truths to be self-evident"; for it seems to me that these words set forth simply and majestically both our national purpose and our international objectives.

These words proclaim the deep concern of the United States with the basic rights of all people. They assert the noble reason for our being as a nation: to create an environment in which men may live in liberty with an opportunity to pursue and achieve their highest spiritual, social, cultural, economic, and political aspirations.

We are faced with a historically unprecedented challenge in the problems of the emerging nations of the world. It is fundamental that the United States of America hopes that these nations, as they mature, extend to their citizens the basic human rights of which Jefferson spoke. But it is pertinent that we ask ourselves as to whether the policies which the administration has pursued in recent months will in fact help achieve this end.

If human rights are to be fostered in the emerging nations, we must work toward the establishment of viable and independent states which can ultimately compete in the economy of the free world and which can contribute to the security of the free nations. We must work to avoid circumstances which may lead to violent upheavals which provide opportunities for Communist advances such as that we witnessed in Cuba.

Traditional 19th-century diplomacy dictated that one nation accept another as it was constituted. Today our policy must be concerned with factors internal to other nations. The danger, however, is that we may become too involved in too many internal situations.

How can we best help create that measure of stability in the emerging nations of the world which will permit the extension of the human rights we respect to the peoples of those nations?

Two facts must never be overlooked: First. The development and advancement of the rights of the citizens of the developing nations is basically the responsibility of those nations; and,

Second. But for the United States, the Communist cancer would ravage the world, destroying the sovereignty of all nations, making it impossible for the developing nations to discharge their responsibility to promote the individual rights of their citizens.

In our dealings with the emerging nations of the world, they properly are treated as "equals." Sovereign state deals with sovereign state. This equality of sovereignty, however, veils massive inequalities in trained manpower, experience, and resources. While we must treat these nations as equals psychologically and diplomatically, it is imperative, at the same time, that we acknowledge the tremendous differences in strength, stability, and immediate objectives.

It is not fashionable today to speak in terms of self-interest. Quite to the contrary, the administration has time and again made every effort to persuade the emerging nations that the United States is guided only by a sense of moralistic altruism. We have sought to obscure our legitimate objectives: we have evidenced embarrassment at our own needs. The administration has treated the emerging nations like children. It has acted as though we do not want them to discover the facts of life.

The administration has defined our foreign policy in terms of maudlin sentimentality. It has advertised our criteria for foreign aid in sweeping generalities, thus sacrificing the opportunity to make discriminative decisions and provide selective assistance. It seems to me that this fact accounts in part for our being perpetually on the defensive.

It is time that we understood that the peoples of the emerging nations abhor gratuitousness. They want, indeed they need, our help but they do not want patronizing pronouncements. Krishna Menon once said "It is their affection that we cannot tolerate." Menon is no friend of the West but he states a generally held feeling about the quasi-moralism that is characteristic of our recent efforts in foreign affairs.

John Foster Dulles was frequently criticized for an alleged moralistic approach in the conduct of our foreign affairs. But it must be noted that Dulles was describing the rights and wrongs involved in the battle with world communism.

The present administration's moralism seems to be, on the other hand, an effort to avoid identifying or advancing any of our own real cold war interests.

If we believe that "all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness" we have an obligation to speak out in strong terms, to act resolutely, in support of our convictions.

Recent history has demonstrated that the emerging nations "play" East against West as a matter of course. While recognizing their right to independent action, while respecting their freedom to be neutral, we must not confuse that right and that freedom with the serious ramifications they carry. Can we not properly urge that these nations, if we are really concerned with the right of their citizens, evidence their opposition to a totalitarian system which would stand forever in the way of the achievement of those rights? Indeed, have we not a duty to do so? Yet the present administration has to a large degree

given the impression that opposition to despotism is irrelevant. The results of this policy can be devastating. We risk spreading our resources so thin that it will not be possible for us to achieve good where it would really help. We commit ourselves to controversies which we do not have the capacity to solve. We solicit disrespect.

If, as I stated previously, our interests are those so eloquently expressed by Jefferson, is it not time for us, as a nation, vigorously to pursue a policy which would advance those interests? If the fashion of the times prevents us from identifying such a policy as one of "legitimate self-interest" can we not at least insist upon a policy of "legitimate mutual interest"? Has not the time come for us to take a direct, honest, forthright approach? Has not the time come for us to announce our own objectives and our own aspirations in order to effect the mutuality of interests which is necessary?

Should we not seek a responsiveness to our own requirements in the conduct of our foreign policy rather than encourage other governments to ignore them? Can our commitment to the defeat of an imperialistic and totalitarian system ever be understood until we articulate it vigorously, until we demonstrate clearly how it affects the human rights of the peoples of the emerging nations? Should we not make clear the reasons for our struggle against communism and demonstrate that our position vitally promotes the true independence—indeed the survival—of the "uncommitted" nations? Must we not identify the danger, the common danger, as boldly as possible?

Different situations require different solutions. We must preserve our ability to take selective action, to take the initiative. These things cannot be done so long as our foreign policy is enunciated in terms of an apologetic moralism.

Only when we in fact pursue a policy of mutual interest can we hope most effectively to use our resources and our strength in freedom's cause. Such a policy will inspire a more solid effort of all peoples who yearn for liberty.

We must satisfy ourselves, in this effort, with modest but concrete accomplishments, but these accomplishments will serve to strengthen the developing nations, to permit them to attain a stability and independence which will promote and protect the rights to which their people, as all people, aspire.

Mr. ELLSWORTH. Mr. Speaker, I want to thank the gentleman for his very incisive and trenchant treatment of a complex and subtle subject. Certainly I have benefited from listening to the gentleman and I know the House did, too.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. Mr. Speaker, I have listened with a great deal of interest to these presentations by four gentlemen; the gentleman from Kansas [Mr. ELLSWORTH], the gentleman from Connecticut [Mr. SIBAL], the

gentleman from Colorado [Mr. DOMINICK], and the gentleman from Massachusetts [Mr. MORSE]. The obvious homework that has gone into this presentation is highly commendable. It seems to me that this Record as it will appear tomorrow should be sent to the Democratic leaders of the House who are not here at this time, of course; and also a copy of this transcript as it will appear in the Record should be sent to the President. This is a challenge to debate, to debate the issues.

President Kennedy in his speech at Yale stated that there needed to be national debate on these issues and I could not agree with him more. In his Yale speech he was discussing economics; and the tragedy was that he did not refer to the fact that there had been some debate going on, certainly in the Joint Economic Committee, between the Republican members of that committee and the Democratic members and, indeed, the President's Council of Economic Advisors.

The President has control, in a large degree, of the media, and I mean that in a proper sense, because as President he demands respect in treatment. It is about time he began telling the people of this country that there is a debate going on and recognizes what is being said on the other side.

Certainly the presentation made here this evening in the field of civil rights and of the disgraceful record of this administration in relation to its words and promises—possibly if there had not been such glowing promises and statements it would not be so disgraceful, but certainly the response to this documentation which has been made by the gentleman from Kansas [Mr. ELLSWORTH] in the field of civil rights, and men in the field of immigration law as presented by the gentleman from Connecticut [Mr. SIBAL], and then the question of human rights behind the Iron Curtain as presented by the gentleman from Colorado [Mr. DOMINICK], and now the question of the rights of the people of these emerging nations, should be forthcoming. Press relations and speeches before captive audiences do not constitute public debate. I want to commend the four of you again. I hope that these remarks will be forwarded to the leadership of the Democratic Party of the House and the President, and let us see whether or not they do want to engage in forthright debate.

Mr. ELLSWORTH. I thank the gentleman for his comments and for his contribution to this discussion this afternoon. As everybody knows, the gentleman from Missouri [Mr. CURTIS], who has just spoken, is recognized as a national leader not only in the field of economic theory and policy and legislation but also in the field of civil rights and human rights generally. His contribution is deeply appreciated by the four of us. We certainly intend to follow along the lines the gentleman has suggested.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from New York.

Mr. LINDSAY. Just a moment ago I complimented the gentleman presently in the well and also the gentleman from Connecticut [Mr. SIBAL] on the excellence of their presentations. I should now like to associate myself with the remarks made by our friend the gentleman from Missouri [Mr. CURTIS] in complimenting the gentleman from Colorado [Mr. DOMINICK] and the gentleman from Massachusetts [Mr. MORSE] on the skill of their presentation, the depth of the knowledge they have contributed today, the effort they have made to alert the Members of the House of Representatives to the need for debate and discussion on these subjects, and the accurate, positive, and constructive way in which they have pointed to the shortcomings of the present administration in the field they have just discussed. The gentleman from Colorado and the gentleman from Massachusetts, like the gentleman from Kansas and the gentleman from Connecticut, deserve the thanks not only of the minority side of the aisle here, the Republican side, but in my judgment of the whole House, because unless there is sufficient debate and discussion as requested by the President of the United States the democratic process does not work in the way it should.

Mr. ELLSWORTH. I thank the gentleman from New York for his kind remarks. Speaking on behalf of the other gentlemen who have appeared here today in the well, the quality of the remarks of the gentleman from New York is appreciated by all of us because the gentleman from New York is well known as a fighter for human rights in every field and, of course, as a member of the House Committee on the Judiciary, as an active worker in that field. We are deeply appreciative to the gentleman from New York for his kind remarks.

Mr. DOMINICK. Mr. Speaker, will the gentleman yield?

Mr. ELLSWORTH. I yield to the gentleman from Colorado.

Mr. DOMINICK. I want to add my appreciation to the gentleman from Missouri and the gentleman from New York for the remarks they have made. I also want to express my appreciation to the gentleman from Illinois [Mr. DERWINSKI] who has worked so hard on this captive nations proposal. I understand that Captive Nations Week will be proclaimed next week. I see the gentleman is here. Is this correct?

Mr. DERWINSKI. That is right.

Mr. DOMINICK. I hope at that time we can participate more fully in a discussion of this proposal as well as bringing within it the scope of the things which the gentleman from Massachusetts [Mr. MORSE] has just talked about, as have the gentleman from Kansas and the gentleman from Connecticut. I think they fit together and it seems to me it is part of an overall pattern in which we can formulate a policy which both sides would be willing to support provided we can get the proper forum for discussion. I think the remarks made by the gentleman from Missouri [Mr. CURTIS] in connection with the proposed debate really offer a constructive solution.



Mr. ELLSWORTH. I thank the gentleman.

# PROPOSAL FOR AN INTER-AMERICAN DEVELOPMENT CORPS

The SPEAKER pro tempore (Mr. FLYNT). Under previous order of the House, the gentleman from New York [Mr. RYAN] is recognized for 60 minutes.

Mr. RYAN of New York. Mr. Speaker, today the House began to debate the Foreign Assistance Act of 1962. During this debate we shall be discussing the Alliance for Progress.

All of us are aware of the appalling conditions in which the vast majority of Latin Americans live. For large segments of the population, daily food rations are below minimum health and subsistence levels. For many, housing means either the primitive shacks of the squatters and impoverished sharecroppers or urban slums lacking even elementary sanitary facilities. Great numbers are faced with the prospect of continuous unemployment or underemployment. Illiteracy is widespread. Working capabilities and even lifespans are sharply reduced by diseases, not because the diseases are incurable, but because medical attention is unavailable.

The Latin American people are no longer willing to endure their fate silently. Pressure to end their bondage to poverty and misery is deep and constant. Unless tangible economic and social progress are rapidly attained by democratic means, voices, like Fidel Castro's, urging violent solutions will gain more adherents.

Through the Alliance for Progress the United States and the Latin American Republics are seeking to channel the revolutionary stirrings in Latin America toward peaceful change. I believe the concept of the Alliance, as outlined in the Charter of Punta del Este, is indeed our best hope for providing Latin Americans with a solution for their pressing problems. But I am deeply concerned that the Alliance for Progress, as presently operating, cannot make the direct and quickly felt impact which is crucial to the success of the program.

In this respect, it is illuminating to compare the Alliance for Progress with our previous aid efforts—notably with the great success achieved in Europe with the Marshall plan. Europe possessed a long history of industrial and agricultural development and people with the highest technical sophistication. It needed capital and key raw materials to rebuild war-damaged economies. We could pump in these requirements with assurance that they would be well utilized.

In Latin America the situation is quite different. The nations there have been held back by centuries of poverty, illiteracy, ill health, and backward technology. People who are sick, undernourished, ill housed, and illiterate do not have the physical stamina or the knowledge to help themselves or to contribute to the economic growth of their countries. These countries need to acquire the basic skills and the minimum levels of health which will permit them to use invested capital productively.

The United States is committed in the words of the Charter of Punta del Este to provide a major part of "the minimum of \$20 billion, principally in public funds, which Latin America will need over the next 10 years from external sources to supplement its own efforts." On their part the Latin American nations are pledged to improve health, housing, and sanitation, wipe out illiteracy, modernize their tax structures and land tenure systems, maintain sound fiscal and monetary policies, and stimulate private investment. Unfortunately, our financial assistance and fixed investment cannot, by itself, provide the basis for needed change in Latin America. Unless there is a sufficient number of trained people to underpin development, the effort will not succeed.

Statistics of the magnitude of Latin America's requirements and the number of trained people in Latin America to meet them are at best sketchy. Nevertheless, from knowledgeable estimates, it is possible to get an idea of the scale of the problem. For example, it is estimated that 40 million of the region's 200 million people are now under slum dwellers. In Rio de Janeiro, Lima, São Paulo, Buenos Aires, and Caracas, untrained rural people huddle in slums and create a staggering need for more schools, more teachers, more houses, more medical and sanitation facilities. Meanwhile, the stream of migrants fleeing from the harsh conditions in the rural areas keeps flowing. To provide 600,000 self-help houses a year and assistance in community projects, it is estimated that a minimum of 12,000 persons trained in construction techniques are needed—or 1 construction worker per 50 housing units per year—to make some impact on the dreadful rural and urban housing situation.

The November 1961, report of the Directing Council of the Pan American Health Organization gives an idea of the scale of the problem with regard to health. According to the report, in all Latin America there are now only 100,000 doctors, 37,000 nurses, and 38,000 dentists, while another 100,000 doctors, 23,000 nurses, and 62,000 dentists are immediately needed. To close the gap between existing and needed health personnel, PAHO's Directing Council urged the training of more auxiliary health workers. For instance, there is an immediate need for 169,000 auxiliary nurses above the 94,000 presently employed in Latin American national health services. Such auxiliaries would be, according to the Directing Council, "an army of less expensively educated workers who under the guidance of more highly trained practitioners can carry on the bulk of activities in the health services."

The Alliance for Progress, as yet, has not undertaken a sufficient program to develop Latin America's human resources. A pattern of assistance has emerged reminiscent of conventional programs of foreign aid. There is the familiar balance-of-payments aid, support for worthwhile public works, proping up of needed industries, piecemeal assistance to some social welfare programs, and small technical assistance missions.

Regarding the number of U.S. technicians in Latin America, Senators McGEE, MOSS, ENGLE, and YOUNG, in their February 13, 1962, report of their study mission to South America, declare:

It is obvious most everywhere that the United States has fallen far short of supplying enough technicians. There is no limit to the need for agricultural, engineering, urban, educational, and medical technicians. Whatever the circumstances elsewhere in the world, there remains a critical need for a substantial increase in technical aid in Latin America. We did not have an opportunity to see our Peace Corps in action, but surely this can be a source of much of the technical aid needed by our neighbors to the south. Keen interest was manifested in receiving Peace Corps units. (U.S. Senate, 87th Cong., 2d sess. Doc. No. 91. "Study Mission to South America," November-December 1961. Report of Senators GALE W. MCGEE, FRANK E. MOSS, CLAIR ENGLE, and STEPHEN M. YOUNG to the Committee on Appropriations, Committee on Interior and Insular Affairs, Committee on Agriculture and Forestry, Committee on Armed Services, Feb. 13, 1962, p. 16.)

Yet without widespread diffusion of knowledge and skills the prospects for economic progress and prosperity are dim.

A related weakness in the Alliance has been noted by a number of observers. In its newsletter of March 27, 1962, Vision commented:

The Alliance is now in motion and want of a popular spirit is actually impeding its progress.

The Washington Post in an editorial on April 16, 1962, stated:

One reason the Alliance is lagging is that people still don't know about its great purposes.

Governor Muñoz-Marín, of Puerto Rico, one of the most knowledgeable men on Latin American affairs and one who knows how to encourage a depressed nation to raise itself by its bootstraps, declared in an address on May 4, 1962:

What deeply troubles me is the seeming lack of emotional commitment in Latin America toward this great and historical venture. The Alliance cannot be purely an economic undertaking, a transfusion of capital and skills. To succeed, it must stir the hearts of men, it must inspire them to dream and hope, and then to work hard and purposefully.

To overcome popular apathy, I have seen recommendations that the Alliance's goals and its progress be publicized at the grassroots level. I do not believe that advertising the Alliance is likely to ignite hope and inspire emotional commitment. After centuries of being abused or ignored, the Latin American laborer is cynical and skeptical of promises emanating from government offices in far-off capitals. Moreover, the lofty overall objectives and programs of the Alliance have little meaning to people who are barely aware of life beyond their villages.

A way must be found to carry the spark of hope directly to the people. They must be given a feeling of personal participation. They must be able to reap personal benefit, however modest. Only then will they be able to grasp the larger meaning of the Alliance for Progress for their community, their nation, and the

hemisphere. Only then will they be inspired, in the words of Muñoz Marín, "to dream and hope, and then to work hard and purposefully."

In these circumstances success of the Alliance for Progress in both economic and psychological terms depends on mobilizing large numbers of capable people who can assist and act as catalysts in the efforts of the Latin American people to overcome the conditions of underemployment. In view of the magnitude of the task, this will have to be a massive effort. But this fact should not deter us. We are able to mobilize our human and material resources in war. In the present battle against the human misery and economic stagnation which breed hatred and violence, there must be a mobilization of similar dimensions.

I propose the establishment of an Inter-American Development Corps. I am confident that the people of the Americas will respond with as much dedication to the challenge of a more just society as former generations answered the call to defend the Americas from physical attack.

Most of the people for such an Inter-American Development Corps can be recruited in Latin America itself from the more developed regions. Some of the more advanced countries of Latin America should be in a position to contribute to their neighbors, particularly in the fields of health and primary education. In Argentina, for instance, the literacy rate is estimated at 87 percent as compared to 42 percent in Peru. In the field of medicine there was in 1959 a physician for every 702 persons in Argentina as compared with 1 for every 813 in the United States.

Volunteers can also be accepted from European and other free, developed countries. For instance, Italy, Germany, and Israel should be able to provide doctors and medical teams as well as other skilled personnel.

A preeminent role could be played by young people of the American Republics who have received sufficient training in the subjects in which they would assist. It is not necessary for the majority of the Corps to be advanced technical experts. It could make use of the skills, energies, and flexibility of young people in both Latin America and the United States, to assist for a year or two in improving agricultural methods, health services, self-help housing, community development, roadbuilding, and in literacy campaigns.

The Peace Corps has received numerous inquiries from Latin Americans asking how they can contribute their services. Last October and November, Sargent Shriver, the Director of the Peace Corps, toured Latin America. He was repeatedly asked by young people why they could not participate in the program.

The Peace Corps currently has on duty in Latin America 231 members. Forty-three more are in the host countries in training status. Another 423 are in training in the United States. This is a total of 697. This is a pitifully small

number for a continent of 200 million people who desperately need assistance to meet their overwhelming problems.

The excellent, though limited, work the Peace Corps has done demonstrates the course that must be followed. Its scope must be vastly expanded and augmented with the pent-up skills and energies of Latin America's own people.

Large numbers of skilled people are needed to work in the underdeveloped areas of Latin America. I call for a direct human-contact program on a scale not previously envisioned. Although the program will take time to develop, if some noticeable measure of success is to be achieved, something on the order of 75,000 to 100,000 workers would be needed, of which about 10,000 to 20,000 would have to come from the United States.

I am informed that a small experiment in inter-American cooperation is underway. Eighteen Dominican volunteers trained together with 21 Americans in Puerto Rico for 4 months in agricultural and community development. Last week they left for the Dominican Republic to live together and work together for the benefit of the Dominican people.

The Inter-American Development Corps should be administered under truly inter-American auspices—such as the Organization of American States. Volunteers should be chosen for service in a particular country solely on the basis of qualifications, not by nationality. They should be imbued not only with a sense of service but with that intangible, but powerful, spirit of pan-Americanism.

With regard to housing, a matter of dire need throughout Latin America, the Organization of American States maintains the Inter-American Housing Center in Bogotá, Colombia. There are, of course, many possibilities outside of the regional organization. For instance, the University of Chile and Catholic University in Santiago, Chile, both hold short courses in urban and rural community development. Moreover, the experience of the Peace Corps in recruiting and training could serve as guidelines.

The establishment of an Inter-American Development Corps could be financed by a redirection of funds under the Alliance for Progress with the Latin American countries themselves providing a substantial contribution which could be provided in part through counterpart funds from Public Law 480 and other aid programs.

Mr. Speaker, in conclusion—to achieve the rapid development of Latin America we must make available a large number of skilled people—from the United States, from Western Europe and, most important, from Latin America itself—who can contribute to development on the spot and who can teach the needed skills. Without such a direct human-contact program we run the danger that development may be too slow, that current doubts will turn to bitter disillusion, that the promise kindled by the Alliance for Progress will remain unfulfilled.

#### JUSTIFICATION FOR A TAX CUT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 30 minutes.

Mr. PELLY. Mr. Speaker, on June 30 the United States ended her fiscal year. During the 12-month period prior to that date the Federal Government spent \$7 billion more than its income from taxes. In the last 31 years there have been 25 deficits. Furthermore, prospects are for an additional \$4 billion deficit during the ensuing fiscal year.

Meanwhile there is growing pressure for an immediate tax cut to stave off a slump in business. In this connection, the U.S. Chamber of Commerce recently added its voice to those favoring immediate reduction. It calls for a tax cut totaling between \$5 billion and \$8 billion as a business stimulant. And, Mr. Speaker, in expressing its views the chamber acknowledged that the reduction would further unbalance the Federal budget.

In all fairness I think it should be remembered that the chamber has actively sought cuts in spending so the overall policy is not quite as radical as might appear at first blush. But, Mr. Speaker, my reaction as an admirer of the U.S. chamber is critical and I hardly expected that this great business organization would be following the Keynesian concept of planned deficits and openly advocating tax cutting without dovetailing such a policy to a simultaneous cut in Federal spending so as to provide a balanced budget.

What is more, I do not believe the chamber voices the views of businessmen generally; at least the June 30 report of the Research Institute said 62 percent of businessmen were opposed to a tax cut now if it resulted in higher deficits.

That is encouraging and I venture to suggest that a large majority of the Members of the Chamber like businessmen generally favor an immediate cut in taxes along with an immediate reduction in nonessential Government expenditures.

Former President Dwight D. Eisenhower described recently the situation, where government spending is increased with simultaneous tax cuts, as a political paradise. I know the directors of the U.S. chamber know about that political paradise but know also those who reside there are not due to achieve eternal economic salvation.

Mr. Speaker, taxes are too high. They must be cut, but Federal spending is too high also. It must be cut too.

Mr. Speaker, I suggest the orderly procedure is to cut spending first.

In this respect General Eisenhower boldly called for substantial cuts in the Nation's \$51 billion defense budget and since then I have read that Secretary of Defense Robert S. McNamara has notified the President of a cost reduction program which will save \$750 million in fiscal 1963 and thereafter \$3 billion each year without impairing our military



strength. I have great confidence in Mr. McNamara.

Certainly, Mr. Speaker, in nondefense spending also tremendous savings are possible.

To me, all this talk and pressure for tax relief is shortsighted. Unless Government spending is reduced the long-range effect of lowering taxes would be most serious. European bankers are alarmed at what they see going on in this country. They have watched the cheapening of our dollar and if we do not mend our ways and act in a fiscally responsible manner, this country could be in for real economic trouble.

Of course, the United States, together with 10 other countries, have created a \$6 billion pool of gold and hard money to be available in case of trouble. But in reality that is little more than a medical "geritol" to bolster up confidence. The United States must get at the source of the trouble, not try and cure symptoms.

Mr. Speaker, here before the House right now is H.R. 11921—legislation to authorize more foreign assistance. Cannot and should not the Congress take another look at this program? Cannot we start on a return road to fiscal responsibility by holding down on spending for foreign aid? Are we able to afford the scale of this foreign aid? I do not think so.

The President a week or so ago described the United States as fomenting a world revolution against poverty. With that objective I have agreed. I have always supported that idea as self-interest.

But I have supported cuts in the program and I do so more urgently today, because in our own self-interest I think we cannot continue it on such a vast scale.

Mr. Speaker, I repeat, to justify a tax cut there must be a simultaneous reduction in Government expenditures. I say such expenditures can and should be made. I say that our foreign assistance program is one of the areas in which those expenditures can be reduced.

It is high time in our own self-interest to reappraise the whole foreign aid concept.

In this connection I wonder why not make a good start by cutting off our list the 25 so-called neutral nations that met in September 1961, in Belgrade. Altogether the members of the Belgrade Conference have received in excess of \$8 billion from us. Let us not forget these 25 so-called neutral nations, while criticizing the United States, were tolerant toward the Soviets.

Mr. Speaker, Western Europe and Japan, in part thanks to our aid, today are prosperous. In the past these countries have received a total of more than \$47 billion from us. They no longer need our aid. They should be off our list too.

Why go on trying to foment this revolution against poverty all over the world? Why not plant the seeds of friendship and freedom only where they will find fertile soil and thereby limit our spending.

I agree with those who say our own prosperity and indeed our whole economy requires a tax cut. This stimulant to business would help the whole international picture including the recipient nations of our foreign assistance. In other words if we want to help rehabilitate the backward countries we must look to our own fundamental financial soundness. This can be done. How? First, by eliminating all aid to the Communists and to pro-Soviet nations. Second, let us recognize that our money and goods will not buy friendship and unfriendly nations can be cut off too.

To sum up, I urge that the House stop any more assistance to Belgrade Conference nations, to Poland and to Western Europe and Japan. If we did this and cut off the six Latin countries which refused to support the United States at Punta del Este in reading Castro out of the Organization of American States, as I understand it, \$2 billion could be saved from the 1963 budget. That does not consider the \$6 billion still unexpended and in the program unspent from last year.

There, Mr. Speaker, is a start toward justifying an immediate tax cut. I support a cut in spending first and then a cut in taxes.

#### LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mrs. RILEY (at the request of Mr. ALBERT) for an indefinite period on account of illness.

#### SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. PATMAN, for 2 hours, on July 23, 1962, to revise and extend his remarks and to include extraneous matter.

Mr. PELLY (at the request of Mr. DEVINE), for 30 minutes, today.

#### EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. O'KONSKI and to include extraneous matter.

Mr. BERRY and to include extraneous matter.

Mr. KIRWAN in two instances and to include a resolution adopted by the Committee on Appropriations today.

Mr. SANTANGELO.

Mr. ADAIR in the body of the RECORD and to include, following the remarks made earlier this afternoon, the minority views of Mrs. CHURCH of Illinois and himself.

Mr. GALLAGHER to revise and extend his remarks made in Committee and to include extraneous matter.

The following Members (at the request of Mr. DEVINE) and to include extraneous matter:

Mr. FINO.

Mr. MACGREGOR.

Mr. ALGER.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. CASEY to revise and extend his remarks made in Committee and to include extraneous matter and tables.

Mr. BAILEY.

Mr. ZABLOCKI.

Mr. McDOWELL to include extraneous matter in connection with his remarks made in Committee today.

#### ENROLLED BILLS SIGNED

Mr. BURLERSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1809. An act for the relief of Demitrios Dunis;

H.R. 1899. An act for the relief of Stavros Michael Mourkakos;

H.R. 2337. An act for the relief of Maria Stella Todaro;

H.R. 3483. An act for the relief of Mrs. Marguerite de Soepke;

H.R. 3492. An act for the relief of Sebastian Hermosilla Sanches;

H.R. 3912. An act for the relief of Chikoko Shinagawa;

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995);

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers' Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 8862. An act for the relief of Miss Eleanor Redi;

H.R. 9180. An act for the relief of Noreen Joyce Baden;

H.R. 9468. An act for the relief of Dr. Charles C. Yu;

H.R. 9588. An act for the relief of Claude Homann-Herimberg (nee Wagner); and

H.R. 10960. An act for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina).

#### SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1264. An act for the relief of Capt. Dale Frazier.

#### BILLS PRESENTED TO THE PRESIDENT

Mr. BURLERSON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On July 5, 1962:

H.R. 3840. An act to provide for the conveyance of certain real property of the United States to the Carolina Power & Light Co.

On July 9, 1962:

H.R. 1609. An act for the relief of Demitrios Dunis;

H.R. 1899. An act for the relief of Stavros Michael Mourkakos;

H.R. 2237. An act for the relief of Maria Stella Todaro;

H.R. 3483. An act for the relief of Mrs. Marguerite de Soepke;

H.R. 3942. An act for the relief of Sebastian Hermosilla Sanches;

H.R. 3912. An act for the relief of Chikoko Shinagawa;

H.R. 4330. An act to provide uniform computation of retired pay for enlisted members retired prior to June 1, 1958, under section 4 of the Armed Forces Voluntary Recruitment Act of 1945, as amended by section 6(a) of the act of August 10, 1946 (60 Stat. 995);

H.R. 7719. An act to amend section 6(d) of the Universal Military Training and Service Act (50 App. U.S.C. 456(d)) to authorize certain persons who complete a Reserve Officers Training Corps program to be appointed as commissioned officers in the Coast and Geodetic Survey;

H.R. 8862. An act for the relief of Miss Eleanor Redi;

H.R. 9180. An act for the relief of Noreen Joyce Baden;

H.R. 9468. An act for the relief of Dr. Charles C. Yu;

H.R. 9588. An act for the relief of Claude Homann-Herimberg (nee Wagner); and

H.R. 10960. An act for the relief of Rosina Luisi (Sister Mary Rosina) and Maria Fatibene (Sister M. Valentina).

#### ADJOURNMENT

Mr. RYAN of New York. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 5 minutes p.m.), under its previous order, the House adjourned until Wednesday, July 11, 1962, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred to as follows:

2270. A letter from the Comptroller General of the United States, transmitting a report on the review of the determination of the quantity of natural rubber needed in the strategic and critical materials stockpile by the Office of Civil and Defense Mobilization (OCDM), succeeded by the Office of Emergency Planning (OEP), Executive Office of the President; to the Committee on Government Operations.

2271. A letter from the Assistant Secretary of the Interior relative to reporting that an adequate soil survey and land classification of the lands in the Cow Creek unit, Trinity River division, Central Valley project, has been completed, pursuant to Public Law 172, 83d Congress; to the Committee on Appropriations.

2272. A letter from the Acting Director, U.S. Information Agency, relative to a research contract for the amount of \$98,000 which was negotiated by this Agency under the date of June 15, 1962, with the CBS Laboratories, a division of Columbia Broadcasting System, Inc., pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

2273. A letter from the Comptroller General of the United States, transmitting a report on the review of the administration of contracts for rental of automatic data processing equipment at selected military

installations within the Department of Defense; to the Committee on Government Operations.

2274. A letter from the Comptroller General of the United States, transmitting a report on inadequate rental rates charged for Government quarters furnished to civilian employees of the military departments in Alaska; to the Committee on Government Operations.

2275. A letter from the Deputy Administrator, General Services Administration, transmitting the report of the Archivist of the United States on records proposed for disposal under the law; to the Committee on House Administration.

2276. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to equalize the pay of the Commandant of the Coast Guard with that of the chiefs of the other branches of the Armed Forces; to the Committee on Merchant Marine and Fisheries.

2277. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of the orders entered in the cases of certain aliens who have been found admissible to the United States pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

2278. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

2279. A communication from the President of the United States, transmitting a proposed amendment to the budget for the fiscal year 1963 involving an increase in the amount of \$23,300,000 for the Atomic Energy Commission (H. Doc. No. 467); to the Committee on Appropriations and ordered to be printed.

2280. A letter from the Secretary of the Treasury, transmitting a draft of a proposed bill to authorize reimbursement to appropriations of the U.S. Secret Service of moneys expended for the purchase of counterfeits; to the Committee on the Judiciary.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. THOMPSON of New Jersey: Joint Committee on Disposition of Executive Papers. Report pursuant to 57 Statutes 380; without amendment (Rept. No. 1967). Ordered to be printed.

Mr. McDOWELL: Committee on Foreign Affairs. Special study mission to Poland and Austria; without amendment (Rept. No. 1968). Referred to the Committee of the Whole House on the State of the Union.

Mr. ROBERTS of Alabama: Committee on Interstate and Foreign Commerce. H.R. 11099. A bill to amend the Public Health Service Act to provide for the establishment of an Institute of Child Health and Human Development, and for other purposes; without amendment (Rept. No. 1969). Referred to the Committee of the Whole House on the State of the Union.

Mr. CELLER: Committee on the Judiciary. S. 1824. An act to create an additional judicial district for the State of Florida, to be known as the middle district of Florida; with amendment (Rept. No. 1970). Referred to the Committee of the Whole House on the State of the Union.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WIDNALL:

H.R. 12430. A bill to amend section 202 of the Housing Act of 1959 to increase the amount authorized thereunder to be appropriated for loans for the provision of housing for the elderly, and to provide that such loans shall hereafter be made only for new construction; to the Committee on Banking and Currency.

By Mr. BARING:

H.R. 12431. A bill to provide for certain commercial use of land at McCarran Airport, Clark County, Nev., if it is determined that such land is not needed for the operation of such airport; to the Committee on Interstate and Foreign Commerce.

By Mr. DENTON:

H.R. 12432. A bill to provide that primary elections and runoff primary elections for nomination of candidates for the House of Representatives shall be held on the same day throughout the United States; to the Committee on House Administration.

By Mr. DINGELL:

H.R. 12433. A bill to promote the foreign commerce of the United States through the use of mobile trade fairs; to the Committee on Interstate and Foreign Commerce.

By Mr. GRANT:

H.R. 12434. A bill to facilitate the work of the Forest Service, and for other purposes; to the Committee on Agriculture.

By Mr. JOHNSON of Wisconsin:

H.R. 12435. A bill to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REUSS:

H.R. 12436. A bill to authorize the Secretary of the Interior to cooperate with the State of Wisconsin in the designation and administration of the Ice Age National Scientific Reserve in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. ROBERTS of Alabama:

H.R. 12437. A bill to amend the Federal Food, Drug, and Cosmetic Act with respect to feed for animals; to the Committee on Interstate and Foreign Commerce.

By Mr. SANTANGELO:

H.R. 12438. A bill to amend the Internal Revenue Code of 1954 to provide a minimum standard deduction of \$1,000 in the case of a joint return and \$500 in the case of all other returns and to permit a deduction of 40 percent of the rent (but not more than \$500) by a primary residential tenant; to the Committee on Ways and Means.

By Mr. STUBBLEFIELD:

H.R. 12439. A bill to amend the Tariff Act of 1930 to provide a uniform rate of duty for all grades of fluorspar at \$7.50 per short ton (\$8.40 per long ton); to the Committee on Ways and Means.

By Mr. ZELENKO:

H.R. 12440. A bill to limit the rental payment for use of certain machines and equipment which may take into account in computing payments under certain cost-plus contracts with the United States; to the Committee on Armed Services.

By Mr. HALPERN:

H.R. 12441. A bill to amend section 634 of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

H.R. 12442. A bill to provide for the establishment of a permanent program of additional unemployment compensation, to provide for equalization grants, to extend coverage of the unemployment compensation program, to establish Federal requirements



with respect to the weekly benefit amount and limit the tax credits available to employers in a State which does not meet such requirements, to establish a Federal requirement prohibiting States from denying compensation to workers undergoing occupational training or retraining and deny tax credits to employers in a State which does not meet such requirement, to increase the wage base for the Federal unemployment tax, to increase the rate of the Federal unemployment tax, to establish a Federal additional compensation and equalization account in the unemployment trust fund, and for other purposes; to the Committee on Ways and Means.

By Mr. SPENCE:

H.R. 12443. A bill to establish the Linden Grove Cemetery National Memorial at Covington, Ky.; to the Committee on Interior and Insular Affairs.

By Mr. HALPERN:

H.R. 12444. A bill to amend section 102 of the Foreign Assistance Act of 1961; to the Committee on Foreign Affairs.

By Mr. DANIELS:

H.J. Res. 806. Joint resolution designating the week of July 15, 1962, to July 21, 1962, as "National Drum Corps Week"; to the Committee on the Judiciary.

By Mr. HARVEY of Indiana:

H.J. Res. 807. Joint resolution proposing an amendment to the Constitution of the United States permitting nonsectarian prayer in public schools or other public places if participation therein is not compulsory; to the Committee on the Judiciary.

By Mr. PRICE:

H. Res. 720. Resolution authorizing the printing of "United States Defense Policies in 1961" as a House document; to the Committee on House Administration.

By Mr. HALPERN:

H. Res. 721. Resolution to develop and sustain a just and enduring peace in the Middle East; to the Committee on Foreign Affairs.

### MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California memorializing the President and the Congress of the United States relative to a navigation survey of portions of the Sacramento, Feather, and American Rivers; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Louisiana declaring that the public policy of the State of Louisiana is unalterably opposed to the encroachment by the Federal Government upon the sovereign powers of the States which comprise this Nation, the deterrent of free enterprise by excessive Federal taxation and regulation; and continued extravagant deficit spending by the Federal Government, and that immediate and drastic steps be taken to restore the dignity and sovereignty of the States of the Union; to the Committee on Ways and Means.

### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. MORGAN:

H.R. 12445. A bill for the relief of Dr. Gorgonio B. Policar, Jr.; to the Committee on the Judiciary.

By Mr. O'BRIEN of Illinois:

H.R. 12446. A bill for the relief of Tong II Han; to the Committee on the Judiciary.

By Mr. O'NEILL:

H.R. 12447. A bill for the relief of Leung Tung Ung; to the Committee on the Judiciary.

By Mr. STEPHENS:

H.R. 12448. A bill to provide for the free entry of an orthicon image assembly for the use of the Medical College of Georgia, Augusta, Ga.; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 12449. A bill for the relief of Vladimir E. Prymak, M.D.; to the Committee on the Judiciary.

### PETITIONS, ETC.

Under clause 1 of rule XXII,

380. The SPEAKER presented a petition of James C. Lattin, of Santa Fe, N. Mex., relative to a redress of grievance relating to being denied the right to the writ of habeas corpus by the State Supreme Court of New Mexico; to the Committee on the Judiciary.

## EXTENSIONS OF REMARKS

### Proposed Establishment of Ice Age Scientific Reserve in Wisconsin

#### EXTENSION OF REMARKS

OF

### HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Monday, July 9, 1962

Mr. WILEY. Mr. President, the National Parks Subcommittee of the House Committee on Interior and Insular Affairs today is holding hearings on bills H.R. 7409 and H.R. 7236.

The bills, if adopted, would create an ice age scientific reserve in Wisconsin.

The purpose would be to preserve, within our national park system, glacially sculptured formations of great geological, scientific, and historical significance.

Over the weekend, I was privileged to discuss the need for urgent action on this legislation. I ask unanimous consent to have excerpts of my remarks printed in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

#### WILEY URGES SPEEDUP ON NATIONAL MORAINES PARK

(Excerpts of address by Senator ALEXANDER WILEY, Republican, of Wisconsin, over Wisconsin radio stations, weekend of July 7 and 8, 1962)

The Nation today is moving ahead agriculturally, industrially, utilizing more and

more of our natural resources to meet the needs of 186 million citizens; and undergoing other changes that literally reshaped the face of America.

In our race for progress, necessary though it is, we must not waste, destroy, or lose by negligence, significant features of our outdoor natural heritage.

In Wisconsin, for example, we possess unique and unequalled moraines; natural formations, sculptured over 10,000 years ago by glaciers of the ice age, of great geological, scientific, and historical significance.

In 1958 and again in 1960, I introduced legislation, along with other members of the Wisconsin delegation, for preserving our moraines. Following these legislative proposals the National Park Service conducted a 4-year survey. As a result of the information obtained from the study the Advisory Board on National Parks, Historical Sites, and Monuments, unanimously endorsed the idea of preserving these moraines within the U.S. national park system.

Earlier this year, the President's conservation message to Congress also gave high priority to the project, as one of the 10 most urgently needed new areas for inclusion in the national park system.

As a result of these actions—and urgings by myself and other Members of Congress, the National Parks Subcommittee in the House of Representatives has scheduled hearings on the legislation for July 9.

Naturally, I shall urge expeditious consideration of this measure. Unless there is fast action, it will not be possible to get final approval of this legislation during this session of Congress.

In endorsing the project, the Department of the Interior, however, made some recommendations on the scope of the program. As proposed, the project, referred to as the Ice Age National Scientific Reserve, would cover about 32,500 acres of which 20,000 are

now in public ownership. Generally this would consist of land in the following areas:

1. Eastern area (portions of the northern unit of the Kettle Moraine State Forest and Campbellsport area): In this area, 17,000 acres would ultimately be required, 16,000 in the Kettle Moraine State Forest and 1,000 in the Campbellsport area. Of this, 12,000 acres are already acquired in the Kettle Moraine State Forest.

2. Central area (portions of Devils Lake State Park): 2,500 acres is already included in Devils Lake State Park, and it is anticipated that an additional 1,000 acres would be required.

3. Northwestern area (portions of Chipewaga County): In this wilderness of more than 300 lakes and swamps, 5,000 acres are already in county forest. An additional 5,000 acres, for a total of 10,000 acres, would be required.

4. Related areas, subject to agreement between the Secretary of the Interior and the State of Wisconsin: A total of 1,000 acres is the maximum envisaged as needing to be acquired for such additional areas, which might include Sheboygan Marsh in Sheboygan County, the Cross Plains area in Dane County, the John Muir birthplace area in Marquette County, Camp Douglas Buttes in central Wisconsin, and Interstate Park in St. Croix County.

Even with speedy action the project, if adopted as recommended by the Department of Interior, would require 2 years of further planning. For this reason, it is extremely important that every effort be made to get final approval during this session of Congress.

In addition to preserving a significant feature of our national landscape, the scientific reserve would be a great asset to our tourist industry—now a major source of income for Wisconsin.