

would have had only the power to veto those laws. In other words, there would have been a complete reversal in the constitutional roles set out for the executive and legislative branches.

As I say, Congress stood firm against these farfetched plans—but regrettably, the bureaucrats have won more than their share of Washington battles in the area of domestic policy, as well as fiscal and foreign policy.

So much for my report on the danger to the checks and balances under the Constitution.

Let me in closing remind you that ours was to be a limited government, limited by

the guarantees of freedom contained in the Bill of Rights—limited by its very structure as a system of checks and balances.

The Constitution, happily, endures. We still enjoy much of the freedoms guaranteed in the Bill of Rights—freedom of speech and of assembly; freedom of the press; freedom of religion; due process of law, the right to keep and bear arms, the right against unreasonable search and seizure, the right of trial by jury, etc.

I suggest that these rights will survive—and they will only if enough Americans understand, if enough Americans are taught to understand, the importance of the delicate

balances and marvelous system written into our Constitution.

A free society, a free people, free enterprise—where there is protection against undue power and big government—freedom in the marketplace, such as under quality stabilization, must be maintained.

The greatness of this country depends on initiative, integrity, and decision of the individual, with an opportunity to compete and a chance to make a profit.

That kind of opportunity today has some champions.

I am proud to count myself as one of them. With public support we will succeed.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 10, 1964

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I John 1: 3: Truly our fellowship is with the Father and with His Son Jesus Christ.

Almighty God, we humbly acknowledge that this is a great spiritual truth which our minds and hearts cannot fathom or formulate in terms of thought and words.

Grant, however, that our daily life may be primarily a real and blessed fellowship with Thee, transforming our darkness into light, our weakness into power, our fear into courage.

Help us to cultivate a feeling of community that will constrain us to live together with our fellow men in honor and peace and may the day draw near when these bonds of fellowship shall be strong enough to overcome all hatred and enmity.

May we see clearly that tolerance is not enough but that we must expand and enlarge our faculties and capacities for insight and understanding, for appreciation and cooperation.

To Thy name we shall ascribe all the praise. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

COMMITTEE ON APPROPRIATIONS, PERMISSION TO FILE A REPORT

Mr. KIRWAN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight Thursday, June 11, to file a privileged report on the public works appropriation bill for 1965.

The SPEAKER. Is there objection to the request of the gentleman from Ohio? There was no objection.

Mr. JENSEN. Mr. Speaker, I reserve all points of order on the bill.

SENATOR BARRY GOLDWATER

Mr. DEVINE. 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 Ohio?

There was no objection.

Mr. DEVINE. Mr. Speaker, I never cease to be amazed when publications such as the Washington Post suddenly begin to feel constrained to worry over the future of the Republican Party. I have never read anything in the Washington Post particularly favorable to the Republican Party, but now, suddenly after Senator GOLDWATER's victory in California, they become quite concerned.

On the other side of the coin, however, I would like to quote an editorial by the Taft Broadcasting Co. and WTVN Broadcasting Co. at Columbus, Ohio, of Wednesday, June 3, 1964, as follows:

GOLDWATER'S VICTORY, WEDNESDAY, JUNE 3, 1964

The victory of BARRY GOLDWATER in the California primary is one of the most politically significant events in a generation.

Arrayed against him was the combined power of the liberal establishment, which since the Roosevelt era, has controlled most of the means of communication in this country * * * the national press services, the political pollsters, most of the TV network commentators, and three of the four so-called national news magazines.

In California the establishment used all the smear tactics they have learned so well over the years. They slanted and distorted facts throughout the campaign to make their side look good and GOLDWATER's look bad. The immediate beneficiary of this massive and concerted propaganda drive was supposed to be Governor Rockefeller, but the real purpose of the liberal establishment was to maintain its control of the Republican Party. It's all the more remarkable that a majority of the Republican voters in California saw through the smoke and voted as they did.

We suspect yesterday's result means that BARRY GOLDWATER will be nominated at the Republican Convention in San Francisco next month. This is all to the good. The voting public in this country has not had a clean cut liberal-conservative choice for the Presidency since 1932. BARRY GOLDWATER will give them that choice—which in our opinion, is the best and perhaps only chance for victory in November. But, win or lose, the Republican Party will be better off in the long run for having stood for something.

SENATOR BARRY GOLDWATER

Mr. HAYS. 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 Ohio?

There was no objection.

Mr. HAYS. Mr. Speaker, I would like to say to my friend from Ohio that not all of the people who are making statements and writing editorials against Senator GOLDWATER are some kind of liberals or Democrats or anti-Republican. I was somewhat surprised and not a little bit interested to read in the Pittsburgh Press of the past Sunday a statement from the Republican Congressman from Pittsburgh, Mr. JAMES FULTON, in which he said he was not going to stand idly by and let the "kooks from Kooksville" dictate the policy of the Republican Party. He also made it clear by this application he was referring to GOLDWATER supporters.

HOOR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

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

There was no objection.

POLLSTER LOU HARRIS

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, in the questions I have recently raised regarding the objectivity of Pollster Lou Harris; I find some rather fascinating implications in the fact that none of the major news media, and particularly none of the Washington press, has made mention of my key premise—the fact that Harris has a long record of affinity and dedication to causes of the Democratic Party, and slants his findings to their benefit.

To further document this background, which includes employment by the late President Kennedy and the Democratic National Committee, I call attention to an article carried almost a year ago, page 17A of the September 22, 1963, issue of the Washington Post. The article, entitled "More and More Democrats" by

Rowland Evans and Robert Novak, states:

Three days of top secret sessions by Democratic labor politicians in the South American Room of the Statler Hotel here last week generated more than normal apprehension at Republican national headquarters a few blocks away.

This was the COPE big cities conference, sponsored by the AFL-CIO's famed Committee on Political Education. Some of the Nation's shrewdest tacticians were on hand, including White House Aid Lawrence F. O'Brien and Pollster Louis Harris. Their purpose was to instruct the union men on 1964 presidential campaign tactics.

Now, Mr. Speaker, can anyone reading these remarks recall Mr. Lou Harris' past connection with the Democratic Party and still hold to the illusion that the polls conducted by Mr. Harris and reported by much of the Nation's press including CBS News are intended to be objective reporting? Can anyone doubt that the polls by Mr. Harris, including the latest which alleges that 40 percent of the California Republicans would vote for Lyndon Johnson, are in fact part and parcel of the top secret presidential campaign tactics which evolved from the meeting attended by Mr. Lou Harris and White House Aid Lawrence O'Brien? Can anyone doubt that Mr. Harris' objective, is not to predict elections, but to influence them, to discourage Republican leaders and Republican voters? Can anyone doubt that news media which report Mr. Harris' findings without identifying, on every occasion, his own partisan background and participation, are in fact bamboozling the American public and degrading their own honorable profession?

REEXPOR T OF WHEAT SHIPPED TO RUSSIA

Mr. LIPSCOMB. 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 California?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, on June 8, 1964, in a statement to the House of Representatives, appearing at page 12890 of the CONGRESSIONAL RECORD, I expressed concern over the fact that the Department of Commerce on May 22, 1964, had granted a license authorizing wheat purchased by the U.S.S.R. from the United States valued at \$12,589,400 to be reexported from the U.S.S.R. to Rumania.

There are many questions about that deal that I feel must be looked into. When the license to reexport the wheat was granted I registered an inquiry about it with the Department of Commerce. The Department has furnished the following information in response to my inquiry.

The wheat in question was licensed for shipment to Moscow, Russia, in February and March of this year. The end use of the wheat in the U.S.S.R. was for milling into flour to be consumed in the U.S.S.R.

The U.S.S.R. requested reexportation authority, I am advised, stating that they

wished to repay in kind some of the wheat that had been loaned to them by Rumania in the summer of 1963. The U.S. exporter, acting as the intermediary, received all the correspondence relating to the transaction from the U.S.S.R. and Rumania and made the formal request for reexportation to the Department of Commerce.

The export license granted by the Department of Commerce authorizes the wheat to be reshipped to Bucharest, Rumania, to be used in Rumania for the milling of flour and other wheat products to be consumed in Rumania.

The Department states that to the best of its knowledge the wheat has already been shipped from the U.S.S.R. to Rumania.

As I discussed with the House previously about this matter—how real was the alleged need for wheat in the U.S.S.R. if it can now afford to transship this wheat to Rumania? Also, since the wheat we sold to the U.S.S.R. was subsidized, is the U.S.S.R. making a profit on the transshipment of wheat to Rumania? These and other questions remain concerning this deal and I have requested the Department of Commerce to furnish additional information.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. 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. 151]		
Ashmore	Griffin	Pillion
Baring	Gubser	Powell
Bass	Hagan, Ga.	Roberts, Ala.
Bolling	Harvey, Ind.	Roudebush
Bolton,	Healey	Sheppard
Oliver P.	Hébert	Shibley
Bray	Horan	Taylor
Bruce	Kee	Thompson, La.
Buckley	King, Calif.	Toll
Dorn	Lloyd	Van Pelt
Edmondson	McIntire	Wilson, Ind.
Elliott	Martin, Mass.	Winstead
Forrester	Norblad	
Glaime	Pflicher	

The SPEAKER. On this rollcall 392 Members have answered to their names, a quorum.

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

FOREIGN ASSISTANCE ACT OF 1964

Mr. MORGAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11380, with Mr. RAINS in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the Clerk had read through the first section of the bill, ending on line 4, page 1. If there are no amendments to this section, the Clerk will read.

Mr. BATTIN. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. BATTIN. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. BATTIN. Mr. Chairman, yesterday, June 9, 1964, the gentleman from Minnesota [Mr. FRASER] made some illogical and, to my mind, fuzzy statements about those who signed the minority report accompanying the foreign aid bill of this year. I was even more surprised by the fact that the UPI carried a quote from the gentleman which, in fact, was not spoken by him on this floor—namely, that the six Republican members who voted against the foreign aid bill were "irresponsible and playing into the hands of Moscow." There were, however, more than six members of the committee who voted against the bill in committee and they were not all Republicans.

I realize the gentleman believes he has all the answers to all the problems and that his solutions should not be challenged or questioned.

Our colleague has a short memory. For only last August 23 the House voted to cut the foreign aid bill then under consideration. Under the logic of my friend these good people who voted the cut are also indicted by his remarks. Then on final passage the vote was close—a difference of only 34 votes. I am sure in the gentleman's opinion those who oppose his conclusions are part of some sort of uninformed fringe.

He has given some of us credit for playing into the hands of Mr. K. Yet we did not support credit to Russia on the purchase of wheat—we did not support the subsidization of exports to Russia. Our colleague must have missed the news report on the meeting this week between Mr. K. and President Tito of Yugoslavia. The account read something like this—Premier Khrushchev met President Tito with a bear hug and two kisses. We have indeed driven Tito away from Mr. Khrushchev. I have no doubts that if a hot war were to erupt Mr. Tito would be doing the bidding of Mr. K.

I do not recall seeing any remarks or hearing any speeches of the gentleman from Minnesota on Cuba or Vietnam. Perhaps he follows a Member of the other body who believes, in the case of Cuba, that the problem there is just a nuisance and will go away.

I do not recall hearing or seeing any remarks from our colleague when Russia shot down our unarmed planes. Was this an act of peace and cooperation?

In his speech he referred to a report of the Republican Issues Council. He left the impression that this group was an official organ of the Republican Party. It is not, in fact, a part of the official Republican Party, but a group of distinguished citizens well known to the people of this country. I am afraid, however, that if this group were to disagree with our distinguished colleague he would attempt to brand them as a bunch of uninformed, misguided people.

So the record is clear and we can be sure of the position taken by the gentleman from Minnesota, not only as to our minority report, but also as to general problems facing the world and our country. I wonder if he subscribes to all of the resolutions adopted by the Western States Conference of the Young Democratic Clubs of America adopted in San Francisco August 16-18, 1963? Such resolutions as:

Resolved, That the Western States Conference YDCA urges President Kennedy to make renewed efforts to encourage Diem to make meaningful social, economic, and political reforms, posing as a possibility the withdrawal of American forces if these reforms are not begun;

Resolved, That the Western States Conference YDCA urges the U.S. Government to resume diplomatic relations with the Cuban Government and reestablish trade relations with that country.

Resolved, That the Western States Conference YDCA urges the signing of a non-aggression pact between the NATO countries and the nations of the Warsaw Pact as another step on the road to lasting world peace.

Resolved, That the Western States Conference YDCA urges the abolition of the House Un-American Activities Committee.

I would invite my friend to answer these questions in detail for it would shed some light on his basic thinking. I would comment in advance that whatever his position he can be assured I will not criticize him for that position, but will give him the benefit of any doubt and defend his right to his opinion. It was a sad day, yesterday, when a Member of this body resorted to innuendo and false premises to arrive at his conclusions. I hope that in the future he will respect those who disagree with him and not make any more false assumptions.

The gentleman did perform a worthwhile function, however. He called to the attention of the House the minority report, and for this I thank him.

I commend it to your reading, for I think it is worthwhile and states not only the position of the minority of the committee but also the majority of the country.

Mr. MATSUNAGA. Mr. Chairman, I ask unanimous consent that the gentleman from California [Mr. EDWARDS] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. EDWARDS. Mr. Chairman, I am proud to associate myself with the gen-

tleman from Minnesota [Mr. FRASER] who has done such excellent work on the Foreign Affairs Committee and who works continuously for a strong America with a foreign policy aimed at furthering freedom and independence throughout the world.

The gentleman from Montana [Mr. BATTIN] apparently is not familiar with the views of our colleague from Minnesota [Mr. FRASER]. Just 2 weeks ago, our Minnesota colleague was the principal speaker at community Memorial Day services in Minneapolis. He presented an excellent statement on the struggle against communism in Laos and Vietnam. He pointed out that "The United States cannot stand by while southeast Asia is overrun by armed aggression."

Mr. Chairman, the speech of our Minnesota colleague [Mr. FRASER] sets forth a well reasoned statement on our involvement in southeastern Asia. I am, therefore, inserting appropriate excerpts from that speech at another point in today's RECORD.

The Clerk read as follows:

PART I

CHAPTER 2—DEVELOPMENT ASSISTANCE

Title II—Technical Cooperation and Development Grants

SEC. 101. Title II of chapter 2 of part I of the Foreign Assistance Act of 1961, as amended, which relates to development grants and technical cooperation, is hereby amended as follows:

(a) Amend the title heading to read as follows: "TITLE II—TECHNICAL COOPERATION AND DEVELOPMENT GRANTS".

(b) Amend section 212, which relates to authorization, by striking out "1964" and "\$220,000,000" and substituting "1965" and "\$224,600,000", respectively.

(c) Amend section 214(c), which relates to American schools and hospitals abroad, by striking out "1964, \$19,000,000" and substituting "1965, \$18,000,000", and by striking out the second sentence.

(d) Amend section 216(a), which relates to voluntary agencies, by inserting after "ports" the first time it appears, the words "or, in the case of excess or surplus property supplied by the United States, from foreign ports".

AMENDMENT OFFERED BY MR. ADAIR

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: Page 1, immediately after line 6, insert the following:

"TITLE I—DEVELOPMENT LOAN FUND

"SEC. 101. Section 202(a), which relates to authorization, is amended by striking out 'and \$1,500,000,000 for each of the next two succeeding fiscal years' and inserting in lieu thereof '\$750,000,000 for fiscal year 1965, and \$1,500,000,000 for fiscal year 1966'."

And renumber the following section accordingly.

Mr. ADAIR. Mr. Chairman, this amendment to the Development Loan Fund section of the bill would in effect accomplish a reduction of \$172,200,000. The wording needs to be understood. We have previously authorized for the Development Loan Fund provision of this bill \$1,500 million for fiscal year 1965 and an identical amount for the following fiscal year, 1966. My amendment relates only to the 1965 fiscal year and would not touch 1966, on the theory that we ought

to take a look at that next year and see what the situation is with respect to the development loan program.

Although the authorization previously made for fiscal year 1965 is in the amount of \$1,500 million, and my amendment if adopted would set the figure for fiscal year 1965 at \$750 million, it is in fact a reduction of \$172,200,000 from the appropriation request, which is the figure that is most meaningful at this point.

Members will recall that last year we eventually authorized \$925 million for the development loan program. The appropriation for last year was \$687,300,000.

If this amendment is adopted, there would still be substantially more money authorized than was appropriated last year. There is the difference between \$687,300,000 appropriated and the \$750 million authorized.

It is somewhat difficult to discuss this amendment in meaningful detail because there is a classification as to the amount of loans programmed for the various countries. Therefore, I or others who are discussing this amendment cannot say—take x dollars from Y country. This is classified. I repeat it makes our problem of trying to give a valid explanation of the reason for the reduction more difficult.

I would call the attention of the members to the fact that the information relating to loan programs for the several countries can be found in the books at the Committee table.

This reduction, if adopted, would amount in the loan program to approximately 18.6 percent. I would call the attention of members to the fact there is this year approximately the same amount unspent for development loans as there was last year. The amount unspent—a good bit of it has been programmed—but it is unspent—is about \$1,900 million, in the development loan program, almost exactly the amount that was unspent last year.

May I cite as an example some cases that are not covered by a security classification and which can be mentioned to the Committee:

On page 69 of the minority report, three such loans in India and Greece are mentioned—loans authorized a long time ago—\$43 million not yet spent.

In addition, there are other instances and illustrations of cases where money for development loans have been earmarked and laid aside for a long period of time.

The Dominican Republic has received a \$2.1 million loan on which disbursements have ceased.

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

Mr. ADAIR. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

Mr. MORGAN. Mr. Chairman, reserving the right to object, and I am not going to object to the gentleman's request at this time, I just want to serve notice that I will be compelled to object to any further extension of time to speak on amendments during today's debate because if we are going to finish the bill today, I think we will have to hold the line and proceed in the regular order.

Mr. Chairman, I withdraw my reservation of objection.

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

There was no objection.

The CHAIRMAN. The gentleman from Indiana is recognized.

Mr. ADAIR. Mr. Chairman, in Pakistan two loans still have not been signed although money was set aside more than a year ago. The desirability of one loan of \$3.1 million for a water supply is being reexamined by Pakistan.

Another loan of \$4.3 million for an airport at Dacca has been suspended.

In Syria a \$14 million loan has been approved since December 1962, but Syria has not yet met the conditions precedent to the conclusion of that loan.

In Egypt only about \$850,000 has been disbursed against a \$17 million loan. Egypt has not yet fulfilled conditions precedent although the loan was approved in April 1962. I might say that the \$850,000 which has been disbursed has been disbursed for engineering purposes for the main body of the project which is a grain storage project. There has been nothing done on it since then except that these engineering studies have been made.

Let me summarize my points briefly. First, the carryover of development loan funds remains at the high level of last year of more than \$1.9 billion, second, there are the instances I have cited and many more in which money has been earmarked or committed but not spent nor is there a likelihood of it being spent in the immediate future if at all. Third, if the \$750 million limitation is agreed to we will be substantially above last year's appropriation. Therefore, I would urge the members of the Committee to adopt the amendment and to save for the taxpayers \$172.2 million.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at the outset I wish to point out that the gentleman is correct in stating that the present authorization under section 202 of existing law provides \$1.5 billion for development loans.

The President, however, has shown great restraint by proposing to use much less than the full amount. In his appropriation request, the President asked for almost \$600 million less than what is already authorized in the existing law. I wish to emphasize that he asked for only \$922.2 million. The Committee on Foreign Affairs has given careful study to the amount and received testimony that the full amount requested is absolutely necessary. As the gentleman from Indiana reminded the committee, a substantial cut was made in the appropriation last year. The cut has prevented the making of loans for projects which are ready for financing. Therefore, the President's full request is necessary to fulfill those commitments.

The cut proposed by the gentleman from Indiana would limit the Development Loan Fund authorization for fiscal 1965 to \$750 million. This represents a cut of \$172.2 million.

I think we would err if the committee were to follow the suggestion of the gen-

tleman from Indiana. Since 1953, the House and the Foreign Affairs Committee have repeatedly demonstrated the desire to see that the grant component of foreign aid be lowered, and that the policy initiated by the gentleman from Ohio, Mr. Vorys, proposing the shift from grants to loans, be continued and emphasized.

I would like to refer to the testimony presented on behalf of the development loan program by the chamber of commerce, which appears in the printed record of the hearings, beginning on page 1015. I am referring to the statement of Mr. John O. Teeter, vice president of Pfizer International, who spoke on behalf of the Chamber of Commerce of the United States, and gave testimony in support of the foreign aid bill.

Mr. Teeter stated:

In presenting the national chamber's position on foreign aid, I want to emphasize that the chamber supports effectively administered foreign assistance for two principal reasons:

First, foreign assistance programs can help establish the politically and economically free societies which are essential to the national interest of the United States.

Second, foreign assistance programs can help provide the economic base necessary to establishment of a favorable climate for vital private investment and enterprise in developing countries.

Funds for foreign development: Support for the principle of foreign aid does not necessarily imply approval of all the various programs known as foreign aid nor of every budget authorization request.

He pointed out, however, that the chamber favors the loan program. He said, and I quote:

The programs for which we recommend full budgetary support are:

	<i>Million</i>
Development loans.....	\$922.2

As we know, development loans go primarily to countries which have already made significant progress toward economic self-sufficiency. As pointed out by Mr. Teeter, any action to retard the advance of countries which are beginning to make economic progress, may have bad political consequences.

I submit, therefore, Mr. Chairman, that we ought to turn down the amendment proposed by the gentleman from Indiana.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

First I would like to give a little history of section 202(a). In 1961, when the foreign aid program was reorganized, and the basic legislation revised, the House remembers that the Executive asked for Treasury borrowing authority for development loans. This was denied by the House. Then consultation was had with the minority side of the House, and the gentleman from Michigan [Mr. Ford] and the minority leader, were consulted. This section 202(a) was put in the bill exactly as it is in the law now. We provided a long-range authority under the development loan section, which included an authorization of \$1.2 billion for the first year and then 4 years projected up to 1966 with an authoriza-

tion of \$1.5 billion each year to carry on the Development Loan Fund.

This arrangement which was enacted in section 202(a) for the Development Loan Fund worked very well. However, there have been attempts in each of the last 2 years to amend this language and to reduce the authorization for the years 1964 and 1965. Last year when the gentleman offered the motion to recommit the foreign aid bill, he apparently believed that the Development Loan Fund last year needed at least \$900 million. That was the amount in his motion to recommit. He served as a member of the conferees where we added \$25 million more, making the total amount authorized last year \$925 million. As he told you, the appropriation for 1964 was \$687 million. The cutback from the authorization to the appropriation certainly weakened the ability of the Executive to carry on our foreign policy. You must know that the situations in various parts of the world are changing, especially in Latin America, where we now have the new and emerging government in Brazil. This will probably mean that more money for the Development Loan Fund program will be necessary. This amendment calls for a cut of \$170 million in a program that is vitally needed.

Mr. Chairman, I ask for the defeat of the amendment.

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

Mr. MORGAN. I yield to the gentleman.

Mrs. KELLY. Mr. Chairman, is it not true that following the urging of our committee, and your personal support, some 12 countries will not receive aid in any form or manner under the new program next fiscal year and that some of these countries still have assistance in the pipeline? This pipeline is rather high for they are waiting for deliveries which will be made to them at the proper time when they are ready for them. I think this is a very good example of how our aid is being cut back and concentrated. We must remember, however, that while this process goes on, the pipeline remains for an extra year or two. We cannot argue, therefore, that the need for new loan authority is negated by the existence of a pipeline. The pipeline exists in some cases even after aid has been terminated to a particular country. I think this is an important point to keep in mind as we vote on this amendment.

Mr. MORGAN. I think the gentleman is correct.

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

Mr. GROSS. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania have 1 additional minute.

Mr. MORGAN. Mr. Chairman, I am compelled to object.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to ask the gentleman if it is not true that we were told in the committee hearings

this year and told repeatedly that other foreign countries are embarking on the business of making loans and otherwise giving aid to foreign countries. I can only assume without speaking for my friend from Indiana [Mr. ADAIR], that he is offering this amendment to provide a slight cut in these funds on the basis that other foreign countries are presumably getting into this act.

Would the gentleman care to comment upon the testimony we have had to that effect before the committee?

Mr. MORGAN. It is our policy to encourage other countries to make loans and grants to the less developed country as long as these are free-world countries making grants and loans to free-world countries. This helps the United States. It lightens our load. I am sure that countries like West Germany, France, the United Kingdom, and Japan are now making substantial loans to other free-world countries.

Mr. GROSS. Then should not our funds for this purpose be diminished?

Mr. MORGAN. They have their own programs. They are making loans to various areas of the world. The gentleman I am sure realizes that the United Kingdom has trouble spots around the world. In the Near East, for instance, the United Kingdom has plenty of problems and is spending money for foreign aid. They are making loans and grants throughout this area, and I think they are to be commended for the amount of effort they are putting into the areas where they have an interest.

Mr. GROSS. I thought the purpose of this program—at least it has been so stated many, many times—the purpose of spending billions and billions, particularly upon Western European nations, was to build up their economies so they could take over this load or at least a part of this load. Now the gentleman says they are doing this. So why should not this fund be reduced? I suggested to the gentleman that somewhere in this bill I should think he would want to cut out some money to help take care of the pay increase for Members of Congress and others if it happens to be voted through the House. It is going to take more than half a billion dollars to take care of the pay increase bill. There ought to be some savings in this foreign give-away program, if this program is going to be voted through. I hope it is not, but if it is, I should think those who vote for it would want to provide the money without having borrowed it.

Mr. MORGAN. I am for a strong development loan program and I feel that if we have a strong development loan program we are going to be able to stop giving this money away. Here is a section where we can move away from what the gentleman likes to call a give-away program to a loan program.

Mr. GROSS. Do not be too sure that you are not giving it away in the guise of a loan.

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

Mr. GROSS. I yield to the gentleman.

Mr. DERWINSKI. To clarify the record, the gentleman's support of the

amendment indicates to the House that he is a serious and dedicated student of this program and as such he is convinced that the minimum amount of funds that may be reduced under the amendment of the gentleman from Indiana will not reduce the strength of our foreign aid program?

Mr. GROSS. That is right.

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

Mr. GROSS. If the gentleman is going to quote the chamber of commerce again I would rather not yield to him for that purpose. I wondered when that was going to start. I suppose we will hear about the chamber of commerce all afternoon and from Members on the side of the aisle who do not ordinarily quote the chamber of commerce. I yield to the gentleman.

Mr. ZABLOCKI. The chamber of commerce is recognized as one of the most conservative organizations in the United States and I thought it might influence the gentleman.

Mr. GROSS. I am not too sure about the conservatism, from some of the things that I have heard recently.

Mr. ZABLOCKI. Does the gentleman mean to imply that if we reduce the amount of authorization for development loans, other countries, particularly European countries, would be in a better position to lend money to the underdeveloped countries and other assistance? Should that be the case, does the gentleman advocate that we should return to grant programs? Does the gentleman mean to imply that he prefers grants to loans?

Mr. GROSS. Not at all. Why even talk about a grant program? I predict many of these loans will never be repaid, or it will be on the basis of a few cents on the dollar.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. GROSS] has expired.

Mr. BARRY. Mr. Chairman, I rise in opposition to the amendment.

I just want to point out that in the hearings, when Dean Rusk testified before the committee, he stated that two-thirds of all the development loans in the coming year will be made to seven countries. I think that before we proceed to cut 18 percent of development lending that we should realize where the cut would come and ask ourselves whether we want to do this.

Mr. Chairman, the first country is Chile and the second is Colombia, two countries of South America; one which has had perhaps the greatest history of representative government of any of the American Republics but which is having dire trouble at the present time. I am, of course, referring to Chile. The other is Colombia which has been a model, a model country in restoring itself but which has internal problems today, as the Members of the Committee know, in the hill country with gangs murdering and so on. They have made remarkable progress with our help.

Mr. Chairman, in Africa there is Nigeria. Nigeria has the largest population of any country in Africa. The bulk of our aid to Africa will go there.

The next three countries are the soft underbelly of Asia which are today more threatened than any other by the Communist infiltration and possibility of aggression. They are Turkey, Pakistan, and India.

The last is Tunisia. Tunisia, as we all know, is strategic insofar as we are concerned with reference to some of our military bases located there.

Therefore, Mr. Chairman, I believe before we consider cutting the appropriation, we must realize exactly where those cuts would come and at the same time we should realize the danger to these countries which would ensue.

Lastly, Mr. Chairman, I would like to say that we have succeeded in persuading other governments to increase their foreign development assistance to a rather remarkable degree. Indeed, I could say to the members of the Committee that there is \$9 billion in aid money being extended by free world governments, including our own. In my opinion for us at this time to cut materially our own modest program would be flying in the face of what we have been urging other governments to do and which they have been doing because of our urging. The great increase in development loans extended by the free world is a direct result of the experience and the success of our loan experience which we have undertaken over the years. This is no time to weaken our resolve by truncating our development loan program and I strongly urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana.

The question was taken; and on a division (demanded by Mr. ADAIR) there were—ayes 35, noes 61.

Mr. ADAIR. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. MORGAN and Mr. ADAIR.

The Committee again divided, and the tellers reported that there were—ayes 61, noes 102.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI: On page 1, immediately after line 6, insert the following:

"TITLE I—DEVELOPMENT LOAN FUND

"Sec. 101. Section 201, which relates to general authority, is amended by adding at the end thereof the following new subsection:

"(g) None of the funds made available for this title shall be used for balance-of-payments loans or programs loans."

And renumber the following sections accordingly.

Mr. DERWINSKI. Mr. Chairman, I direct the special attention of the Members to pages 50 through 52 of the minority report, where we discuss in substantial detail the imperfections of balance-of-payments and program loans. However, this amendment is inspired by comments in the majority report, and I direct your specific attention to page 6

of the majority report, under chapter 2, "Use of Development Loan Funds for Program Loans." I quote the majority:

The committee has noted with concern the large proportion of such funds which are being used for program loans as distinguished from project loans.

Then the majority continues:

The committee believes that countries which progress to the point where they qualify for large development loans should be encouraged to assume increasing responsibility for financing their imports, except imports related to projects for which loans are made.

Here is the key point of the majority position:

There is a danger that dependence on the United States for such financing could result in levels of consumption higher than the recipient could normally sustain and could encourage—

And I emphasize this—

could encourage unsound financial and monetary practices.

In laymen's language, these balance-of-payment loans or program loans are basically made to countries whose economy cannot sustain their degree of trade and their degree of governmental expenditure. In the last 3 fiscal years, 1962, 1963, and 1964, such loans have amounted to \$1,617 million. In fiscal 1964 alone up to the first week of May this type of loan has come to \$511 million.

As I pointed out yesterday in general debate, it seems completely contradictory for us to be processing this bill, approving these programs and balance-of-payment loans, and next week follow with an increase in our national debt ceiling. May I remind you that we have run up a deficit in our own budget of \$25 billion in the last 4 years. It seems to be completely inconsistent in view of our rising budget deficit and in view of our rising national debt to be expending sums in excess of \$500 million a year to help other nations balance their budgets. Even granting the feasibility for us of certain projects in some countries, and I quote the majority again, to "encourage unsound financial and monetary practices" in other countries is contrary to the principles of the very proponents of this bill.

I apologize to the House for taking this time. I assume the logic of my amendment will have it approved by the majority. I have not received that sign as yet but I assume the overpowering logic of this position will be sustained. Therefore, I am directing special attention to the majority views. I feel that the unsound practices which we encourage are in contradiction to the stated principles which the proponents of this program emphasize.

I feel that as representatives of the taxpayers the very least we should eliminate from this program is loans to help other countries balance their budgets, especially in view of the poor example we are setting ourselves.

The curious thing about the countries that are recipients—let me run down them quickly for you to give you the geographic picture—is that they are such

countries as Argentina, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, Honduras, free China, Indonesia—incidentally, \$17 million to help Indonesia balance its budget in 1963—Greece—and \$740 million in the last 3 fiscal years to help India balance its budget—and Israel, Pakistan, Turkey, Morocco, and Tunisia. This is a very interesting assortment of nations.

In this year, 1964, we have added Tanganyika to the list of nations that evidently requires this unsound financial support.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, one of the purposes of program loans is to establish dollar credits in countries where there are no dollar credits in countries that may be in a position and express a desire to purchase commodities in another country. The purchases of these commodities are limited to the United States. They are made to countries who have adopted fiscal reforms and are on the road to development. Therefore, whenever these loans are made, we have written into the act and imposed restrictions in the act, that the funds borrowed from the United States under a program loan can be expended in no country other than the United States. We have already eliminated or phased out 10 countries that formerly received program loans. I might add the gentleman from Indiana [Mr. ADAIR] offered this amendment in committee, and it was as a result of his interest, and this being something that should be encouraged, that we should get out of the program loan business as soon as we can but that time is not yet here.

We have shifted to program loans in order to get out of direct grants. These are loans that are repayable in dollars that are made to countries that have no dollar credits or foreign exchange to import from the United States those commodities that they need in order to sustain their own economy. So as a result of this I feel this would create an unfair burden in many of the areas in which we have a vital interest such as Chile, Colombia, Pakistan, Turkey, and in Nigeria.

Therefore, Mr. Chairman, I urge that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DERWINSKI].

The question was taken; and on a division (demanded by Mr. DERWINSKI), there were—ayes 28, noes 65.

So the amendment was rejected.

Mr. RYAN of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to discuss one of the crucial problems facing the American people—South Vietnam. The debate on the Foreign Assistance Act of 1964 offers an opportunity for the House to consider policy in that area. Although the bill itself does not specify funds for particular countries, under H.R. 11380 economic and military assistance will be programed for South Vietnam—\$207 million for economic aid and \$198.1 million for military aid. This includes the additional request of President

Johnson of \$125 million—\$55 million for military and \$70 million for economic aid. This amounts to more than \$1 million a day for South Vietnam and does not include Department of Defense funds used to maintain some 16,500 troops in the area or the funds expended by the Central Intelligence Agency.

In spite of the fact that we are spending huge sums and U.S. soldiers are fighting and dying in the steaming jungles of southeast Asia, very little real debate has been carried on in or out of Congress. I realize that the funds for South Vietnam, which include the special request of \$125 million, are included in the omnibus foreign aid bill, and I support the bill. However, I think there should be debate in the House on this vital matter, and I hope that my remarks today will lead to further discussion.

The military situation in the area is steadily deteriorating, and the United States is becoming more and more involved in a mean, ugly war. A U.S. Navy ship was sunk in Saigon harbor. The Vietcong has launched full-scale attacks within 14 miles of Saigon. The Vietcong engages in military operations as well as campaigns of terrorism. The Communist slogans of peace, prosperity, and land have a great appeal, especially when the Government has been unwilling and unable to carry out real reforms in the heavily populated rural areas. As a result, the Vietcong controls much of the countryside.

In his column of April 21, 1964, Walter Lippmann stated:

The truth, which is being obscured for the American people, is that the Saigon government has the allegiance of probably no more than 30 percent of the people and controls (even in daylight) not much more than a quarter of the territory.

I wish to include the Lippmann article at this point in the RECORD.

[From the Washington Post, Apr. 21, 1964]

FOREIGN POLICY DEBATE

(By Walter Lippmann)

After spending a few days in Saigon, Mr. Nixon has come home with a formula for winning the war in southeast Asia. The reason we are not winning it now is, he says, that we believe in "Yalu River concepts of private sanctuaries," and for that reason we are preventing the South Vietnamese, who presumably are raring to go, from taking the offensive, from carrying the war into Laos and to the north, and of winning the war there.

Mr. Nixon ought to know better, and perhaps he does know better, than to say that the reason why South Vietnam does not win the war in North Vietnam is that the United States won't let it. The indubitable fact is that South Vietnam is quite incapable of carrying the war successfully into North Vietnam. That is not because we will not give it arms. We do give it arms. It is because the South Vietnamese have very little fighting morale and are well aware from experiments that have already been made that raiding in North Vietnam means almost certain death. Let us hope that Mr. Nixon is not going to revive at this late date the old chestnut which we used to hear about "unleashing Chiang Kai-shek," and ask us to believe that victory can be had by unleashing General Khanh.

General Khanh is leashed by the unwillingness of the large majority of the South Vietnamese to fight on in the civil war.

"Hot pursuit" indeed; where are the South Vietnamese soldiers who are hot about pursuing the Vietcong into the clutches of General Giap? The truth, which is being obscured for the American people, is that the Saigon government has the allegiance of probably no more than 30 percent of the people and controls (even in daylight) not much more than a quarter of the territory.

The real and immediate problem in South Vietnam is to prevent a collapse of a weak government which is losing the civil war. That is the paramount objective of the Johnson-McNamara policy—to prevent a bad situation from becoming impossible. It is certainly not a glorious policy, or even a promising one, and it has led high officials of the administration into making commitments that had better been left unmade. But the policy is at least concerned with the reality of the situation, which is the need to prevent a collapse and surrender before there is an opportunity to work out a political solution in the area.

Any other plan for "winning the war" in southeast Asia must be, if the speaker is being candid and not tricky, a plan for the intervention of the United States with large forces prepared to overwhelm the whole of Indochina and to confront Mainland China itself. All schemes for "interdicting" outside help to the Vietcong can be carried out only by the U.S. Air Force. The South Vietnamese Government does not have the bombers and could not fly them if they had them in any such enterprise. The enterprise should never be undertaken unless we are prepared to have a large war with China.

In his review of foreign policy on Monday, the President was, in effect, saying that there has been no material change since the death of President Kennedy. Our relations with Russia, which took a decided turn for the better between the Cuban crisis and the test ban treaty, have continued to improve, slowly, to be sure, but to improve.

On the other hand, in the areas where President Kennedy had not been succeeding, things are about as they were. This is true of Europe, of Asia, and of South America. There is a pause in Europe and perhaps also in Latin America. This may be in part because new developments have not gone far enough to show what is going to happen, in part because of the coming elections—here and in Britain and in Chile this year, in Germany and France and Brazil next year. This is a pause in the Far East because the war plans of Messrs. Nixon and Goldwater are unworkable and undesirable, and any other kind of plan is, as Senator Fulbright would say, still unthinkable.

This pause permits President Johnson to devote himself primarily to our too long postponed and too much neglected internal problems.

The Observer, the official U.S. Military Advisory Group—MAG—newspaper in Saigon, reported on January 25, 1964, that a ranking spokesman for the American mission in Vietnam:

Conceded that some 4 to 5 million people support the NLF (National Liberation Front, the political arm of the Vietcong) in varying degrees, though not necessarily through choice or sympathy, but rather by fear and coercion.

The Saigon Post, subject to Government censorship like all newspapers in South Vietnam, provided some insight into the reasons for the distrust of the Government by the people of South Vietnam in an editorial on January 10, 1964:

The main obstacle barring the Government from reaching the peasants' hearts stems from the peasants' innate mistrust of officials. This mistrust, accumulated through decades of colonialist rule, has been com-

pounded even more by the misrule and mis-handling of Diem's lieutenants.

Peasants' grievances against local officials of the Ngo Dinh Diem government have become almost endemic. Most of these grievances were justified. Cases of extortion, bribery, intimidation, arbitrary arrest, summary execution and mass torture were commonplace.

In many instances peasant grievances are the result of tactical errors committed by well-meaning commanders. Cases have been reported of wanton bombing or shelling of entire villages where, it was later learned only a handful of VC (Vietcong) had been detected. Sometimes these grievances are explained away as the consequences of war. The merciless destruction of unharvested ricefields under a column of armored personnel carriers, or the scorched earth of napalm bombing are examples of this type of grievance.

Let us remember that this is not a Vietcong newspaper talking but one which operates by Government permission. Let us also remember that the United States sanctioned, if not actually carried out, the policy of "merciless destruction of unharvested ricefields" and the "scorched earth of napalm bombing."

In addition to the Vietcong's appeal to the people, the South Vietnamese Army is demoralized. The New York Times reported, on April 20, 1964:

Pursuit of the war against the Communist Vietcong faces the basic obstruction of inertia and low motivation of the South Vietnamese Army, in the judgment of American military advisers.

The same article quoted one American in the field:

All this talk in Saigon about gaining the support of the population to win this war is fine. But it would also be a good idea to gain the support of the army. This may be a political war, but it is still a war.

The Saigon Post of January 11, 1964, echoed the same feeling:

One handicap plaguing our troops is what observers would term as "lack of motivation"—lack of incentive.

Despite the factual situation in South Vietnam, it is often argued that the West has succeeded in other guerrilla wars. Greece, Malaya, and the Philippines are cited. But there are essential differences with the situation in South Vietnam.

In Greece the Communist guerrillas were not defeated until Yugoslavia closed its border, depriving them of their sanctuary. Moreover, the Greeks were motivated to win.

The situation in Malaya is not really analogous. The guerrillas in Malaya belonged to the Chinese minority which meant that any Malay or Indian inhabitant of Malaya—about 55 percent of the total—was likely to be loyal if not actively unsympathetic to the terrorist cause. In South Vietnam both the population and the guerrillas are Vietnamese. Indeed, often the infiltrators from North Vietnam are returning southerners who left in 1954. They know the topography of the area and speak the language. In Malaya food is scarce and especially difficult to obtain in the jungle. In South Vietnam food is abundant, and food denial or control programs

have failed. In Malaya there was no "active sanctuary" next door. In the case of South Vietnam, North Vietnam openly supports the guerrillas; Laos is a complete sieve; and Cambodia makes no particular effort to halt guerrilla operations in hard-to-survey border areas. With all the advantages the British had in Malaya, which does not exist in South Vietnam, it took 13 years and cost \$3 billion to defeat 8,000 guerrillas with 300,000 men.

The Huk uprising in the Philippines is also quite distinguishable. Because of the islands, the guerrillas were virtually cut off from outside help. In addition, a sound agricultural reform policy deprived the Communists of much of their appeal. It still took 7 years for approximately 60,000 Filipinos to defeat a 8,000 to 10,000-man guerrilla force.

The guerrilla war in Algeria should be considered in any analysis of South Vietnam. There the French did not repeat the military mistakes made in Indochina but repeated their political mistakes. The result was that 760,000 men were tied down for 8 years at a cost of \$12 billion fighting a guerrilla force which shrank from 60,000 to 7,000 at the time of the ceasefire. The French also cut off the guerrillas' sanctuary with an ingenious electronic fence which cost \$500 million. But by the time the French were "winning the war" militarily, they had alienated most of the civilized world from their cause. It was also apparent that, even if they were to achieve "total victory," they would still have to maintain an army of 200,000 to 300,000 troops in Algeria to prevent the reoccurrence of guerrilla activity. The war could be won militarily but not politically. The Algerian experience would suggest that the primary purpose of any effort should be to win the minds and hearts of the people.

The experience of other guerrilla wars suggests that there is small prospect of a military victory in South Vietnam under present circumstances with the present level of U.S. commitment. However, it might be possible to succeed militarily if the U.S. commitment were vastly increased. The Vietcong has about 25,000 regulars and another 60,000 to 80,000 irregulars. Experts maintain that, in order to win a revolutionary war, there should be a ratio of 10 soldiers to one guerrilla. This would require doubling the number of South Vietnamese under arms which is now estimated at 500,000.

Then the U.S. advisory forces would have to be increased. Such a level would require an expenditure of \$1.2 to \$1.5 billion a year for possibly 7 to 10 years. A military victory would still be doubtful without the fierce determination of the South Vietnamese Army, which has been less than enthusiastic in combat. To insure victory, a large scale military commitment by the United States would probably be necessary, involving combat troops—not "advisers." Even then we might be in a situation similar to the French in Algeria.

A second option, instead of a large-scale military commitment, is to extend the war to North Vietnam. The idea that the war can be won by extending it

to North Vietnam ignores the fact that the Vietcong live in South Vietnam off the land and enjoy the support of friendly peasants. Although they receive training and material in North Vietnam, they also fight with captured weapons and might well continue the war if North Vietnam no longer existed. The Pulitzer Prize-winning reporter of the New York Times, David Halberstam, indicated the problem of extending the war to the North when he reported on March 6, 1964:

The war is largely a conflict of southerners fought on southern land. No capture of North Vietnamese in the south has come to light, and it is generally believed that most Vietcong weapons have been seized from the South Vietnamese forces.

The impression in Vietnam, at least up to about 2 months ago, was that only a limited number of weapons were coming into the south. There was some question about the amount of ammunition being brought in. Since the long border, with its rough terrain, is almost impossible to control, the view was that the Vietcong could have brought in more weapons but it was deliberate policy to capture them from the Government.

Some Vietcong cadres have been trained in the north or have served in the North Vietnamese army, but they are southerners. Special teams, such as medical or demolition units, have also been trained in the north. The regular guerrillas are southerners who have rarely left the south.

Carrying the war to the north presents the danger of escalation into a Korean-type war. Then there is the possibility of North Vietnam committing its army of 14 crack combat divisions, which defeated the French when the French had 10 times as many men in Indochina as we have in South Vietnam.

A third course of action—pulling out—would probably lead to Communist control of the area in a very short time. This would be inconsistent with our commitment to the freedom of the people in South Vietnam. However, that commitment is to the people of South Vietnam and their right to freely choose their Government—not to a small clique which rules at the point of a bayonet. With that goal firmly in mind, I believe that there are alternatives to the three I have mentioned.

First, the United States should make clear that it will not bargain away the freedom of the people in South Vietnam to choose their own government, a freedom which is now denied to them. Then the United States should be willing to discuss the possibilities for a peaceful settlement. Let us keep in mind President Kennedy's words:

Let us never negotiate out of fear. But let us never fear to negotiate.

In South Vietnam the United States is in a good position to negotiate. Despite the deteriorating situation in the south, North Vietnam is in a difficult position. As the Vietcong comes closer and closer to success, the cries in the United States to extend the war will become louder and louder. The North Vietnamese have spent 10 arduous years building up their industrial capacity which they know could be wiped out by the U.S. Air Force in 1 day. In addition, North Vietnam, as seen from its cautious position in the Sino-Soviet

split, would not welcome Chinese Communist troops marching across its territory. The Chinese occupied North Vietnam for centuries, and the North Vietnamese do not want to repeat that experience. The North is also in dire need of the rice of the South. Before the area became a battleground, the North imported one-quarter million tons of rice from South Vietnam annually. The South could use industrial goods from the North. These factors show that negotiation is at least feasible and should certainly not be rejected out of hand.

How could a settlement be brought about and under what terms?

When the United Nations was established, it was intended that the international organization would concern itself with all "threats to the peace." Unfortunately, both the major powers more frequently turned to bilateral or multilateral negotiations than to the United Nations. In recent years, however, more and more reliance has been put upon the United Nations in the area of peacekeeping. We have seen the effectiveness of the United Nations in the Gaza Strip, in the Congo and in other areas of the world. Within the past few weeks the United States has consented to a U.N. presence in southeast Asia. By unanimous resolution of the Security Council a U.N. team has been sent to investigate the border situation between South Vietnam and Cambodia. This action could lay the foundation for a broader role for the United Nations in southeast Asia.

Under the auspices of the United Nations, or even outside of the U.N. a special conference could be convened on Vietnam. The machinery set up in 1954 by the Geneva Conference might be used. Once it is recognized that our goals are not attainable through a military solution and there is a willingness to attempt to negotiate a political settlement, the question of a proper forum is less important than the question of the conditions for a negotiated settlement.

It is impossible, of course, to arrive at a sure-fire formula for negotiations. However, various possibilities may be suggested. All suggestions must be consistent with the maintenance of the freedom of the people in South Vietnam.

One possibility would be a minimal agreement guaranteeing that both North and South Vietnam would not join any military alliances or attempt to overthrow each other, either by subversion or direct warfare. Each would be allowed to develop its own form of government and to live in peace. Under this proposal the South would agree to normalize trade relations with the North, but that would not necessarily mean diplomatic recognition. The relationship between East and West Germany could be used as an example. A variation of this proposal might include joint economic development projects between North and South, which could look toward eventual reunification and free elections for the entire country.

On a broader level a proposal to include North and South Vietnam, Laos, Cambodia and possibly Thailand in a

regional agreement should be explored. Such an agreement would prohibit the signatory countries from joining any military alliances or attempting to overthrow the governments of the other parties to the agreement by subversion or direct aggression. A provision for resumption of trade might accompany such an agreement. Variations of this idea have been discussed by Cambodia, France, and others. In the Washington Post of March 5, 1964, Walter Lippmann points out that such an arrangement might be possible since:

Ho Chi Minh in North Vietnam has no desire to be ruled by the Chinese. Access to food grown in the South would be tempting to him. The reduction of the risk and threat of a great war between China and the United States would be a benefit to him. As for Red China itself, there is always the problem of the long, disputed and dangerous frontier with the Soviet Union in the north, and a bargain which tranquilized the borderlands on the south might therefore be attractive.

Another possible solution might be to have both North and South Vietnam enter the United Nations on the stipulation that all aggressive action including subversion cease between them and that trade be resumed. The United Nations might very well be called upon to send a peace force to the area to supervise such an arrangement.

Mr. Chairman, these proposals are not advanced as final answers to this very difficult problem. But it makes no sense to put our heads in the sand and refuse to consider any alternative to a military one. That courts disaster. There are no doubt risks in any solution. Therefore, it would be necessary to secure any political settlements by agreement between the major powers and perhaps a United Nations peacekeeping force. Also, any solution in South Vietnam must be accompanied by genuine economic reform which benefits the great majority of the people who are peasants. There must also be political reform to allow freedom of expression and freely chosen representatives, which are non-existent in South Vietnam today. Without such reforms the chances of an indigenous civil war are great.

Mr. Chairman, we must clarify our goals in South Vietnam. It is not enough to be just anti-Communist. The vast majority of the people in South Vietnam could not define the word. We must be pro-people and frame our policy according to the democratic and humanitarian principles for which we have always stood. We can win the world with the power of our ideals.

Mr. BURTON of California. Mr. Chairman, I request that the distinguished gentleman from New York yield.

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

Mr. BURTON of California. I should like to commend the gentleman for his able and thoughtful presentation of this major problem, and I wish to associate myself with his remarks.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

Title III—Investment guarantees

Sec. 102. Title III of chapter 2 of part I of the Foreign Assistance Act of 1961, as

amended, which relates to investment guaranties, is hereby amended as follows:

(a) Amend section 221(b)(2), which relates to general authority, as follows:

(1) Strike out "\$180,000,000" in the third proviso and substitute "\$300,000,000".

(2) Strike out "1965" in the last proviso and substitute "1966".

(b) Amend section 224(b), which relates to housing projects in Latin American countries, by striking out "\$150,000,000" and substituting "\$250,000,000".

Title IV—Survey of investment opportunities

Sec. 103. Section 232 of the Foreign Assistance Act of 1961, as amended, which relates to surveys of investment opportunities, is amended by striking out "1963" and "\$2,000,000" and substituting "1965" and "\$2,100,000", respectively.

Title VI—Alliance for Progress

Sec. 104. Section 252 of the Foreign Assistance Act of 1961, as amended, which relates to the Alliance for Progress, is amended by striking out in the first sentence the words beginning with "of the funds" the first time they appear through the words "fiscal year 1964" and substituting "in each of the fiscal years 1963 and 1964 and \$85,000,000 in fiscal year 1965 of the funds appropriated pursuant to this section for use beginning in each such fiscal year".

CHAPTER 3—INTERNATIONAL ORGANIZATIONS AND PROGRAMS

Sec. 105. Section 302 of the Foreign Assistance Act of 1961, as amended, which relates to international organizations and programs, is amended as follows:

(a) Strike out "1964" and "\$136,000,000" and substitute "1965" and "\$134,400,000", respectively.

(b) At the end thereof, add the following new sentence: "None of the funds available to carry out this chapter shall be contributed to any international organization or to any foreign government or agency thereof to pay the costs of developing or operating any volunteer program of such organization, government, or agency relating to the selection, training, and programing of volunteer manpower."

AMENDMENT OFFERED BY MR. MAILLIARD

Mr. MAILLIARD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAILLIARD: On page 4, line 7, strike out \$134,400,000 and insert in lieu thereof \$134,272,400.

Mr. MAILLIARD. Mr. Chairman, this is a rather small amount of money, but when the committee took the action which it did, forbidding, as you will see in the language on page 4 of the bill, beginning at line 9, the use of these funds where it says:

None of the funds available to carry out this chapter shall be contributed to any international organization or to any foreign government or agency thereof to pay the costs of developing or operating any volunteer program of such organization, government, or agency relating to the selection, training, and programing of volunteer manpower.

We forbade the expenditure of \$150,000 requested for this purpose. However, in one of those rather strange things that occasionally happens in our committee we left the money for it in. What my amendment would do is remove the \$150,000 minus \$22,400 which is requested to help support a clearinghouse of information on the subject of the Interna-

tional Peace Corps or Peace Corps of other countries. We have now by this bill forbidden the United States to contribute to an International Peace Corps, and yet we left the money in. So this would remove \$127,600 which was requested for a purpose which we have now said they may not contribute to. It only seems sensible to take the funds out since we said that they cannot spend them the way they intended to.

Mr. MORGAN. Mr. Chairman, I think the gentleman's amendment reflects the views of the committee. The committee placed a limitation on the use of these funds and the committee did not remove the funds which are not required for this purpose. I am sure the Members on the majority side have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. MAILLIARD].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BENNETT OF FLORIDA

Mr. BENNETT of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BENNETT of Florida: Page 4, immediately after line 2, insert the following:

"Sec. 105. Section 301 of the Foreign Assistance Act of 1961, as amended, which relates to general authority to make contributions to international organizations, is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, for the purpose of preventing United States contributions or payments from being used contrary to the policies of the United States, the President shall not make any contribution or payment to the United Nations or to any agency or activity thereof until he has determined that no part of any such contribution or payment will be used to carry out any program or activity which is contrary to the policies of the United States. If the United Nations or any agency or activity thereof hereafter carries out any program or activity which is contrary to the policies of the United States, the President shall thereafter withhold contributions or payments by the United States to the United Nations or such agency or activity, as the case may be, until the United States share of the expenses of the United Nations or such agency or activity, as the case may be, is reduced by such amounts as are required to carry out the purposes of this subsection."

And renumber the following sections accordingly.

Mr. BENNETT of Florida. Mr. Chairman, I have long been a critic of how the foreign aid program has recently been carried out by our Government, and this criticism is felt by millions of Americans and by a large portion of Congress.

The tremendous financial outlay for foreign aid today is a great drain on the country's fiscal strength, especially in view of the recent tax reduction, which I supported. I believe we must hold down Government spending and this area is one where this can be done without harm to our country in any way.

It is obvious that administrative improvements must be made in this program and waste eliminated wherever possible.

Besides that, the program is far too flexible and lacks specific congressional

protection and restriction to individual projects and countries.

A third point I would like to mention is that I am a strong advocate of the military program of the foreign aid legislation being placed in the Department of Defense, with review by Congress coming through the House and Senate Armed Services Committees. The military items should get the same scrutiny and careful attention that is given our own military expenditures. Nothing like this or even approaching this is presently the case.

These points are things that must be constantly improved upon, or changed to make our foreign aid program not only for the benefit of the people we assist, but also for the benefit of the people of America, the taxpayers, who pay the bills.

Something that we can accomplish in this bill before us today is to enact legislation to halt the transfer of U.S. funds to programs and activities in opposition to our national interests.

I have introduced a bill, H.R. 3847, to provide that U.S. payments to the United Nations shall not be used for programs contrary to the policies of the United States.

Today I am introducing an amendment to H.R. 11380, the Foreign Assistance Act for 1964 which would accomplish the principle of my bill, H.R. 3847.

In this present year the United States has contributed 40 percent of the cost in maintaining the United Nations Special Fund, a group consisting of 18 member states, elected by the Economic and Social Council, and providing "systematic and sustained assistance in fields essential to the integrated technical, economic and social development of the less developed countries."

On February 13, 1963, the Managing Director of the Special Fund announced plans to aid Fidel Castro's ailing economy by injecting it with \$1,157,600 of United Nations funds. Since this money was to come from the U.N. Special Fund, of which the United States contributes 40 percent, the taxpayers of America in essence were to give the Castro government a handout of nearly a half million dollars. Even more ridiculous is the fact that this money strengthens a government dedicated to burying us.

I urge adoption of this amendment to stop this outflow and direct aid to Communist countries.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the gentleman from Florida [Mr. BENNETT] stated, the bill he introduced is pending before the Committee on Foreign Affairs. The committee has sent the bill down to the Executive for comment and the Executive submitted a report to the committee which the committee has received.

Mr. Chairman, I am sure the gentleman from Florida realizes that he is offering a far-reaching amendment. The enactment of this amendment would put the United States in the same position as the Soviet Union and its satellites who in effect are doing exactly what the amendment proposes. The Soviet bloc persists, as everybody knows, in refusing to pay its U.N. assessments for

peacekeeping and related activities because they disagree with these programs. This puts us exactly in that position.

The U.S. Government, including the Congress—this Congress—has denounced the Soviet position as illogical and disruptive.

Mr. Chairman, the adoption of this amendment would reverse the U.S. position on this issue and cause our country to adopt, in effect, the Soviet view. This would create financial chaos in the United Nations.

Now, Mr. Chairman, I am sure that the Members of this body remember the vote on the U.N. bond issue when article 17 of the U.N. Charter was discussed in full. The members of the committee will remember that article 17 of the U.N. Charter provides that all members bear the expense of the organization as appropriated by the General Assembly. On budget matters, this requires a decision by a two-thirds majority of the Members present and voting. If we followed this and did not pay our assessment, under article 17, we would lose our voting rights in the U.N.

Mr. Chairman, the amendment has some other far-reaching, destructive effects, but I am reluctant to take the time to discuss them.

Therefore, Mr. Chairman, I ask for the defeat of the gentleman's amendment.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

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

Mr. JONES of Missouri. Does the gentleman say that the United States would lose its voting rights in the U.N.? How about the U.S.S.R.? Has it lost its voting right?

Mr. MORGAN. The gentleman knows that last December the United Nations approved the decision of the International Court of Justice on this matter. As soon as the Soviet Union falls behind in its payments for a 2-year period they will lose their vote in the General Assembly.

Mr. JONES of Missouri. If the gentleman will yield further, they are not paying into some of these funds now.

Mr. MORGAN. No; but they are not behind for a period of 2 years in their payments.

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

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

Mr. FARBSTAIN. Would the enactment of this amendment mean that every time we disagreed with the United Nations that we shall be in the position of the dog in the manger for refusing to pay any assessment on the budget?

Mr. MORGAN. That is the way I interpret the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 4, immediately after line 2, insert the following:

"Sec. 105. Section 301 of the Foreign Assistance Act of 1961, as amended, which relates to general authority to make contributions to international organizations, is amended by striking out subsection (b) and inserting in lieu thereof:

"(b) Contributions, whether in cash or in goods and services, and other payments made by the United States for the calendar year 1964 or any subsequent calendar year to the United Nations or to any program or activity thereof (whether or not financed in whole or in part by assessments against member nations) may not exceed 33.33 percent of the total amount contributed and paid by all nations for the calendar year involved to the United Nations, or the program or activity thereof, as the case may be. This subsection shall not apply to contributions or other payments by the United States to the United Nations Emergency Force."

And renumber the following sections accordingly.

Mr. JONES of Missouri. Mr. Chairman, this is a long amendment but what it says in effect is that on any such program the contribution of the United States would be restricted to 33 1/3 percent, which is the same restriction that we have on our contribution to the United Nations.

Mr. Chairman, I feel that this is a matter of policy. While there are not too many of these programs into which we are paying more than 33 1/3 percent, there are some, and in some instances the rate of payment goes up to 100 percent.

In the case of the matter to which the amendment of the gentleman from Florida [Mr. BENNETT] was directed a minute ago, we are paying only 40 percent of that amount. However, I would call the attention of the members of the committee to the fact that since 1959 the amount of our contribution to that particular fund has gone from \$10,313 up to \$29,383. So, we are paying now almost three times as much, although the percentage remains at 40 percent.

Mr. Chairman, the members of the committee will recall that in previous years I have been in the well of this House calling attention to the Palestine refugee program where we were not only paying more than 70 percent of the cost of that program, but at the same time they were using American dollars to buy foods from other countries which we had in surplus, and their only excuse was that our prices were too high.

Mr. Chairman, this is very simple. Any time that the United States pays 40 percent or more of a program, we could very well take over the program and run it ourselves. In this particular program that the gentleman from Florida mentioned of the United Nations we are now putting up \$29 million, we are paying 40 percent of it. You will notice the governing council that makes that up includes the U.S.S.R., and they are telling us how we shall spend the 40 percent which is our money. As a matter of principle there is no justification for any program taking more than we are paying to the United Nations.

I ask respectfully that we at least be consistent in this and restrict these special funds to a contribution of not more than 33 1/3 percent.

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

Mr. JONES of Missouri. I yield to the gentleman from Iowa.

Mr. GROSS. The Defense Department is providing certain services in connection with the transportation of United Nations troops. Not all these bills have been paid. I believe there was some language included in a bill, perhaps this bill, to provide that this service be provided on a nonreimbursable basis. Thus millions of dollars have been expended on the United Nations over and above the contributions and assessments that have been levied upon us.

Mr. JONES of Missouri. Yes. However, under this amendment I do not try to affect the United Nations Emergency Force because it seems that last year the committee hung its hat on this and said we have to have an emergency force. I do not want to do anything to disrupt the programs that are necessary, but these programs continue to grow each year, and we are contributing 40, 60 or 70 percent. There is no reason for that at all, and I think it is time we wake up and pay only our fair share. I believe 33 1/3 percent is more than a fair share of this program.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Missouri.

Mr. Chairman, I do not think too many people can quarrel with the basic objectives of this amendment. In fact, I would like to see all of our contributions work down to this figure, and we are working in that direction.

It is fair to point out when we started the Children's Fund, for example, commonly known as UNICEF, which meets with wide and popular approval in this country, we were paying 70 percent of the total cost of that particular program. We have worked over the years to get that down. The figure is now down to 40 percent, and I would hope we would continue to work to get our share reduced. But if you arbitrarily cut that off, as this amendment would, you would cripple the program. This is working well, and it is being moved in the direction that the gentleman from Missouri would like to see.

This would also hit the Palestine Refugee Relief program. This might be the means, if the amendment were adopted, of causing that tinder box to erupt if our share of that fund, which is more than half, were drastically cut by more than 50 percent.

I am not so sure about the gentleman's amendment where he admits the application of it to the United Nations Emergency Force would apply to future situations such as we might find in the Congo. We might send in a force which the United Nations would manage, supplied by other countries, for which we were furnishing the money.

A recent example is Cyprus. We did not supply all of the money in Cyprus,

but we did go in there with transportation, and other countries went in with troops. It would seem to me it is necessary to give us flexibility when we run into an emergency situation of this kind, which the gentleman's amendment would preclude.

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

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

Mr. MAILLIARD. Mr. Chairman, I was not able to tell from the wording of the gentleman's amendment whether this would restrict us in Cyprus. The U.N. Emergency Force is in the Middle East only. There is uncertainty in my mind as to whether it would prevent us from going under international auspices, into a situation such as Cyprus, where two of our allies are involved in an explosive situation. I think the implication for our foreign policy might be quite disastrous.

Mr. HAYS. I would agree thoroughly with what the gentleman says. I am a little in doubt about the effectiveness of the language, whether it would apply to the Cyprus Force or even the Congo.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield.

Mr. JONES of Missouri. The amendment says that this section shall not apply to contributions or other payments by the United States to the United Nations Emergency Force.

Mr. MAILLIARD. That means only the Middle East Force.

Mr. JONES of Missouri. The United Nations Force—is not that what you go anywhere in the world with?

Mr. MAILLIARD. No, it is not.

Mr. HAYS. The United Nations Emergency Force, as I understand it, applies only to the Force which is on the border between Israel and Egypt and the Palestine area keeping peace there. I do not think the United Nations Emergency Force applies even to the Force in the Congo.

Mr. MAILLIARD. I was at the United Nations last fall and was directly involved in arranging for funds for the United Nations Emergency Force. The term applies only to the Force in the Middle East and does not apply to the Congo, and I am quite certain it would not apply to Cyprus. This would be a tremendously dangerous thing, which I think the author does not intend.

Mr. HAYS. I am glad to have the gentleman clarify that, because he has expert knowledge whereof he speaks. I suspected that, but I could not be in a position to be sure of it.

Mr. JONES of Missouri. Would the gentleman have any objection if we could get unanimous consent to change the amendment to say that it shall not apply to the United Nations emergency operations? That would include anything of that sort.

Mr. HAYS. I am not in a position to say that I could accept that. I would think the gentleman's solution is wrong, that we ought to just defeat the amendment and continue to work as we have to bring these contributions down to that figure.

Mr. HALL. Mr. Chairman, I rise in support of the amendment offered by my colleague from Missouri.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman from Ohio [Mr. HAYS] yield for a question?

Mr. HAYS. If the gentleman from Missouri [Mr. HALL] will yield.

Mr. HALL. I will be glad to yield.

Mr. JONES of Missouri. Always the committee hangs its hat on something of an emergency nature, but no one ever answers the question about the 70 percent which we are paying in the Palestine operation, where they are using our dollars to buy agricultural commodities from other countries which the United States has in surplus. The gentleman cannot condone that, can he?

Mr. HAYS. I say to the gentleman that I do not like the situation in Palestine at all. I do not like our paying 70 percent. I did not like it when we paid 90 percent.

Mr. JONES of Missouri. Let us cut it down.

Mr. HAYS. If the gentleman can figure out some other way in which we can keep these people eating, so there is not a potential force to prevent another war out there, at less cost than it is costing, I would appreciate knowing what it is.

Mr. JONES of Missouri. If you would send \$23 million worth of wheat instead of \$23 million, we can get the job done.

Mr. HAYS. Maybe the Committee on Agriculture, which goes into the foreign affairs field quite often, could just report out a bill doing that.

Mr. JONES of Missouri. But you would not stop sending the money?

Mr. HAYS. Yes; if we could do that. I would be in favor of cutting out the money.

Mr. HALL. Mr. Chairman, I rise in support of the amendment offered by my colleague from Missouri. The amendment is similar to one which I offered to the foreign aid bill last year and on which I testified before the House Foreign Affairs Committee, but with one very important exception: The amendment now before the House excludes from the 33½-percent limitation, the U.S. contribution to U.N. "Emergency Forces," which at the present time, I believe, is 50 percent.

Personally I do not believe we should pay half the total cost of any organization program which is supposed to be international in nature. But all of us realize that effective legislation often demands a spirit of compromise. In this instance it was the objection of the members of the Foreign Affairs Committee to the restrictions this amendment might place on U.N. emergency operations, which led to its narrow defeat last year.

That objection has now been removed. We are now back to the basic premise, should a country which has 17 million poverty stricken people pay more than its fair share of an international organization's programs which are supposed to cure poverty in other lands? Should we pay 40 percent of the cost of the U.N. Special Fund, 40 percent of the U.N. expanded technical assistance program, 70 percent of the U.N. Middle East refugee

program, 50 percent of the United Nations International Atomic Energy Organization, and on and on ad infinitum?

Should we follow the recommendations of the Clay Committee which recommended that we apply the same budget ceiling to both our assessed and voluntary U.N. budgets, or should we continue to allow other nations to avoid their responsibilities in this whole field of world welfare.

We have been told that the reason we are paying more than our fair share is to get these programs underway because they are so terribly needed, and that as other nations see their need they will assume their fair share. I say that is pure hogwash. We have been paying the same 40 percent of the U.N. Special Fund budget since it was initiated. We are now paying a higher percentage of the U.N. Middle East refugee program than we have ever paid since it was first initiated as a blackmail measure to keep Nasser from causing trouble and waging aggression in the Middle East. For years our percentage hovered around 67 percent but it is now up to 70 percent as other nations see that we are willing to pick up all the debts that they refuse to honor. The only U.N. voluntary program to which our disproportionate contribution has shown any tendency to be reduced is the United Nations Children's Fund and even it has now leveled off at 40 percent, a far cry from the 33½-percent limitation which governs our regular U.N. assessment.

I say, Mr. Chairman, that we put back in the legislative branch of Government the responsibility that is ours for determining the expenditure of American dollars. I know of no other Federal program where we give, or the State Department preempts such a free hand in determining how much the taxpayer will pay to support an activity of such dimensions.

Furthermore, if the Congress votes a specific limitation in the amount of 33½ percent it will give our Department of State a basis for realistic bargaining for other nations which do not now pay their fair share. So long as other countries know that, as in the case of many of these programs, the sky is the limit, they will be quite content to let the status quo remain, or, as in the case of the Middle East refugee program, even force us to increase our contribution.

I urge the adoption of this amendment.

Mr. MAILLIARD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I do not want to belabor this, but there are some things being tossed around here that are not quite correct. For one thing during the last couple of years the gentleman from Missouri has been talking about the Palestine refugee problem. We have been making our contribution, not only in cash but in kind and we have contributed our own surplus agricultural products directly to the program.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MAILLIARD. I yield to the gentleman.

Mr. JONES of Missouri. Is it not a fact that for many years they did not buy U.S. wheat? They did buy Australian

wheat. They did buy Canadian wheat. They did buy Pakistan wheat. They did buy French wheat. And they did not buy our wheat because the prices were too high.

Mr. MAILLIARD. Yes, Mr. Chairman, what the gentleman says I think was correct but it is my understanding that for the last 3 or possibly 4 years this has not been the case and that agricultural products that have been going into the program have been going out of our surpluses and not from other countries.

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

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

Mr. HAYS. What the gentleman has said is exactly right. As a matter of fact, last year our contribution was \$24,700,000 of which \$7,500,000 was wheat under Public Law 480 and \$16 million was in cash. Obviously, they cannot eat nothing but wheat and presumably I would gather from these figures that we furnished all of the wheat that they could consume under Public Law 480 and that with some of the other money they buy other crops or commodities. The gentleman from Missouri can make all the hay he wants to out of the fact that they did not buy American wheat before, but they are buying it now.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MAILLIARD. If the gentleman will permit me to continue, I would like to go on to some other things that are involved here without taking too much time.

There are other programs in which our interest is overwhelming in connection with the World Health Organization such as malaria eradication and other things that have been mentioned. Also, may I say we keep talking about our fair share. When I was at the U.N., I got into discussion of that question.

Members may or may not know that there is a special committee in the United Nations which determines from time to time the ability to pay of the various nations of the world.

I do not vouch for the accuracy of their findings. In fact, I have strongly recommended to our State Department that we obtain some economic experts in our own country to review the findings. But it is true that by any standards they have been able to bring forward so far the fair share of the United States, on the ability-to-pay theory, is something around 38 or 39 percent. Our assessed share is 32.02 percent, so we pay less than our fair share, if we can believe the figures which are accepted by the United Nations, on the things as to which we are assessed.

Certainly, in regard to things as to which we have a special interest, our ability to pay more than one-third gets other nations to contribute to those things. Otherwise we would be paying for it all, if we wanted to do it.

I believe this amendment would be particularly dangerous because of the uncertainty of the meaning of the language with respect to special peacekeeping emergency situations, such as we now face on Cyprus. I believe it would be

most unwise for the House to accept the amendment.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment. I take this opportunity to bring to the attention of Members of the House our good fortune in having had the Congressman from California serve last year at the United Nations as the U.S. delegate. He handled that important assignment with exceptional distinction and ability.

There is very little I can add to what our colleague from California had already said. I would, however, like to comment briefly on the effect of the proposed limitation. As a Representative from this side of the aisle, who had the honor of serving as U.S. delegate to United Nations, I can speak from first-hand experience.

I wish to say that so far as the U.N. expanded technical assistance program is concerned, we did agree to contribute 40 percent. Why did we do that? We did this because these program are in our national self-interest, because they are accomplishing a lot of good, and because each \$1 we contribute is matched by \$1.50 in contributions from other nations.

We should also remember, Mr. Chairman, that this is one of the most important years for the United Nations. We are determined to make certain, at the coming session of the General Assembly that all members of the United Nations pay their just share of the expenses of that organization, or be deprived of the right to vote if they do not. This is an important issue and we should not jeopardize its outcome by pulling out our financial support from vital U.N. programs.

I should like to add one more thing: We worked hard last year to bring down the percentage of U.S. contributions to various U.N. programs. The gentleman from California contributed ably to this effort through his work on the Fifth Committee of the U.N. General Assembly. We have made some progress. If we persevere in these efforts, and be patient, we will make more progress in the future.

So far as U.N. peacekeeping operations are concerned, there is very little for me to add except to say that we are fortunate to have the U.N. Emergency Force in the Middle East. It has prevented open war in that place. I believe that it should be continued, no matter what percentage we may have to pay.

So far as the United Nations relief work for the Palestine refugees is concerned, we did add one feature to that this year. I take this opportunity of complimenting our representative, Ralph Bunche, for all he has done so far as that is concerned. The feature we added this year is this: We requested that private and intergovernmental agencies volunteer to contribute to the United Nations for this particular project. In other words, any organization throughout the world can give a voluntary contribution. In that way we hope in the coming year the 70 percent of the United States will be reduced.

I hope that the amendment will be defeated.

Mr. MORSE. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment.

Mr. Chairman, I should like to address myself particularly to those of my colleagues present who would like to see our share of these expenses reduced, as I believe nearly all do.

I believe, by virtue of the language which the gentleman's amendment contains, there would be a result the gentleman did not intend. I speak specifically of the peacekeeping operations which previously were mentioned.

The exception in the gentleman's amendment refers exclusively to the United Nations Emergency Force. The amendment would not except other peacekeeping operations, which may be in operation now or which may come at any time in the future.

Conceivably—and I believe this point is important—if we were limited to making a voluntary contribution of 33½ percent, and if funds were not available from other sources, from other nations, the net result would be that if there were a peacekeeping operation, clearly in the national interest of these United States, we would be giving the Soviet Union a veto over our action.

I do not think there is a person in this body who wants to do that, but if you support this amendment, you are potentially giving the Soviets a veto over the foreign policy of the United States.

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

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

Mr. BARRY. I want to associate myself with the gentleman's remarks. It would be a mistake to adopt this amendment, especially when you realize the United Nations Children's Fund is included in the amendment's limitation where we now contribute 40 percent. There is no known country standing ready to take up the differential between the percentage in the bill and the 40 percent we are now giving. Therefore, there would be a great risk that in passing this amendment that great damage could follow to one of the most important humanitarian programs that has ever been created, seriously affecting the world's most important hope for the future—the children of the next generation.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MORSE. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Would it improve it, in your estimation, if we would make that read the United Nations emergency operations rather than emergency forces? Would that satisfy you?

Mr. MORSE. I would have to read the amendment carefully before I can agree with that, but I think the gentleman understands the point I make, which is that the gentleman's amendment gives the Soviets a veto over the foreign policy of the United States.

Mr. JONES of Missouri. You are not trying to imply that I am trying to help the Soviet Union, are you?

Mr. MORSE. I know the gentleman does not intend that.

Mr. JONES of Missouri. Will the gentleman yield for a unanimous-consent request?

Mr. MORSE. I will yield to the gentleman.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent that in the amendment the word "forces" be changed to "operations."

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri as modified.

The amendment was rejected.

The Clerk read as follows:

CHAPTER 4—SUPPORTING ASSISTANCE

SEC. 106. Section 402 of the Foreign Assistance Act of 1961, as amended, which relates to supporting assistance, is amended by striking out "1964" and "\$380,000,000" and substituting "1965" and "\$405,000,000", respectively.

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: Page 4, line 19, immediately before the period insert the following: ", and by adding at the end thereof the following new sentence: 'Of the funds made available for the fiscal year 1965 to carry out the purposes of this chapter, not less than \$200,000,000 shall be available solely for use in Vietnam, unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.'"

Mr. FRELINGHUYSEN. Mr. Chairman, reference was made during debate on this bill yesterday to the situation in Vietnam, and further reference was made again to Vietnam today. My amendment is very simple. I discussed it briefly yesterday. It is to earmark specifically an amount of not less than \$200 million for use in the field of supporting assistance for Vietnam. I had originally considered ending my amendment at that point. However, after discussion with some of my colleagues on the Committee on Foreign Affairs, I decided that I would add the "unless" provision, giving the President authority to make a determination that the money might be spent elsewhere. If he should make that determination, he would promptly have to report his determination to the appropriate committees of the Congress.

It is my feeling that in view of the fact that President Johnson on the 18th of May specifically asked Congress for \$70 million for supporting assistance in Vietnam and \$55 million for military assistance, that we should indicate the nature of our response to his request by not only going along with his suggestion that \$70 million additional be made available but that a total of no less than \$200 million be made available to that country.

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

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

Mr. HAYS. I might say to the gentleman with the proviso in the amendment which he has added, after consultation with the Chairman and other members of the majority, we will accept the gentleman's amendment.

Mr. FRELINGHUYSEN. I thank the gentleman for his comment. I myself am not sure how much meaning there is to the proviso. I would think an indication that we want \$200 million to be earmarked for use only in Vietnam for supporting assistance would be sufficient, without giving the President this additional authority.

I certainly think we should not be reflecting on whether or not the President has any such intention to spend money on this scale for these purposes, because I think the administration has made it plain that this is their plan. However, I do think that it is important, under the specific circumstances of a request by the President of the United States for money to be used in this country, that we provide this level of assistance to Vietnam. I should hope that if there is no unforeseen circumstance, this money would only be used in Vietnam. I, myself, can think of no justification for the President's deciding that economic assistance, which is what this is, should be used in some other country. I cannot see what determination he could make that would change the priorities.

We may have emphasized too much the military nature of the operations in Vietnam. If we recognize that we do have a very substantial nonmilitary obligation there, and that this money will provide needed assistance, we will accomplish something significant by this earmarking.

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

Mr. FRELINGHUYSEN. I yield.

Mrs. KELLY. Mr. Chairman, I am in complete support of the gentleman's amendment. However, I want to ask one question. Does his amendment in any way whatsoever restrict the amount of aid which can be given to Vietnam if the administration should see the need to go beyond the amount envisioned for that country under this bill?

Mr. FRELINGHUYSEN. In answer to the inquiry it would be my feeling that this is in no way a ceiling on what might be expended in Vietnam for support assistance. This amendment would indicate that we do think that a reasonable floor for spending in the next fiscal year would be \$200 million, and only in exceptional circumstances do we believe the money should be made available for any other country or for any other purpose.

Mrs. KELLY. Mr. Chairman, with that clarification, I support the gentleman's amendment. If the gentleman would yield further, I wish to state that I will support his amendment. I will do so because I think it is important that we show the world our willingness to provide this much and more in assistance to Vietnam—that we are determined to do what we can to help them win their battle for freedom.

Mr. Chairman, if the gentleman from Michigan will bear with me for a moment longer, I would like to recall a

thing that happened on the floor of this House 14 years ago which in some ways has a bearing on the issue before us.

On January 19, 1950, after a several months' delay, the House of Representatives was voting on a bill carrying \$60 million in assistance for Korea. The legislation was defeated that day by the narrow margin of two votes. This was the first vote which I cast in the House of Representatives, and I cast that vote in support of aid for Korea. But 193 Members of the House voted against it. And even though aid for Korea was subsequently approved in a revised bill, I cannot help but believe that the failure on the part of the House to act promptly and that first defeat, did tremendous damage. Psychologically, they dealt a blow to the cause of freedom. They seemed to indicate that the Congress was not determined to stand by that country. And within 6 months, the Communist hordes invaded Korea.

I do not think that we should allow the same thing to happen with respect to Vietnam. We should not provide the Communists with any reason to believe that we are not going to stand by that country. And that is why I think the Broomfield amendment should be approved, and I will vote for it.

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

Mr. FRELINGHUYSEN. I yield to the gentleman.

Mr. GALLAGHER. Mr. Chairman, I feel that this is a good amendment. I think it is consistent with the purposes that President Johnson has already indicated of our great concern with Vietnam. As such I feel that this is parallel to his intention to carry on in this area.

Mr. FRELINGHUYSEN. I thank the gentleman.

AMENDMENT OFFERED BY MR. ADAIR

Mr. ADAIR. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR to the amendment offered by Mr. FRELINGHUYSEN, of New Jersey:

"Strike out 'unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.'"

Mr. ADAIR. Mr. Chairman, obviously my amendment would remove that part of the amendment offered by the gentleman from New Jersey which provides for Presidential determination. I offer it, Mr. Chairman, for two reasons. First, with that provision in it the amendment of the gentleman from New Jersey is meaningless. It has no real force or effect because by a Presidential determination, followed by a report to the Congress, the money can be used otherwise.

My second reason for opposing the proviso is that it is unnecessary. Members will recall that section 614 of the law gives the President very wide authority in the matter of waivers. If we have given him this wide authority as we have and then turn around and write similar provisions in every other amend-

ment which we offer we are doing a futile thing.

If the President desires to use the authority contained in section 614 he may do so. In my opinion it would give him the flexibility which he needs. I believe it would be better legislation not to repeat this provision every time that we amend the bill.

Now, Mr. Chairman, as to the general purposes of the amendment which has been offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN], I find myself in complete accord. I believe it is highly desirable that we earmark funds, both economic and military, for use in Vietnam.

Mr. Chairman, much has been made in the press and otherwise in recent days and weeks about the fact that we are trying to beef up our effort in Vietnam. If we are doing this, then let us do it and let us make it very clear.

As I pointed out to the Committee on yesterday, the additional \$125 million which was requested by the President and which was subsequently placed in the authorization bill, was done so on the basis that it was required for use in Vietnam. The law does not so provide. In fact, it could be used any place in the world apart from the moral responsibility which the administration would have on the basis of its presentation.

So I would ask, Mr. Chairman, that my amendment be adopted removing the unnecessary and unwarranted Presidential discretion and then that the amendment offered by the gentleman from New Jersey, as amended, be adopted.

Mr. HAYS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I rise in opposition to the amendment for the simple reason that it seems to me this is about the most anomalous situation into which one could get.

The gentleman, as I gather from his amendment, would like to say that we have to spend \$200 million out there in so-called supporting assistance, whether they need it or whether they do not need it. It seems to me if there is any one thing we ought to get clear about this Vietnamese affair, it is something that I have been saying for a long time and that is that you cannot win a war if the people do not want to win it for themselves.

Mr. Chairman, I have never been to Saigon, but I have talked to members of the committee who have. Saigon is known as the "Paris of the East." They say one of the reasons they are not winning the war out there is because the people in Saigon are going on "in a business as usual" attitude and not caring about what happens out in the boon-docks.

Mr. Chairman, I am further informed that there are more Mercedes automobiles in Saigon per 1,000 population than any city in the world.

Mr. Chairman, the effect of the gentleman's amendment, it seems to me, would be that if you cannot use this money for anything else, we are going to give it to you; go ahead and buy some more Mercedes. If the amendment which has been offered by the gentleman from Indiana [Mr. ADAIR] is applied to military assist-

ance, that would be one thing. However, I believe the President as the Commander in Chief has got to have some flexibility. I believe this proviso to the amendment which has been offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN] gives the President that flexibility. If they do not need \$200 million worth of supporting assistance, we are not going to give it to them willy nilly anyway.

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

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

Mr. FRELINGHUYSEN. In response to the gentleman's comment about the need for the amendment, with or without the presidential proviso, I would like to point out that this amendment does not require that \$200 million be spent. It says "shall be available only for Vietnam." It cannot be used anywhere else. There is no intention on anybody's part to set this as a requirement to spend; it is a limitation only.

Mr. HAYS. Yes; but you are restricting the President. If there should be a flareup in Cyprus, for instance, he cannot use any of that money that he might need for support assistance somewhere else.

Mr. FRELINGHUYSEN. Supporting assistance in such an emergency would not be the kind of assistance needed.

Mr. HAYS. Is the gentleman for his amendment or is he not?

Mr. FRELINGHUYSEN. I am in favor of my amendment. However, I would think there is more reason to give the President flexibility with respect to military assistance than to give him flexibility with respect to economic assistance. However, I think that the amendment offered by the gentleman from Indiana should be defeated. He would not allow the President to make a determination that he wants to spend any of this money somewhere else. There might be an occasion for the President to act.

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

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

Mr. ADAIR. Does not the gentleman agree with me that section 614, the waiver authority, would be broad enough to cover this situation if my amendment were adopted?

Mr. HAYS. If you take that position, and I were sure it were right, I would not have any objection to your amendment, because what you are in effect saying is it would not make any difference whether the amendment was adopted or not, he could.

If I were sure he could, then I would ask why are you making such a fuss about your amendment? Why not go ahead with the thing the way it is that he still has the authority. In all kindness I say to the gentleman why bother with his amendment?

Mr. ADAIR. That was one of the points I was trying to make. He does have the authority, and by including that here we are doing a useless and futile thing in the writing of the legislation.

Mr. HAYS. I do not agree with that. Let me say if somebody says they are

going to give me a million dollars I would not care how many ways they said it. In fact, the more assurances the better I would like it. If we are giving the President this flexible authority and if the gentleman is correct, and I hope he is, that he already has it, I see no reason for getting upset by saying it all over again.

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would also use this time to clarify the parliamentary situation. As I understand it, the Frelinghuysen amendment would allow the President that flexibility to use these funds in other areas if an emergency should arise and the emergency in Vietnam should diminish.

If I understand Mr. ADAIR's amendment, this flexibility would be removed and these funds would be earmarked for expenditure of \$200 million of supporting assistance in Vietnam. This would create the situation that if there were no need for the use of this \$200 million in Vietnam for supporting assistance, the President would be precluded from using these funds in any other area where he might require the use of funds. In effect, what we would be doing is denying President Johnson the very flexibility that he inserted in the various bills that he caused to be passed when he was Senate majority leader during President Eisenhower's administration. I feel, therefore, Mr. FRELINGHUYSEN's amendment should be agreed to. Mr. ADAIR's amendment would create an inflexible situation and should be defeated.

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

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

Mr. MORGAN. The gentleman from Indiana [Mr. ADAIR] mentioned section 614. I do not believe that 614 would give the President the authority he needs. I am sure the gentleman from Indiana knows in section 614 there is a \$50 million limitation; \$200 million is much greater than that. Section 614 is not adequate to deal with this situation.

Mr. GALLAGHER. I think the chairman of the Committee on Foreign Affairs has made a salient point. This money would have to go back to the Treasury if it were not used in Vietnam. If there was a situation that required its use in Laos or some other area, this money would not be available.

Mr. ADAIR. Certainly any Presidential waiver would have to be within the terms stated in section 614. There is no argument about that. But as to the remarks of the gentleman from New Jersey about tying the President's hands in the use of this money, I would say again that the \$70 million of economic assistance that was most recently added to the bill was added expressly for use in Vietnam. That was the basis on which it was put to the committee. Therefore, I think we should see that it is available for that use. As the gentleman from New Jersey [Mr. FRELINGHUYSEN] pointed out, this does not mean it has to be spent, but it was presented to the committee, at least with respect to the \$70 million, on the basis it was for use in Vietnam. I

see no reason why we should not say so in the law.

Mr. GALLAGHER. I agree with the gentleman. I feel we can take the President's word that he is going to use this money for the purpose for which he requested the funds if the situation continues to exist in Vietnam. But if there is no need for these funds to be used, I see no reason why they should not be expended or should not be used in another area where a situation would require their use. This is what the gentleman's amendment does.

Mr. ADAIR. I am not able, for security reasons, to present the figures that would make this matter clearer, but I think the history of our program in Vietnam would give a good indication of our need for the future with regard to the military activity.

Mr. GALLAGHER. There is no question we are spending more money right now than this amendment calls for and will continue to require large expenditures. Mr. FRELINGHUYSEN's amendment recognizes the need in Vietnam, and we reaffirm our belief that President Johnson is carrying out a program that is in the best interests of the United States and the free world.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have had some discussion on this amendment and the possibility that this amendment would be offered was considered by the executive branch, and by our Commander in Chief. I know that he wants this waiver and does not want to be restricted in his activities in regard to Vietnam.

I want to read a paragraph from a message he sent up here on May 18 when he requested this additional money:

By our words and deeds in a decade of determined effort, we are pledged before all the world to stand with the free people of Vietnam. Sixteen thousand Americans are serving our country and the people of Vietnam. Daily they face danger in the cause of freedom. Duty requires, and the American people demand, that we give them the fullest measure of support.

I think we should give the President the fullest measure of support and giving him this money to be used in Vietnam without restriction is the best expression of our support for him. I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR] to the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

CHAPTER 5—CONTINGENCY FUND

SEC. 107. Section 451(a) of the Foreign Assistance Act of 1961, as amended, which relates to the contingency fund, is amended by striking out "1964" and "\$160,000,000" and substituting "1965" and "\$150,000,000", respectively.

AMENDMENT OFFERED BY MR. ADAIR

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: On page 5, line 1, strike out "\$150,000,000" and insert in lieu thereof "\$100,000,000".

Mr. ADAIR. Mr. Chairman, the effect of this amendment, if adopted, would be to reduce the contingency fund by \$50 million. The request is for \$150 million. This amendment would cut it to \$100 million.

Let me give the Committee a little history. For the last fiscal year, there was a request for \$300 million for the contingency fund. The authorization was \$160 million. But there was appropriated only \$50 million because of the carryover of over \$179 million.

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

Mr. ADAIR. I yield to the gentleman.

Mr. MORGAN. The gentleman means there was a carryover of \$127 million; is that not correct?

Mr. ADAIR. The gentleman is correct. There was a carryover in two different accounts of \$129 million which together with the \$50 million of new money made \$179 million available.

It is anticipated as it appears in the committee report prepared by the majority that there would be \$30 to \$40 million left over this year which can be reappropriated. Up to the present time out of the contingency fund of this year, \$93 million approximately has been used. This is expected to rise to somewhat more than that, perhaps \$130 or \$140 million may be used in all.

The point I am making is that if there is \$100 million in new money and if there is available for reappropriation \$40 million or so of old money, approximately the same amount will be available next year as is available this year. So by this reduction of \$50 million the program will not be injured. The House, I think, will have acted responsibly in saving \$50 million.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, every year the cuts offered on the floor always turn toward the contingency fund as an easy prey. These funds are not programed for any specific purpose and their uses cannot be planned in advance. It is difficult to argue against cutting them back because no one can say what has been sacrificed.

The figures given by the gentleman from Indiana are correct. Last year this House in its wisdom in its authorization bill did approve \$150 million, and the bill agreed to in conference authorized \$160 million, but there was approximately \$12 million unobligated at the end of last year which reverted to the Treasury. The Committee on Appropriations instead, reappropriated the \$127 million and added it to the contingency fund. Then, they only appropriated \$50 million of new money to the contingency fund. But that cannot happen this year. The gentleman from Indiana, I am sure, is acquainted with the fact that 2

years ago when the Committee on Foreign Affairs felt there were abuses in the contingency fund, we clamped down on the executive and those abuses were stopped. That was as a result of the \$127 million carryover. This year that is impossible.

There have been some unforeseen emergencies which occurred in the past year, which have used all of the \$179 million. It is now estimated that there will be less than \$30 million carryover in the contingency fund. So there will not be a great carryover, to make up for the cut as there was last year.

Without that contingency fund for the past year we would have been in serious trouble in southeast Asia. The transfer of funds from this fund was needed.

I do not believe, considering that the war in South Vietnam is getting hotter by the day, that we dare reduce the contingency fund of the President. I ask that the amendment be defeated.

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

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

Mr. BARRY. I wish to associate myself with the remarks of the gentleman and also to say that under President Eisenhower, under President Kennedy, and under President Johnson the contingency fund has been used sparingly and only for the purposes for which intended. It does not appear that there have been any abuses of this fund. It is a good strategic situation for our Nation to have a fund of money for emergency purposes for foreign policy.

I highly commend the defeat of the amendment, and I support the position of the committee.

Mr. MORGAN. The gentleman is correct. The Executive has assured the Committee on Foreign Affairs that if there is any carryover the appropriation request will be reduced accordingly. No money is wasted out of this fund. There is no logic in tying the hands of the President by reducing the amount, because if he does not spend the money the money will go back to the Treasury.

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

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

Mr. ZABLOCKI. I wish to associate myself with the remarks of the chairman of the Committee on Foreign Affairs. I would like to point out that if there is any question about the past use of the contingency fund, Members of Congress should turn to page 314 of the hearings held before our committee. On that page, there appears a report of contingency fund expenditures, for the period ending March 31, 1964.

As the gentleman from Pennsylvania, Chairman MORGAN stated, the countries in the Far East, in southeast Asia, received the bulk of the money.

Mr. MORGAN. I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ADAIR].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PART II

CHAPTER 2—MILITARY ASSISTANCE

SEC. 201. Chapter 2 of part II of the Foreign Assistance Act of 1961, as amended, which relates to military assistance, is amended as follows:

Mr. BARRY. Mr. Chairman, I ask unanimous consent that the section be considered as read and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ADAIR. Mr. Chairman, with regret I must object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

(a) Amend section 503, which relates to general authority, as follows:

(1) In subsection (c) strike out "and" at the end thereof and in subsection (d) strike out the period at the end thereof and substitute "; and".

(2) Add the following new subsection (e):
 "(e) guarantying, insuring, coinsuring, and reinsuring any individual, corporation, partnership, or other association doing business in the United States against political and credit risks of nonpayment arising in connection with credit sales financed by such individual, corporation, partnership or other association for defense articles and defense services procured in the United States by such friendly country or international organization."

(b) Amend section 504(a), which relates to authorization, by striking out "1964" and "\$1,000,000,000" and substituting "1965" and "\$1,055,000,000", respectively.

(c) Amend section 507(b), which relates to sales, by inserting after "are due" at the end of the first sentence the following: "Provided, That the President may, when he determines it to be in the national interest, accept a dependable undertaking to make full payment within one hundred and twenty days after delivery of the defense articles, or the rendering of the defense services, and appropriations available to the Department of Defense may be used to meet the payments required by the contracts and shall be reimbursed by the amounts subsequently received from the country or international organization".

(d) Amend section 509, which relates to exchanges, as follows:

(1) The section heading is amended to read as follows:

"EXCHANGES AND GUARANTIES".

(2) After the section heading insert "(a)".

(3) Add the following new subsection (b):

"(b) In issuing guaranties, insurance, co-insurance, and reinsurance, the President may enter into contracts with exporters, insurance companies, financial institutions, or others, or groups thereof, and where appropriate may employ any of the same to act as agent in the issuance and servicing of such guaranties, insurance, coinsurance, and reinsurance, and the adjustment of claims arising thereunder. Fees and premiums shall be charged in connection with contracts of guaranty, insurance, coinsurance, and reinsurance. Obligations shall be recorded against the funds available for credit sales under this part in an amount not less than 25 per centum of the contractual liability related to any guaranty, insurance, coinsurance, and reinsurance issued pursuant to this part and the funds so obligated together with fees and premiums shall constitute a single reserve for the payment of claims under such contracts. Any guaranties, insurance, coinsurance, and reinsurance issued pursuant to this part shall be con-

sidered contingent obligations backed by the full faith and credit of the United States of America."

(e) Section 510(a), which relates to special authority, is amended by striking out "1964" in the first and second sentences thereof and substituting "1965".

(f) Section 512, which relates to restrictions on military aid to Africa, is amended by striking out "1964" and substituting "1965".

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: On page 5, immediately after line 3, insert the following:

"CHAPTER 1—POLICY

"SEC. 201. Section 502 of the Foreign Assistance Act of 1961, as amended, containing a statement of policy, is amended by inserting immediately before the last paragraph thereof the following new paragraph:

"It is the sense of the Congress that—

"(1) the President of the United States should use every means to secure the borders of South Vietnam from infiltration by hostile forces and to assist the South Vietnamese in every way in their efforts to win their war for freedom;

"(2) our Nation is committed and must remain committed to the wholehearted support of freedom for South Vietnam and its people and to an end of Communist expansion in southeast Asia as well as everywhere else in the world; and

"(3) there should not remain the slightest doubt that the United States Government is determined to pursue this course of action, and to fully inform the American people of what will be necessary to defend freedom in South Vietnam and in southeast Asia."

"And redesignate the following section accordingly."

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment to section 201 of H.R. 11380, the Foreign Assistance Act of 1964.

There is nothing very complicated about this amendment. It is three short phrases expressing the sense of Congress that:

First, the President should use every means to secure the borders of South Vietnam from infiltration by hostile forces and to assist the South Vietnamese in every way in their efforts to win their war for freedom;

Second, our Nation is committed and must remain committed to the wholehearted support of freedom for South Vietnam and its people and to an end of Communist expansion in southeast Asia as well as everywhere else in the world; and

Third, there should not remain the slightest doubt that the U.S. Government is determined to pursue this course of action, and to fully inform the American people of what will be necessary to defend freedom in South Vietnam and southeast Asia.

This amendment authorizes no additional funds. It ties the hands of no one. It is not in any manner, shape, or form an infringement upon the duties and responsibilities of the President to formulate and execute foreign policy.

It is, in fact, just the opposite. It is a commitment to policies which have been outlined by the President on many occasions in the past.

It is an expression by the Congress of the United States of the determination of our Government and our people to keep our word in South Vietnam and southeast Asia.

I think this expression by Congress is important for a number of reasons.

A great many of us have been disturbed in recent weeks by an apparent wavering of purpose and a lack of sense of direction in our southeast Asia policies by some in high places in our Government.

On April 22, 1963, Secretary of State Rusk declared that no quick victory in Vietnam could be expected. On October 2, 1963, the White House announced that the United States would withdraw 1,000 American troops in the next 3 months, and that a major portion would return by the end of 1965.

Seventy-nine days later on December 20, the troop withdrawal policy was abandoned and Secretary of Defense McNamara assured Saigon that American military personnel would "stay as long as needed." However, just 40 days later on January 29, 1964, Secretary McNamara told us that he still hoped for a withdrawal of U.S. troops by the end of 1965.

Once again the administration has changed its tune. The latest statements I have heard from Mr. McNamara indicate that the Vietnam war will be "long, hard, and very difficult." Now Secretary of State Rusk is talking about an expansion of the war in South Vietnam which would possibly mean an increase in the number of U.S. troops.

Next, we received a request for \$1 billion in military assistance for the coming fiscal year. In testimony before our committee, we are told by no less than the Secretary of Defense that this amount is too low, and that this is all that the administration figures it can get out of Congress.

Some of us took offense at this statement and this intimation that Congress was insisting upon a bargain basement war in South Vietnam.

I offered an amendment in committee to increase the amount of military assistance by \$250 million so that there would be no shortage of adequate arms and ammunition by either the South Vietnamese forces or our own in this vital part of the world.

After another inspection trip to Vietnam by the Secretary of Defense, the President revised his figures for further assistance to Vietnam with a request for an additional \$125 million, including \$55 million for additional military equipment.

The House Foreign Affairs Committee unanimously adopted this request for additional funds.

But I think we must do more. All of us realize that dollars are not the answer to our problems in South Vietnam.

Although we know that we need some updating of equipment there, and that this updating is finally taking place after considerable congressional persuasion, more and better arms are not going to solve our problems, either. Past experience indicates that a fairly large percentage of this new equipment and arms will

simply end up in the hands of the Vietcong anyway.

What is needed in South Vietnam, more than dollars, more than arms, more than all the mollifying statements of governmental propagandists and press agents, is a reason to fight.

There has been almost constant war going on in South Vietnam for the past 23 years. There are many adults in Vietnam who have known nothing but war: First, under the occupation of what was then Indochina by the Japanese in the early days of World War II, next the efforts to gain independence from French rule following the war and finally this resistance to the efforts of the Communists to wrest this rich land from its citizens and place it behind the Bamboo Curtain.

In an article which appeared in U.S. News & World Report Mr. Robert L. Moore, Jr., who went into combat with our special forces in Vietnam, described this battle as the "war of no thanks." There could not be a more apt description.

A great many Americans who are assisting the war effort in South Vietnam fail to realize why we are there. They are there because they were ordered there, and for no other reason.

Those Americans who do understand the necessity of winning in South Vietnam, of keeping southeast Asia out of the hands of the Communists, feel that we Americans back home do not know why men are dying so many miles from home.

They are probably right. Most Americans do not know why we are so deeply entrenched in southeast Asia. Most fail to comprehend the fact that this is the anchor of the southern end of our defense line in the Pacific. They fail to realize that the Communists want not only South Vietnam, but all of the rest of what was once Indochina, and the Malay Peninsula, across the Malay Straits into Indonesia. Next target on the list would be Australia.

Does this sound fantastic? A look at the map should convince anyone that this is the Red Chinese scheme for conquest.

If Laos and South Vietnam fall, then the next immediate targets would be Cambodia and Thailand. Both have tiny armies and could be infiltrated and overrun quickly.

Next down the line is Malaysia, and Malaysia is already feeling the pressure of the threat of war from its huge neighbor to the south, Indonesia, a neighbor whose leader, Sukarno, has declared he will stamp out Malaysia and who is well supplied with Soviet arms and military equipment.

The Chinese Communists want the rich resources of southeast Asia badly. Here is the world's rice bowl which could end Red China's perennial problem of growing enough to feed its people. Here is the tin, the rubber, the oil, the other minerals and food and fiber crops the Reds need to continue their attempts at conquest in other parts of the world.

There should be no doubt in anyone's mind just who the Red Chinese consider the No. 1 enemy in the world.

If there is any doubt in the mind of any American, I assure you there is no

such doubt in the mind of Mao Tse-tung and the other leaders of Red China.

They have said, time and again, on occasion after occasion, that the United States is the prime target of the Communists in the world.

We are the symbol of capitalism. We are the major obstacle in the path of an eventual Communist takeover. As long as we, the United States, exist, as long as we have the highest living standards in the world and we still have our freedom, then we are a constant rallying point for freedom.

As long as there is freedom in the world, the people in the world will not be satisfied with communism.

The war in South Vietnam is a war by the people of Vietnam to maintain their freedom and to keep from being swallowed behind the Chinese wall of woe and despair. Undoubtedly, that is the reason why so many thousands of South Vietnamese are continuing their resistance, are fighting this battle.

But this war is also something else. It is an indirect, but nevertheless real, confrontation between the United States and Red China. The troops and the training forces we have in South Vietnam, the arms, the ammunition, the equipment we have there is to stop this fire of Communist imperialism and colonialism from spreading and growing until it is too large to contain.

The South Vietnamese know that once we have contained this fire, once we have cleared the countryside, we will eventually get out and go home. The South Vietnamese are equally certain that if the Communists ever get a foothold in southeast Asia, they will never leave. South Vietnam will be swallowed up by Communist imperialism as if it never existed.

The South Vietnamese are aware of these threats to their freedom. They have lived with them for years. If they are disillusioned and confused by our on-again, off-again policies in South Vietnam, I think these are understandable emotions.

What the South Vietnamese people need, what their soldiers need, what the 16,000 American troops and military advisers in South Vietnam need, for that matter, is a clear-cut, forthright statement of what we intend to do there and how we intend to win, not simply hold our own.

In this, the President and his administration and the Congress must speak with one voice and dedicate ourselves to one purpose. That is to provide the means, whether they be military, economic, political, or moral, to commit ourselves to victory in this important part of the world.

Our soldiers and our military advisers in South Vietnam are not afraid to die, and many have given their lives in this struggle. We at home at least have the responsibility to tell them why some must die in this bitter jungle war where the enemy is a shadow and death is a step away.

The least we owe these men is a unity and a pledge of our continued support to an effort which must be won.

Mr. Chairman, I urge adoption of this amendment.

Mr. Chairman, our distinguished colleague, the gentleman from New York [Mr. BARRY], has received a letter from our former Ambassador to Thailand, the Honorable Kenneth T. Young, Jr., in which he outlines the problems we face in southeast Asia and the steps we might take to solve these problems, particularly in South Vietnam.

What Mr. Young has to say makes a great deal of sense, and I am inserting the copy of his letter to Mr. BARRY in the RECORD.

NEW YORK, N.Y.

The Honorable ROBERT R. BARRY,
House Office Building,
Washington, D.C.

DEAR BOB: The news about Laos, Vietnam, and southeast Asia certainly looks grim. I read with interest but some concern the President's statement urging additional funds for Vietnam. I strongly support this, but I think we need to go into some fundamentals before we add on more economic and military assistance. I would hope that the Foreign Relations Committee would look into these and other possible questions so that we might get a winning strategy in southeast Asia.

May I take this opportunity to list three areas which I think are fundamental. I do this as a private citizen who has had some experience in southeast Asia over the past 15 years and who spent the last 3 years out there as Ambassador to Thailand and SEATO representative.

- The three areas are:
- (1) Lack of public understanding and commitment in America.
 - (2) Lack of political priority and political approach in Vietnam.
 - (3) Lack of a strategic defense in southeast Asia.

May I make just a few comments on each of these.

1. Lack of public understanding or commitment in America: As you know from our conversations in Bangkok and in Washington since I returned, I have been concerned that our position in southeast Asia was weakening partly because of a lack of understanding of the issues here at home. If there had been strong public opinion and legislative support 3 years ago, I think we could have negotiated a much more effective settlement in Laos as well as stronger program in Vietnam. The crux of the matter is the continuing ambivalence of whether or not to resort to allied military intervention to stop Communist aggression by creepage. Since I have returned, I have talked with some 20 groups of well-informed Americans in the Washington, New York, and Boston areas. I am discouraged by the dismay, criticism, and demoralization which these men and women demonstrate by their questions. They do not understand what is going on in southeast Asia even though they are well informed. They seem responsive to my urging for a broad commitment of U.S. power to hold the line there. So I would like to ask you whether or not it would be possible for the House Foreign Affairs Committee and the Senate Foreign Relations Committee to issue a joint statement of legislative intent regarding southeast Asia. If this were short and forthright, it would meet the first requirement for our southeast Asia position—the support of the country—which I don't feel we have today, at least among well-informed groups in the East.

2. Lack of political priority and political approach: We continue to make the mistake of militarizing the situation in Vietnam. We have done a great many things and I have the greatest respect for Bob McNamara. He has done wonders. But the problem is

basically psychological and political—not military, not hardware and not production schedules, although these are needed. As I tried to urge on the administration 3 years ago, the Vietnam problem is like a two-wheel bicycle—the front wheel is political and the back wheel is military. You need both for speed and momentum; you need the political one in front, and if you lose either the whole thing collapses. From talks I have had with Vietnamese, Americans and some non-French Europeans, we are not getting across politically through the Vietnamese Government. The villager knows what he wants and will work with his own organizations. The Vietnamese distrust soldiers, policemen and government officials. Yet it is through these and more of them that our policy in Vietnam is trying to turn the tide of a losing battle. That just will not work. Instead we need a new political approach in the villages through organizations of their own choosing such as cooperatives, the Confederation of Vietnamese Workers and farmers' volunteer organizations. The government also needs to revolutionize its village agents and administrators. Their attitudes have been neocolonial. In fact, the whole approach to villages should be civilianized before the political and military are brought in for the necessary security. The tactic of mobile development units, which in Thailand were essentially civilian in appearance, might have some application in certain parts of South Vietnam where constant guerrilla warfare is now taking place.

I would like to see the President's message stress these political approaches for us before listing the needed increase in military and economic assistance. And I would hope that your committee could explore this political question constructively to develop a positive approach to mobilize the majority of the Vietnamese rural population for their own cause. This will be difficult, yes; and it will take time, certainly; but until we go after and get a successful political formula in Vietnam—which we have not had for years, I know—no amount of equipment and aid will save South Vietnam.

3. Lack of strategic defense line in southeast Asia: Our position continues to deteriorate because we treat southeast Asia piecemeal in separate compartments while the Communists deal with Laos, Vietnam, Thailand, Cambodia and Malaysia as one political and military zone of operations. We should establish an allied line of ground and air deployments in Thailand, southern Laos and the northern part of South Vietnam. We should also use air strength in hot pursuit in Laos and North Vietnam to injure the sanctuary of the Communists and increase the cost to them by such actions. I do not believe this would escalate the fighting in southeast Asia. But I doubt whether sending Marines again just to Thailand or carriers of the 7th Fleet to the Gulf of Tonkin will scare Peiping and Hanoi if we are not clearly and presently prepared to use power in Laos and Vietnam. There is the keystone holding back the avalanche about to crumble on us in southeast Asia.

So, I am convinced that if we move vigorously along these three lines to reinforce our policies of support for Thailand and Vietnam, we will turn the tide in southeast Asia and prevent what may become the inevitable collapse of the whole free world position from Tokyo to Teheran in all of Asia. Those are the stakes at issue today.

The Communists are smart and tough. They are exploiting the immobility of an American election year just as they did in 1960-61. Why do we let them get away with this again? But this time with much more serious consequences for us and our friends in southeast Asia.

Despite our electoral differences, I think we should unite for a commitment to the

preservation of an independent southeast Asia.

If I can be of help to you or the committee in this crisis, please let me know. I am sending personal letters along these lines to Senators HUMPHREY, JAVITS and MCGEE and to HENRY REUSS.

All the best.

Sincerely,

KENNETH T. YOUNG, Jr.

Mr. MORGAN. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I should like to ask the gentleman from Michigan [Mr. BROOMFIELD] one or two questions. This is the sense resolution that the gentleman introduced in the House on May 21; is that correct?

Mr. BROOMFIELD. That is correct.

Mr. MORGAN. This was during the markup on the foreign aid bill. I think by the time the gentleman introduced this resolution we had passed the place in the bill where he could make these additions to the bill. The gentleman introduced House Joint Resolution 1034, a joint resolution, a sense resolution pertaining to Vietnam. I know of the gentleman's great interest in South Vietnam. I know that he made a trip there with a subcommittee of the Committee on Foreign Affairs last fall. He has given a great deal of attention to this area of the world.

Mr. Chairman, I am just wondering if the gentleman would be willing to withdraw his sense resolution that he wants to make part of the Foreign Assistance Act this year if we would assure him that he would have a hearing before the Subcommittee on the Far East on the resolution which he introduced on May 21, 1964.

Mr. BROOMFIELD. In view of the gentleman's statement I shall be delighted to withdraw my amendment, on the basis that we will have a hearing on a sense resolution at a later date.

Mr. MORGAN. I thank the gentleman.

Mr. BROOMFIELD. Mr. Chairman, I ask unanimous consent to withdraw my pending amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AMENDMENT OFFERED BY MR. BROOMFIELD

Mr. BROOMFIELD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOMFIELD: On page 6, line 2, immediately before the period insert the following: ", and by adding at the end thereof the following new sentence: 'Of the funds made available for the fiscal year 1965 to carry out the purposes of this part, not less than \$200,000,000 shall be available solely for use in Vietnam, unless the President determines otherwise and promptly reports such determination to the Committees on Foreign Relations and Appropriations of the Senate and to the Speaker of the House of Representatives.'"

Mr. BROOMFIELD. Mr. Chairman and members of the Committee, the amendment I offer would be a further commitment to victory in South Vietnam.

It would earmark not less than \$200 million in military assistance under this bill for use in Vietnam.

This money would be exclusively designated for this purpose unless the President should determine otherwise and promptly reports this determination to the Senate Foreign Relations and Appropriations Committees and to the Speaker of the House.

In effect, this amendment supplements the other amendment I offered earlier in the day and which stated the sense of Congress to remain committed to freedom in South Vietnam.

It is another way of stating that the United States intends to stick by its friends. It serves notice to the Communists that we have no intention of abandoning this fight nor of giving this war less than our full attention and support.

As with the previous amendment, I would like to make it perfectly clear that this amendment should not be interpreted in any manner or means as an attempt by the Congress to dictate foreign policy to the President. It is not.

It is further support by Congress of a foreign policy objective which has been outlined by the President and the executive branch on many occasions.

It is a declaration, in essence, that no matter which party prevails in the congressional elections next fall, or who is in the White House next January that our Nation will speak with one voice for freedom in South Vietnam and will act in concert to attain this objective.

Past experience should have taught us by now that the Communists like to create crises and make their pushes for power while the United States is preoccupied with political campaigns.

Few of us will forget the Cuban missile crisis during the last congressional campaign, or the manufactured efforts in Berlin to catch us off guard while our attentions were turned inward on our own political problems.

We should not be at all surprised if we see a full-blown crisis in South Vietnam or another part of southeast Asia later this year which would make our present troubles look like a tempest in a teapot.

We should make it abundantly clear right now to the people of South Vietnam that we intend to stand by them if the war there and in Laos is escalated further. We also should make it perfectly clear to Red China that we will not turn our backs on this crisis because of the domestic decisions our voters will be making in November.

May I urge my colleagues on both sides of the aisle to support this amendment as is proposed.

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

Mr. BROOMFIELD. I yield to the gentleman from Florida.

Mr. FASCELL. Is it not true right now that without the amendment which has been offered by the gentleman from Michigan earmarking the use of funds in Vietnam that there is no provision in the Foreign Assistance Act which would limit the amount of military assistance funds which could be used by the President, including Vietnam?

Mr. BROOMFIELD. That is correct.

Mr. FASCELL. And if the gentleman will yield further, under the present law the President could use all of the funds he so desired in Vietnam or any other country in which there was an emergency?

Mr. BROOMFIELD. Actually, that is probably correct. I still contend that although we talk about a bare-bones request in military assistance—we should provide \$200 million more in the military assistance program alone in order to do the right kind of job during the next fiscal year.

Mr. FASCELL. If the gentleman will yield further, it is because of the gentleman's belief along this line that he has offered this amendment earmarking not less than this amount of money?

Mr. BROOMFIELD. That is correct.

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

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

Mr. GALLAGHER. I feel that the amendment which has been offered by the gentleman from Michigan supports President Johnson's announced intention of carrying on the purposes of the United States in Vietnam. In view of the President's request for additional funds I believe this amendment is supportive of that goal and as such I am authorized by the committee to say that we will accept this amendment which is similar to the one which was offered earlier by the gentleman from New Jersey [Mr. FRELINGHUYSEN].

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

Mr. BROOMFIELD. I yield to the gentleman from Delaware.

Mr. McDOWELL. I agree that the gentleman's broad statement of purpose is the sense of Congress and I believe it truly expresses the wishes of the Members of Congress to defend the people of South Vietnam and to put an end to Communist aggression there.

But I am a little bit confused about the gentleman's purposes as expressed a few moments ago when he stated the problem in South Vietnam was not a military problem. He stated it was something else. Now he thinks it is a military problem, and we are not spending enough money.

Mr. BROOMFIELD. I am sure the gentleman realizes there is more than a military problem involved there. There are other problems involved such as political.

Mr. McDOWELL. That is not a problem of money. It is a problem of government policy.

Mr. O'HARA of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it had not been my intention to speak on any amendments offered today. I had hoped that in loyalty to the President and in the spirit of national unity no amendment would be adopted. I am speaking now under a great handicap. I understand the committee has accepted an amendment which I think is a fatally bad amendment. It is not only silly, but it is insincere and it strikes at the very heart of

what the President proposes. I am going to vote against this amendment.

I have no hope of defeating it inasmuch as the committee, I think taken off guard, has accepted it, but I hope there will be some members of the committee who may show their agreement with me and at least not permit the adoption of what I regard as a viciously bad amendment by default and without some show of opposition. There are times when a dozen or more Members voting in opposition to that which to them is unsound and unwise can render a service to their country beyond calculation.

Mr. DERWINSKI. Mr. Chairman, I rise in support of the present amendment.

Mr. Chairman, if I understand the situation the amendment offered by the gentleman from Michigan [Mr. BROOMFIELD] has been accepted by most Members on the majority side. However, in view of the comment just made by my illustrious neighbor from Illinois, I feel it necessary for me to clarify the RECORD on Mr. BROOMFIELD's behalf. It is a fact that Mr. BROOMFIELD's modesty prevents him from properly explaining to the House the key role he has played in recent developments. As a matter of fact, early in the deliberations by our committee on this foreign-aid bill the gentleman from Michigan [Mr. BROOMFIELD] in his questions directed to witnesses consistently emphasized his concern over the lack of sufficient funds for Vietnam. As a result of his persistent and courageous prodding, after one of the numerous trips which Secretary McNamara took to Vietnam he in effect accepted Mr. BROOMFIELD's suggestion. So it is a fact that it is Mr. BROOMFIELD's consistent interest in this subject that has brought about the direct request by the executive branch for additional funds for Vietnam.

Personally, I do not think the gentleman from Michigan [Mr. BROOMFIELD] should have been so diplomatic as to permit the Presidential waiver to be incorporated into his amendment, but that is his policy position, not mine. However, I do desire to emphasize to the House that it was Mr. BROOMFIELD's leadership that has produced this situation that we have this afternoon, where the committee has in effect accepted the earlier amendment by the gentleman from New Jersey [Mr. FRELINGHUYSEN] and this amendment by the gentleman from Michigan [Mr. BROOMFIELD], reassuring the American public that additional funds will be earmarked for Vietnam, that our troops will be properly equipped and properly supported, and there may be some chance of success in that country. I believe the gentleman from Michigan [Mr. BROOMFIELD] in this case is clearly a prophet without honor and deserves the recognition of the entire membership.

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

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

Mrs. KELLY. Mr. Chairman, it is not a fact that the author of this amend-

ment was alone in seeking adequate aid to enable Vietnam to pursue successfully its struggle for freedom. The increased authorization included in this bill came about as a result of united action on the part of the President and the Committee on Foreign Affairs. I deeply regret that the inference has been made that a single Member achieved this result. I sincerely believe all of us support the action of the President of the United States who requested these additional funds, and of the Committee on Foreign Affairs which recommended that his request be granted. Further, while we are on this subject, my natural humility will have to take the back seat for a moment: I want to point out something that is in the RECORD—namely, that I was first to propose, when Secretary McNamara was before our committee, to offer an amendment increasing our aid for Vietnam. At that time I asked him this question:

Mr. Secretary, I, too, am perturbed about this statement that my colleague from Indiana mentioned. You are responsible for the military section of this bill, for the formulation of policy, administration, and operations; is that correct?

Secretary McNAMARA. That is correct.

Mrs. KELLY. If you have the time to come up with the added amount that you will need in fiscal 1965, I will be very glad to introduce the necessary amendment in the committee and we'll see where the chips will fall.

I hope the Members of the House feel that we are united in this action of backing up the President of the United States.

Mr. DERWINSKI. To again clarify my statement, I repeat that the man who courageously battled for this point until some degree of realization finally entered into the Defense Department was the gentleman from Michigan [Mr. BROOMFIELD]. The gentlewoman from New York is a most able independent and effective member of the Foreign Affairs Committee. As the result of this wonderful effort she no doubt added emphasis, we now note some success.

The question was taken; and on a division (demanded by Mr. ROONEY of New York) there were—ayes 76, noes 17.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read. The Clerk read as follows:

PART III

Chapter 1—General provisions

Sec. 301. Chapter 1 of part III of the Foreign Assistance Act of 1961, as amended, which relates to general provisions, is amended as follows:

(a) In section 620(f), relating to prohibitions on furnishing assistance to Communist countries, immediately after "Union of Soviet Socialist Republics" insert the following: "(including its captive constituent republics)".

(b) Amend section 620(k) by striking out "1964" each place it appears and substituting "1965" in each such place.

(c) In section 620(m), relating to prohibitions on furnishing assistance to Cuba and certain other countries, after "during" insert "each" and also strike out "1964" and "\$1,000,000" and substitute for the latter "\$500,000".

AMENDMENT OFFERED BY MR. FRELINGHUYSEN

Mr. FRELINGHUYSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FRELINGHUYSEN: On page 7, between lines 24 and 25, insert the following:

"(a) Amend section 601 (c), relating to the Advisory Committee on Private Enterprise, as follows:

"(1) In paragraph (4), strike out "December 31, 1964" and substitute "June 30, 1965".

"(2) In paragraph (5), strike out "\$50,000" and substitute "\$100,000 for all costs necessary to the committee's operations".

On page 7, line 25, strike out "(a)" and insert "(b)".

On page 8, line 4, strike out "(b)" and insert "(c)".

On page 8, line 7, strike out "(c)" and insert "(d)".

Mr. FRELINGHUYSEN. Mr. Chairman, yesterday during debate on the bill I indicated that I would offer an amendment with respect to the Advisory Committee on Private Enterprise. You will recall that an Advisory Committee was authorized when the foreign aid bill was passed last year. At the time when this bill was passed it was provided that the final report of this committee should be completed no later than December 3, 1964. However, it was not until the end of May, and I have here a release dated May 26, 1964, that the White House announced the actual formation of this Advisory Committee on Private Enterprise. It is to be under the chairmanship of Arthur K. Watson, president of the IBM World Trade Corp. In addition to Mr. Watson, there are distinguished members of this committee including—

Ernest C. Arbuckle, Menlo Park, Calif., dean of the Graduate School of Business of Stanford University.

Joseph A. Beirne, president of the Communications Workers of America, AFL-CIO, Washington, D.C.

William T. Golden, investment banker, trustee, and member of the executive committee of the System Development Corp., Santa Monica, Calif.

Henry T. Heald, New York City, president of the Ford Foundation.

Kenneth D. Naden, executive vice president of the National Council of Farmer Cooperatives, Washington, D.C.

Edith Sampson, Chicago, judge of the Circuit Court of Cook County, Ill.

Sydney Stein, Jr., Winnetka, Ill., member of the firm of investment counselors of Stein, Roe & Farnham, Chicago.

Murray A. Wilson, Salina, Kans., former president of the National Society of Professional Engineers.

My amendment is intended to give this new Committee an opportunity to come up with a meaningful report. It would postpone the deadline for the submission of such a report until June 30 of next year.

In addition, we now have a projected budget for this Committee which indicates that costs will run approximately \$100,000 rather than \$50,000.

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

Mr. FRELINGHUYSEN. I am glad to yield to the chairman of the committee.

Mr. MORGAN. As I indicated to the gentleman yesterday during general de-

bate when he made some remarks on the bill and mentioned this situation, I look with favor on this amendment.

I remember the enactment of the legislation creating this Committee very well. It was adopted in conference. It was proposed in the other body by the distinguished Senator from New York, Mr. JAVITS.

The gentleman has said that on May 26 the President appointed the distinguished Advisory Committee which he named. It is too late for them to do their work and report by December 31, 1964.

Also, when the Committee was first appointed by the President, the \$50,000 authorized in the original request of last year was deemed not sufficient.

I believe the amendment of the gentleman from New Jersey to increase the amount to \$100,000 is necessary if we are to do the job. I look with favor on the amendment. I will not oppose it.

Mr. FRELINGHUYSEN. I thank the gentleman.

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

Mr. FRELINGHUYSEN. I am glad to yield to the gentleman from Indiana.

Mr. ADAIR. I join with the gentleman from Pennsylvania in saying that this seems to be a worthwhile amendment. If the committee is to function effectively, it must have an opportunity to do so. It has not had and will not have, in the limited time available to it, that opportunity.

I believe the gentleman's amendment should be adopted.

Mr. FRELINGHUYSEN. I thank the gentleman.

We are all interested in encouraging private enterprise to find its way overseas constructively, and I hope this committee will come up with some constructive suggestions.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. FRELINGHUYSEN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TEAGUE OF TEXAS

Mr. TEAGUE of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TEAGUE of Texas: on page 7, immediately after line 24, insert the following:

"(a) Section 601, which relates to the encouragement of free enterprise and private participation, is amended by adding at the end thereof the following new subsection:

"(d) It is the sense of Congress that the Agency for International Development should continue to encourage, to the maximum extent consistent with the national interest, the utilization of engineering and professional services of United States firms (including, but not limited to, any corporation, company, partnership, or other association) or by an affiliate of such United States firms in connection with capital projects financed by funds authorized under this Act."

Mr. TEAGUE of Texas. Mr. Chairman, it is the present policy of AID that for engineering and construction associated with the projects financed by AID,

the selection of engineers, the negotiation of contracts, and the award of construction contracts is the responsibility of the applicant or recipient country.

While it is true that because of a requirement by the Foreign Aid Act the agency must approve the selections of contractors, this is on an after-the-fact basis, puts the agency people on the defensive to prove any reason for nonapproval—and should they do so would be so unnecessarily embarrassing to the other countries or to influential contractors that it seldom happens. Furthermore, there is an agency tendency to delegate authority for such actions to the country missions, where there is a strong tendency to agree with country actions in such cases. In addition, by a procedure of financial participation, particularly in Latin America, in intermediate financing institutions, the legal requirement for U.S. approval is construed as no longer applicable.

I have been informed by many substantial representatives of the engineering profession that they know directly of instances when considerations other than ability—kickbacks, bribes, personal favors, reductions in fees—have been predominant in selection of the engineer or contractor made by the country, and I understand that the Agency has some evidence of this too.

I have also been informed by professional people that there are many instances where this U.S. financed engineering and construction work is awarded to other than U.S. firms. While the agency policy is alleged to favor U.S. firms, there is a proviso having to do with contracts under \$5 million which permits, in preference equal to a U.S. firm, selection of local firms in which there is "substantial U.S. participation". In most of the developing countries in this world, it is not too difficult for a firm largely made up of other nationals who may or may not have been resident in that country for some time to qualify themselves with "substantial U.S. participation", and I have had brought to my attention sufficient evidence of this happening to convince me that it does.

Professional people have also called to my attention the fact that it seems to be very difficult for new firms to "break in" to work financed by AID throughout the world. They imply that firms currently in business in countries and areas within the AID organization seem to be perpetuated. This would tend to be substantiated by the fact that nearly half of the money in current AID-financed engineering contracts has been awarded to 10 to 15 firms—compared to nearly 1,000 registered with AID.

Many professional representatives have told me that in discussions related to their professional qualifications, the borrowing country representatives have bargained with them and other firms during the selection interviews. Several people have also commented that after they have completed negotiations with the countries concerned, their contracts when referred to the agency have been held up or changed or questioned in the

approval process, frequently upsetting the terms upon which they have negotiated and agreed.

People in both the engineering profession and the construction business have told me that in the negotiations phases of contracting with these borrowing governments, they are often exposed to restrictions or requirements which, in their opinions and experience, are often not proper, not ethical, not in accordance with accepted U.S. practices, often not in the best interest of the United States—this is U.S. money.

It is my understanding that professional groups have brought these factors to the attention of the agency and have attained little if any responsive action.

Mr. Chairman, this amendment in a mild way tells the agency that there should be more and better utilization of American firms in our foreign aid program. It is my understanding that the chairman is willing to accept the amendment. If so, I shall be glad to yield back the remainder of my time.

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

Mr. TEAGUE of Texas. I am glad to yield to the gentleman from Pennsylvania.

Mr. MORGAN. On April 24, the gentleman from Texas introduced a bill, which was referred to the committee. The bill went much further than the gentleman's amendment.

Yesterday I was glad to work with the gentleman from Texas and to come up with this language. This language is acceptable to the committee, and the committee has no objection to the amendment.

Mr. TEAGUE of Texas. Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. TEAGUE].

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I wish to ask the gentleman from Texas if the AID outfit needs any encouragement to enter into more and bigger contracts with respect to foreign aid—cost-plus-fixed-fee contracts and all other kinds of contracts? Is this what the gentleman's amendment would do? Would it encourage more contracting out instead of in-house administration of this program?

Mr. TEAGUE of Texas. I believe the amendment pretty well explains itself. It says that the Agency will encourage to the maximum extent the utilization of American firms and professional services.

Mr. GROSS. This seems to me to be encouraging the giveaway outfit to contract out its work. They have some 70,000 people on the payroll now. How much more are they going to get?

Mr. TEAGUE of Texas. If the gentleman wants to interpret it that way, that is his business. It is a dumb interpretation in my opinion.

Mr. GROSS. Mr. Chairman, I demand that the gentleman's words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

Mr. TEAGUE of Texas. Mr. Chairman, I ask unanimous consent that the words that were taken down be withdrawn from the RECORD.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. TEAGUE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: Page 8, line 3, add a new subsection, subsection (b), to read as follows:

"(b) Amend Section 620(i) relating to prohibitions on furnishing assistance to countries which the President determines are engaging in or preparing for aggressive military efforts against certain other countries to read as follows:

"(1) No funds authorized to be made available under this Act (except under Section 214) shall be used to furnish assistance, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to the United Arab Republic (Egypt) unless the President determines that the United Arab Republic (Egypt) is not engaging in, preparing for, promoting, or stimulating aggressive military efforts against Israel or any other country in the eastern Mediterranean, and unless the President also determines that the furnishing of such assistance is essential to the national interest of the United States. The President shall keep the Congress fully and currently informed of any assistance furnished to the United Arab Republic (Egypt) under this Act."

Mr. HAYS. Mr. Chairman, I reserve a point of order against the amendment.

Mr. STRATTON. Mr. Chairman, the effect of this amendment is very simple. It is to cut off all aid, except aid to schools and hospitals, to Nasser's Egypt. The reason I offer this amendment and the reason I feel it ought to be included in the bill is that Mr. Nasser by his actions has now clearly demonstrated that the policy of his country is detrimental to the interests of the United States in the vital tinderbox of the Middle East. Just take a look at some of the things Mr. Nasser has done recently.

First of all he put pressure on the State of Libya to try to get them to take away the important Wheelus Air Force Base located there. If that base were to be taken away, the effectiveness of our Air Force in Western Europe would be seriously impaired because we have no target ranges available on the continent of Europe.

Second. Mr. Nasser has been doing everything he could to stir up war on Cyprus, a move that would have the effect of starting a war between Greece and Turkey, thereby destroying the effectiveness of the NATO alliance on the important southern flank of the Soviet Union.

Third. Mr. Nasser has been engaged in additional military adventures in Yemen, a move which is also designed to stir up

the situation and impair the peace and stability of the Middle East.

Finally, the evidence is now clear that Mr. Nasser continues to spend millions of dollars every year to underwrite the activities of German scientists in Egypt whose only object is to try to develop high-powered military weapons, nuclear if possible, clearly directed against the freedom and independence of the State of Israel.

The Washington Post on May 4 indicated that as a result of these activities Egypt is emerging as an atomic power with light missiles that could kill by fall-out and that could destroy Israel's small and highly concentrated centers of population.

It makes no sense for us to continue to subsidize these activities with American taxpayers' money. We have tried to express our thoughts on this matter before. Last year we included in the bill a section which my amendment would now amend which would withhold aid from any country that the President found was engaging in or preparing for aggression. But no such determination has yet been made. My amendment would simply rewrite this section to put the shoe on the other foot. The adoption of this amendment would automatically cut off all aid to Egypt, and it could not then be restored unless the President found that Egypt was not engaged in this aggressive action or in promoting war or subsidizing it or stimulating it, and if he also found that this assistance was vital to the security of the United States.

This is a mutual security bill. The elimination of aid to Mr. Nasser would help us insure the peace in the Middle East. It would contribute to the peace and security in this vital area and it would thus promote our own security.

Mr. Chairman, I urge the adoption of my amendment.

The CHAIRMAN. Does the gentleman from Ohio [Mr. HAYS] desire to pursue his reservation of a point of order?

Mr. HAYS. Mr. Chairman, I withdraw my reservation of the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. FARBSTAIN. Mr. Chairman, I rise in favor of the amendment.

Mr. Chairman, I feel that Egypt has forfeited its right to any assistance from the United States.

Despite the fact that we are feeding half of its people through Public Law 480, the United Arab Republic is diverting this benefit for the purpose of obtaining munitions to make trouble for this country and its friends and allies. By supplying the United Arab Republic with foodstuffs we are permitting them to exchange their cotton for Soviet arms; indirectly we are subsidizing the Soviet munitions industry in the flow of Russian arms through Cairo to some of the newly developing African nations.

I am informed that Nasser's regime has received many new Komar-class missile ships, SA-2 ground-to-air missiles, Mig 21 jets equipped with air-to-air missiles, as well as Tupolov 16 and

Ilyushin 28 bombers. No less than 1,000 first line operational tanks, so modern and up to date that they are being used today in the Russian Army itself in its vast military establishment have arrived in the United Arab Republic creating a dangerous imbalance, tempting Nasser to aggression against Israel. The Egyptian Navy now has 10 submarines, 9 of them of the W type. Even more dangerous is the feverish Egyptian activity to develop two types of ground-to-ground missiles in the shortest possible time.

Should we continue to subsidize Nasser's obtaining Russian arms and training Egyptian officers in Soviet military bases? Russian arms are flowing through Egypt and causing trouble in Aden and potential trouble in such African nations as Ghana, Guinea, Mali, and others. Egypt has become a transit point for Russian arms being transhipped to Cyprus to exploit the chaos there. It is my opinion that she is responsible for the difficulty we are having in Libya. As the result of her efforts we are being compelled to give up our rights to air bases in that country. How long are we going to support the United Arab Republic that is keeping 40,000 of its troops in Yemen, despite its agreement to have them withdrawn? Should we assist a known troublemaker to grow strong—a country that has violated the Convention of 1888 which would allow ships of any nation in war or peace to pass through the Suez Canal; a country that has threatened to drive Israel into the sea at a time and place of its own choosing—that is to say, when it feels strong enough to be able to do so; a country that has made evidence of its imperialistic designs throughout the Near East?

Let us not be deceived as we were with Hitler's "Mein Kampf." We must take this man at his word. I believe that he should be brought down to size; and there is no better way to do this than to deprive him of the assistance that he obtains in this country which on his own he is continually insulting.

Why should we assist him and enable him to pay for the importation of West German scientists to build weapons of terribly destructive powers; that has created an underground which has been spiriting Nazi war criminals into the United Arab Republic, Spain, and South America for two decades and, most recently brought Nazi war criminal Hans Walter Nentzwith to Cairo?

Let us once and for all remove the fangs of this serpent which will make for a peaceful Near East.

Khrushchev's recent Cairo performance offers scant hope that the Soviet Union will forego the opportunities to exploit Near East conflict in order to promote its own imperialistic interests. Our policymakers should carefully examine Nasser's intentions in the light of the Cairo communique. Is Nasser, who drops bombs in Yemen and hurls threats on Israel, a force for stability to be strengthened by the American people without concern or question? Or is he a menace

whose threats must be taken at his angry word and whose expansionism must be countered by reinforcing those whom he threatens?

Critics have charged that U.S. policy in the Near East has been inhibited by fear that if we displease the Arabs they will react by adopting Moscow's line. The new Cairo communique demonstrates that Nasser has gone far to identify himself with Khrushchev's cardinal objectives. There is no doubt in my mind that Khrushchev's 16-day tour of Egypt represented a gain for international communism and a setback for the free world.

Let me remind you that U.S. economic aid to Egypt will exceed \$1 billion by the end of 1964 and this is larger than Moscow's economic aid. We do not attempt to compete with Moscow's military aid. Despite our assistance the West has not won the plaudits that Khrushchev gained when he presided over the diversion of the Nile at Aswan.

Before Khrushchev left, Nasser's own statements had reassured him on his conception of Arab unity. For Nasser said:

There is no room for feudalism or for capitalist exploitation in the national societies which the Arab masses have created. For these are the basic supports of the imperialists, and they are the enemies of the masses. Arab unity can be established only on the basis of unity and socialism.

Dear friend, you are standing now among the vanguard of the Arab working people who are waging a holy war for their revolutionary aims. They know that they are fighting feudalism and capitalist exploitation.

We feel that the Arab revolution does not stand on its own. We are part of the great alliance of the forces of the world revolution which are fighting imperialism and backwardness. In this revolution the movement for national liberation which is sweeping through Asia, Africa, and Latin America stands by the side of the forces of the Socialist camp which have already achieved so much.

And now Mr. Nasser, according to reports, is staging managing the war by Somalia against Ethiopia, the oldest Christian country in the world and one of our few friends in that area. He is assisted, of course, by his old friends, the Soviets and Communist Chinese. Here again we are to be driven out from our No. 1 tracking center at Asmara in northern Ethiopia and Haile Selassie and the government which controls the headwaters of the Nile are to be knocked out.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I know this is an emotional issue. Everybody knows of the conduct of Mr. Nasser. But I want to say that there is something already in the Foreign Aid Act which was introduced by the gentleman from New York [Mr. FARBERSTEIN] that does not name any particular country which is stronger than the amendment offered by the gentleman from New York [Mr. STRATTON].

I dislike any amendment that names the particular countries.

In my 20 years in Congress, since Israel became an independent nation in

1948, I have supported it strongly. I have many friends among American Jews in this country, and I feel they do not want an amendment of this kind. This amendment is not going to do Israel any good.

I want to read the language that is already in the law. This is section 620 that the gentleman from New York is trying to amend:

(1) No assistance shall be provided under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which the President determines is engaging in or preparing for aggressive military efforts directed against—

(1) the United States;

(2) any country receiving assistance under this or any other Act, or

(3) any country to which sales are made under the Agricultural Trade Development and Assistance Act of 1954, until the President determines that such military efforts or preparations have ceased and he reports to the Congress that he has received assurances satisfactory to him that such military efforts or preparations will not be renewed. This restriction may not be waived pursuant to any authority contained in this Act.

So, what the gentleman from New York is trying to do is to restate what is already in the act in much stronger terms but he wants to name individual countries.

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

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

Mr. BARRY. What the gentleman is saying is that because of Nasser's action in connection with Yemen, Egypt would not be eligible at the present time for aid, notwithstanding the gentleman's amendment.

Mr. MORGAN. That is correct.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to compliment my colleague from New York [Mr. STRATTON], for introducing this amendment. I have felt for a long time we should help our friends, and not those who oppose us or work at counterpurposes with us, either in words or in deeds.

I therefore feel I must at this point thank the gentleman from Ohio [Mr. HAYS], for withdrawing his objection to this amendment.

While the chairman has stated that there is sufficient authority in the law to cope with situations to which the amendment addresses itself, I feel that we should support the amendment if for no other reason than because repetition is sometimes necessary. I am very happy to associate myself with the action of the gentleman from New York.

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

Mrs. KELLY. I yield to the gentleman from Illinois.

Mr. PUCINSKI. Mr. Chairman, I should like to associate myself with the remarks of the gentlewoman from New York, [Mrs. KELLY] in commending and congratulating the gentleman from New York [Mr. STRATTON], for offering this amendment.

With all due respect to the observations made by the chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania [Mr. MORGAN], I also think the time has come when we ought to precisely identify exactly what we stand for. A couple of weeks ago we participated in a program paying tribute to Israel, island of democracy in the Middle East, pointing out how important it is for Israel to survive and to continue to bring democratic principles to that part of the world. Yet today we see Mr. Nasser dedicating himself to the destruction of this country.

It would appear to me that we would serve the best interests of America better when we concretely and positively identify what we stand for. For that reason I support the pending amendment and congratulate the gentleman from New York for offering it.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would like to correct an observation made by the gentleman from New York [Mrs. KELLY] when she thanked me for withdrawing an objection. I had not made an objection to the amendment. I had reserved a point of order on the amendment on the ground I thought it was amending other legislation. On examining the act, I found that we had previously amended this legislation. Therefore, because of that previous amendment, it seemed to me that the amendment was in order and that no point of order would lie. I therefore withdrew my reservation of a point of order.

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

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

Mr. MORGAN. I want to say that this is a very dangerous amendment. The situation in the Middle East is really delicate. We have no business aggravating the Israel-Arab dispute. We are attempting now to keep war from breaking out in that trouble spot. I think this is a really dangerous amendment. I think it ought to be defeated. I believe the President already has the power in the act under 620(i) to cut off aid now. I see no reason for naming specific countries in this amendment and causing trouble to be fomented in the Near East.

Mr. HAYS. I agree with the position of the chairman of the committee. I will say to you that over and over again I have publicly said that I thought the United States ought to make a declaration that we believed Israel was here to stay and if any country attacked Israel we would see that Israel had the means to protect itself. That is a far cry from writing in an amendment that completely ties the President's hands in regard to the way in which he might use Public Law 480 to ease the situation out there.

As a matter of fact, I think the gentleman from New York who offered this amendment is just about as confused in his thinking as the former Senator from Wisconsin, Senator Wiley, was, when he allegedly made the remark that he did not see why these Jews and "A-rabs"—which was the way he pronounced it—

did not get together and settle this thing in a Christian manner. Obviously the situation goes a little bit deeper than that.

I think the President's hands should not be tied in his efforts to settle this. Again I say that both the chairman, Dr. MORGAN, and I yield to no one in our friendliness for Israel. I must say I do not say this because of any great number of votes that are to be gained or lost, because strangely enough I may have the only district in the United States that has more Arabs than Jews. But I still say the United States ought to take a firm position that we are not going to have anybody destroy the State of Israel, but I think the House ought to take a firm position that it is not going to tie the President's hands in seeing that that does not happen.

Mr. RYAN of New York. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, since my election to Congress I have been deeply concerned about this question. Congress has consistently approved foreign aid bills which program assistance to Egypt.

This aid continues despite the Arab boycott against American firms, despite the Arab discrimination against American citizens, and despite the fact our aid helps Egypt prepare for aggression against Israel, which is not only the only democracy in the Near East but our good friend.

Congress has recognized this problem, and throughout the years we have made progress in writing into foreign aid bills various restrictions on aid to Nasser. In 1961 several of us supported a section of the foreign aid bill which was aimed at the Arab policy of religious discrimination. Unfortunately, the Senate version, which was finally enacted, contained language on this subject which was much weaker than the House bill. However, in 1962 Congress adopted a provision very similar to the House version of 1961, which declared:

Any attempt by foreign nations to make distinction between American citizens because of 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 legislative history, which several of us contributed, shows this language was intended directly to Egypt. Nevertheless, it has not been implemented.

Last year Congress finally came to grips with the problem of Egypt's determination to destroy Israel. The Foreign Assistance Act of 1963—Public Law 88-205—specifically bars aid:

To any country which the President determines is engaging in or preparing for aggressive military efforts directed against—any country receiving assistance under this or any other act.

This was referred to by the distinguished chairman of the committee. In the debate last year I said:

Those who advocate a policy of aggression and take actions calculated to destroy their neighbors and disrupt the security of the world can no longer look forward to aid from the United States if the policy expressed in this bill is adopted and carried out.

The fact of the matter is that the policy was adopted but not carried out.

It is crystal clear from the debate that the aggressor nation clause was intended to apply to Egypt. It is also clear from the historical record that Egypt is preparing for aggressive military efforts. In the press and through the radio Egypt has declared repeatedly that it will wage war against Israel. In fact, it insists that it is in a state of war with Israel.

Let me offer a few examples of the continued belligerence of Nasser.

On February 22, 1964, Nasser declared:

The possibilities of the future will be war with Israel. We are the ones who will impose the time. We are the ones who will impose the place.

On April 23, 1964, Nasser stated:

By God, we will not rest until we redeem Palestine for the Arab nation.

In an interview with a newspaper reporter Nasser said:

Egypt hopes to crush Israel within the present generation.

If the hostility of Egypt toward Israel were limited to words, there might be less cause to worry. But Egypt is engaged in a dangerous arms race. Supplied by the Soviet Union and aided by West German scientists, Egypt is a menace to the peace and security in the Middle East. I have spoken of this danger many times and have introduced House Concurrent Resolution 152 which calls for denuclearization of the Middle East and major power guarantees of security in that area. I will not repeat the details of the arms buildup in Egypt. However, I wish to draw the attention of the House to an article which appeared on May 21, 1964, in the Manchester Guardian Weekly entitled "Growing Threat From UAR Arms."

[From the Manchester Guardian Weekly, May 21, 1964]

GROWING THREAT FROM UNITED ARAB REPUBLIC ARMS

(By Richard Scott)

In the view of Israel officials, the United Arab Republic's conventional military power now poses a real and growing threat.

It is claimed that this power, based entirely on equipment and weapons purchased on favorable terms from Russia is far in excess of what it was 2 or 3 years ago and that in another year or 18 months it will be materially superior to that possessed by Israel. It is estimated that Egypt has been spending for defense at the rate of 15 percent of her gross national product, or about £179 million annually.

The United Arab Republic Naval Forces are impressive. They have seven Soviet Skory-class heavy destroyers and are expecting to obtain two or three more. They have 12 Soviet-built submarines.

Perhaps most dangerous are the 12 Soviet Komar motor torpedo boats equipped with missiles which can be launched some distance from the shore and which will home on to their designated target. Israel has now abandoned any attempt to match this naval force.

Equally impressive is the United Arab Republic air strength. The Egyptians are believed to have two squadrons of the Russian TU-16, with the formidable range of 3,600 miles; a number of modern Mig-21's which have not yet been sold even to some of Russia's European satellites; and several hundred

of the older but still effective Mig-19's and IL-28's.

The Egyptians, according to the Israel officials, have been using several of their TU-16's flying from bases in the Sinai Peninsula to bomb, napalm, and gas the royalist forces and civilian supporters in the Yemen. It is believed that the Egyptian pilots are normally accompanied by a Soviet copilot, such as the American pilots are assisting the South Vietnamese pilots.

Two squadrons of the Mig-21's are equipped with the Russian air-to-air guided missile Atol (comparable to the U.S. Sidewinder) and a third squadron is now being formed.

The only effective defense which Israel has against these low-flying TU-16's are the Hawk antiaircraft missiles which they have been able to buy in the United States. Israel also, of course, has a number of Mystere fighter interceptors.

Although the Israel Army is probably still more than a match for the Egyptians, it is conceded that the Russian tanks acquired by President Nasser are superior to anything possessed by Israel and that those the Egyptians are expecting to receive will be overwhelmingly superior.

Although Egyptian efforts to obtain or produce nuclear warheads have failed they have produced three different types of rocket with conventional warheads or possibly gas-filled warheads. The Israel and some American officials believe that these rockets are intended as terror weapons against the Israel civilian population.

By the end of the year the Egyptians are expected to have about 1,000 ground-to-ground missiles produced in Egypt. Moscow refused to supply ground-to-ground missiles.

Mr. Chairman, I have written to the President and the Secretary of State urging that the aggressor nation clause be implemented. As with the nondiscrimination clause, the replies have been less than satisfactory and represent a timidity which, in the face of clear congressional intent, is inexcusable. Not only has the Executive and the Department of State refused to heed congressional action, but recently the United States supported a loan to the United Arab Republic, which I believe is in direct conflict with the Foreign Aid Act. According to the New York Times of May 28, 1964:

The United States over the objections of its Western European allies has virtually forced through the International Monetary Fund a \$40 million loan to the United Arab Republic that sets precedents in its liberal terms.

The Times pointed out that the usual strict standards of the Fund were relaxed, and that the loan was opposed by both our Western allies and the U.S. Treasury Department. This loan, which is to be used for imports, can be used for the purchase of military material.

Mr. Chairman, the intent of Congress must not be disregarded. Under present law the nonaggression and nondiscrimination clauses are clearly aimed at ending aid to Egypt if that country continues to threaten the peace.

The Department of State has refused to come to grips with this issue. I think this is the reason why Members of Congress are now concerned and why it is important that we make it perfectly clear that we expect the law, as it is presently written, to be invoked and enforced. Since the law has not been implemented, further steps must be taken to insure

that aid is not continued as long as Egypt is preparing for aggression.

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

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

Mr. MORGAN. The amendment offered by the gentleman from New York has a definite waiver clause in it which gives the President permission to waive it. But in the law that is already written, there is no waiver clause. Therefore, I do not think this language is going to do what the gentleman says it will do.

Mr. RYAN of New York. I hope this debate, Mr. Chairman, will impress upon the Department of State the necessity for taking action and the necessity for enforcing the law as it presently exists. I agree with the chairman that the clause said, aid shall be terminated for any nation that is preparing for aggression, and I hope the chairman agrees that this provision of the law should be enforced as to Egypt.

Mr. CONTE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it is my strong belief that this legislation has the primary purpose of keeping the free world free, strong, and able to resist the encroaching designs of communism around the world.

Our foreign assistance program, on balance, has been successful since World War II in thwarting the threat of communism on various parts of the globe and stands today as a bulwark in our efforts to secure the peace.

The foreign aid program of the United States can be compared to a two-edged sword.

On the one hand, we hold out a helping hand to the millions of people around the globe who suffer from the misery and poverty that engulfs them. This is the humanitarianism that has come to reflect the United States desire to insure a life of hope to less fortunate people wherever they exist.

On the other edge of the sword, we have the interests of the United States uppermost in mind—and these interests are directed at stopping communism and arresting the spread of its cancerous growth around the world. It is a most effective weapon in the battle to stop this growth especially in depressed countries which could easily be led into communistic control most importantly, the assistance provided by this program is necessary to maintain the security of our country and our American way of life.

From these two edges of the sword, the one humane, the other realistic, the United States can continue its leadership of the free world.

Our continued support of AID programs gives us the opportunity to strengthen the will and capacity of these newly developing countries and to advance the great alternative to communism.

As one who has consistently been in the fight to secure a better life for millions of people through a strong, resilient foreign assistance program, I feel that we have arrived at a watershed in our aid programs.

Of course, we need to have a continuing review to make certain that the inevitable bugs in the program are taken out and that we have a trim, efficient program.

But we have come to a point, Mr. Chairman, when the world looks to us as a leader in the march of the world's millions toward a new destiny.

This leadership is not due simply to our military strength or our wealth but is based rather on our ideas, our tradition of independence, and respect for individual dignity.

We have become the standard bearer of the free world's aspirations and we must continue to justify this leadership.

We can only do this by our deeds, and the present legislation before the House is in the great tradition of our country.

I urge the House of Representatives to pass this legislation, and in doing so, acknowledge our humanitarian traditions and to keep faith with our heritage.

Mr. Chairman, it is this faith and this heritage that has made this country the greatest country in the world and has given solace, strength, and sustenance to the free world in a never-ending battle against the forces that would take our freedoms away.

This said, Mr. Chairman, I would like to direct my remarks to the question of our balance of payments.

FOREIGN AID AND THE U.S. BALANCE OF PAYMENTS

Mr. Chairman, the continuing deficit in the U.S. balance of payments has been a matter of serious concern over the past few years. As recent figures have shown, the administration has successfully taken steps to improve our balance-of-payments position. Even so, it seems likely that the basic problem will be with us for some time.

Because this problem is so serious—and so complex, it is particularly disturbing when unfounded charges are made about the cause and possible solution to our balance-of-payments problems. One argument runs something like this: "Elimination of the economic aid program would wipe out our balance-of-payments deficit."

I find this argument doubly disturbing: First, because it draws attention away from more important issues involving our balance of payments, and second, because it exaggerates and distorts the impact of economic aid on the balance of payments, thus creating an unjustified argument against continuance of foreign aid.

The actual situation regarding economic aid and the balance of payments is roughly as follows: In the shortrun balance-of-payments situation, economic aid exerts a small and declining negative impact. Economic aid is not the critical element of our current balance-of-payments difficulties. In the long run, economic aid will be an important tool in finding and expanding markets in the developing countries for U.S. goods. Thus, our economic aid program may well be critical to the longrun solution of our balance-of-payments problem.

CURRENT IMPACT

Dollar outflows resulting from economic aid comprise the smallest of the

major elements in our current balance-of-payments deficit. In 1963, for example, U.S. private investment abroad created a balance-of-payments debit of \$4.1 billion; net military expenditures overseas created a debit of \$1.9 billion. Oversea expenditures by U.S. tourists amounted to \$2.1 billion. Economic aid—including Public Law 480, Eximbank, AID, and other aid activities—created a dollar outflow of \$0.9 billion.

AID expenditures contributing to the balance of payments have declined in recent years. Estimates show that they will continue to drop. In 1961, AID offshore expenditures for commodities and services totaled \$1,065 million. In fiscal year 1965, AID estimates that its offshore expenditures for commodities and services will be reduced to \$500 million, a reduction of more than 50 percent.

The decline in AID offshore expenditure results from a number of changes made in AID procurement regulations during the last 2 years. These changes have progressively increased the share of AID procurement confined to the United States.

Insofar as economic assistance funds are expended for U.S. procurement, they exert a new impact of zero on our balance-of-payments position. In effect, they do not involve the balance-of-payments problem.

In 1965 about 83 percent of AID funds will be committed for the export of American goods and services. Of the remaining 17 percent which affect our balance of payments, most will be spent in the less-developed nations of the world, not in Europe.

Even dollars spent in the less-developed countries are not entirely lost. The Brookings Institution estimates that about 40 percent of the free foreign exchange available to less-developed countries is ultimately spent in the United States. In Latin America where AID has increased most rapidly in recent years, this ratio was 55 percent.

Tight procurement policies are increasing AID-financed U.S. exports of commodities and services. AID-financed exports are estimated at a level of \$1.6 billion for fiscal year 1964, more than twice the fiscal 1961 level. Thus, AID is boosting the U.S. merchandise trade surplus in the balance of payments. In the export of certain commodities, AID plays a particularly important role. For example, more than 25 percent of American iron and steel exports are financed by AID. Almost one-quarter of exports of railroad equipment are AID-financed.

LONGRUN IMPACT

Economic aid will exert a positive influence in the longrun U.S. balance-of-payments position. This positive influence is built in two ways: First, by assisting developing countries to achieve economic growth, our aid will substantially expand the market for U.S. goods; second, by financing the export of American goods to largely untapped markets in developing countries, aid is building trade ties and increasing familiarity with U.S. products which can be important in generating future normal commercial trade.

Mr. Chairman, it is a demonstrable fact that developed, prosperous nations buy more U.S. goods than poor nations. The less-developed countries of the world are presently engaged in a struggle to achieve economic growth. It is the goal of our economic assistance program to help them achieve such growth on a self-sustaining basis and thus to help them remain independent and free. As the less-developed countries achieve substantial economic growth they will be in a position to buy more U.S. products than they can afford at present. At the very least, they will provide a much larger potential market for U.S. exports.

This can be seen by examining our trade with Europe and Japan, which has dramatically increased since the early 1950's. U.S. exports to the Marshall plan countries more than doubled from 1953 to 1962. Exports to Japan more than tripled from 1953 to 1962. During this period our sales to the less developed countries increased by only about 15 percent. It is significant that 15 developed countries received two-thirds of U.S. exports, and 90 less developed countries received the remaining one-third.

It is obvious that even with our economic aid the less developed countries will not achieve economic growth as quickly as did Europe and Japan, but it is highly probable that within the next 20 years a significant number of underdeveloped countries will achieve substantial growth and that they will provide substantial markets for U.S. exports.

Mr. Chairman, AID-financed U.S. exports are extending American trade ties with the developing countries and are increasing the familiarity and acceptability of American products in the markets of the underdeveloped world. Over a period of time, this should prove a useful tool in developing channels of normal commercial trade.

Many of the developing countries of the world were, for a long time, the private trade preserves of European metropolises. It is a difficult task to cut into these long-established trading patterns. In many cases, the provision of U.S. aid tied to export of American goods may be our most effective tool in breaking these barriers. Even a small entry now to the markets in developing countries may prove important in the future as these markets expand to include new kinds of products and commodities.

It is sometimes charged that foreign aid, even tied to U.S. procurement, merely makes goods and services available that developing countries might otherwise buy from us with their own funds; that our aid substitutes for trade. Evidence demonstrates, on the contrary, that commercial imports from the United States have flourished and that the U.S. share of the local market has improved in developing countries assisted by our economic aid programs, except in those countries which have suffered abnormal drops in their foreign exchange earnings because of decrease in world prices of commodities—such as certain one-crop countries of Latin America.

A recent study of 32 countries receiving about 80 percent of all AID and Pub-

lic Law 480 assistance between 1957 and 1962 shows that total imports from the United States rose about 4 times as fast as total economic aid. In addition, the U.S. share of total imports in these countries increased a small but appreciable amount over the period.

Clearly the goal of economic aid is and should be sound economic growth of free and independent societies. But the future byproduct of increased U.S. trade is also an important result of our aid effort. By stimulating trade, U.S. economic aid will contribute toward the longrun improvement of our balance-of-payments position.

Mr. LONG of Maryland. Mr. Chairman, I rise in support of the amendment.

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

Mr. LONG of Maryland. I am glad to yield to the gentleman.

Mr. STRATTON. Mr. Chairman, I thank the gentleman for his fine support. If he will yield further I would like to try to respond to the point made by the chairman of the committee who charges that this amendment would tie the hands of the President. This, of course, is incorrect. The chairman, himself, just a moment ago made it perfectly clear that this is not the case by pointing out there is a provision in my amendment that if the President finds Mr. Nasser is not trying to destroy our position at the Wheelus Air Force Base in Libya, and if he is not trying to stir up war in Yemen and Cyprus, and if he is not trying to build up aggression against Israel, and if moreover, this aid to Nasser would help our national defense, then the President has the right to restore such aid. This would not tie the hands of the President at all. But, as the gentleman from New York [Mr. RYAN] mentioned a moment ago, the existing provision of law has never been invoked. There has just not been any finding so far that what Mr. Nasser is doing is directed toward aggression. Yet, as the gentleman from New York [Mr. RYAN] indicated a moment ago, since this section was adopted a year ago Nasser has been putting the heat on Libya to destroy our position at the Wheelus Air Force Base, and without that base our airpower in NATO and in Western Europe will be seriously impaired. Since this amendment was added, Nasser has moved into Yemen and he has tried to foment war between Greece and Turkey. Fortunately, action by the United Nations prevented that little operation. And since that amendment was passed last year information has been made public about the extent of his nuclear activities with German scientists. And yet even then, in the face of all that evidence, the provisions of that amendment were not invoked, so obviously it does not fill the bill, it does not meet our need. My amendment, which is a substitute to the one adopted last year, would meet this need and, certainly, would not tie the President's hands in any sense. I thank the distinguished gentleman from Maryland [Mr. LONG] for his courtesy.

I appreciate the gentleman's yielding to me.

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

Mr. LONG of Maryland. I am glad to yield to the gentleman from Ohio.

Mr. HAYS. I should merely like to make a comment about the speech of the gentleman from New York [Mr. RYAN].

If Members of the House were paying any attention the first time he spoke today, they know he advocated a surrender in Vietnam to the Communists. In principle, that is exactly what he advocated—that we cease the war out there and get the two sides together and have a situation like we now have in Laos.

Now the gentleman comes back—although I hate to think the Jewish vote in New York would have anything to do with this, and I would be the last to imply it—and gets quite belligerent about Mr. Nasser.

We are familiar with what has happened in Vietnam. I believe this is getting ridiculous. We ought to go ahead and pass this bill.

Mr. RYAN of New York. Mr. Chairman, the gentleman from Ohio [Mr. Hays] either did not listen to my remarks on South Vietnam earlier in the debate, or he is deliberately distorting my position. I made it perfectly clear that the freedom of the people of South Vietnam must be preserved. This may be achieved through a political settlement. It will not be accomplished by continuing a losing war. President Kennedy wisely observed, "Let us never negotiate out of fear. But let us never fear to negotiate."

I am surprised that the gentleman would resort to such an irresponsible statement.

Mr. LONG of Maryland. Mr. Chairman, I yield back the remainder of my time.

Mr. PUCINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am concerned that there should be any suggestion made here that those of us who support the Stratton amendment would be motivated, above all, by political consideration. It is an injustice to Israel to suggest any such motive. Recently, I asked a question in my annual questionnaire to my constituents whether or not the United States should discontinue further economic assistance to Nasser until he opens the Suez Canal to all nations, including Israel. Mr. Chairman, 87 percent of my constituents said, "Yes," we should discontinue any further assistance to Nasser until he opens the canal. My action here today in supporting this amendment is in effect carrying out the wishes of my constituents and I am proud to have this opportunity to express their views here today. It is cruel to suggest any other motive.

I was surprised by the statement of the distinguished chairman of the committee, when he tried to suggest that if we should adopt this amendment, we would precipitate some sort of situation in the Middle East which could lead to armed conflict. The fact of the matter is that we have just adopted another amendment allocating some \$200 million

in military assistance to help Vietnam because we are standing up for a principle in Vietnam. While we are not interested in escalating hostilities in Vietnam, we have made it quite clear, on both sides of the aisle, that we are ready to defend the principle of freedom in Vietnam—a principle of human dignity and survival. I suppose there will be those who would say that our aid to beleaguered Vietnam could also lead to hostilities but we are willing to take that chance in support of freedom.

The time has also come for us to do this in the case of Israel. A lot of speeches have been made to the fact that Israel is a great cornerstone of democracy, and we must do everything we can to help that nation. Yet, only a few days ago Mr. Khrushchev told us how he had negotiated an agreement with Nasser which could seriously endanger Israel. The world has failed to react against the danger.

The time has come, as reasonable people, when we should assert the same principle toward Israel as we have asserted toward other countries dedicated to the principles of freedom and democracy.

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

Mr. PUCINSKI. I yield to the chairman of the committee.

Mr. MORGAN. Again, as the chairman said, this is an emotional issue. If the gentleman will take time to read what is already in the act, he will find that the existing provision is stronger than the Stratton amendment and better than the Stratton amendment, and will accomplish what the gentleman says he wants to do.

Mr. PUCINSKI. I should like to remind the distinguished chairman that I participated in the debate last year in regard to that language. That language has been on the books, and Mr. Nasser has ignored it.

He has ignored every single standard of civilized behavior in his treatment of Israel. He has not made one single act nor has he said anything in any manner or form to indicate that he has anything in mind other than the ultimate destruction of Israel, despite the fact that this language is in the bill. The language referred to by the gentleman from Pennsylvania has not deterred Nasser in his determination to destroy Israel.

Therefore, I believe the stronger language being proposed today certainly will serve notice upon Nasser and the Egyptians as well as the Soviet Union as to where this country stands in respect to Israel, that bastion of democracy.

Mr. MORGAN. I should like to read one line to the gentleman:

Until the President determines such military efforts or preparations have ceased.

If the gentleman has no confidence in the amendment of last year, he has no confidence in his President.

Mr. PUCINSKI. I have the highest confidence in my President. The gentleman has a way of putting words in the mouths of other people.

There is nothing in this amendment offered by the gentleman from New York [Mr. STRATTON] which does not place the

highest confidence in the judgment of the President. It will give him additional strength to deal more effectively with this problem and I hope the amendment will be adopted.

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

Mr. PUCINSKI. I yield to the gentleman from Maryland.

Mr. FRIEDEL. I concur in the views expressed in the statement by the gentleman from New York, Congressman STRATTON, and I support his amendment.

Mr. ROSENTHAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time merely to ask the distinguished chairman of the committee, the gentleman from Pennsylvania, a question or two.

At the beginning of the debate I was somewhat confused, but the more some of the gentlemen here have spoken, I have become more confused. The committee accepted this amendment last year which was proposed by the gentleman from New York [Mr. FARBERSTEIN]. Is that correct?

Mr. MORGAN. That is correct.

Mr. ROSENTHAL. And during the intervening time since the acceptance of the amendment and the enactment of the law with reference to this section, has the committee inquired from the State Department or any executive department as to whether they have taken any action at all under this amendment?

Mr. MORGAN. The committee keeps in touch with the situation in the Near East and we review the amount of aid going to Israel and the Arab countries. There has been a slowing up of aid to the United Arab Republic.

Mr. ROSENTHAL. I might suggest to the gentleman that I think the major thrust of the amendment last year was to prevent aid going to any country that is engaging in or preparing for any aggressive military efforts and it directs that aid should be withdrawn from such countries.

Mr. MORGAN. That is correct. And the reason why I oppose the Stratton amendment, is because it specifically names Israel and the United Arab Republic.

Mr. ROSENTHAL. I think that is the less important part of the amendment. If I might, let me ask, has the Committee on Foreign Affairs inquired since this became law as to whether any country receiving aid did "prepare for aggressive military effort"? Did you inquire as to the effect of this section on the operation of our aid program?

Mr. MORGAN. We have no cases reported that were in violation of this section.

Mr. ROSENTHAL. Have you had under inquiry the situation in the Middle East and the statements or the conduct of any of the leaders of any of the nations there?

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

Mr. ROSENTHAL. Yes. I am glad to yield.

Mr. HAYS. We have under constant review the situation throughout the world. We have the Secretary of State

periodically appearing before the committee and the Assistant Secretaries. The Middle East is frequently talked about and asked about in the committee. The language of the law as it now stands makes it automatic that they shall report to us.

Mr. ROSENTHAL. Have they ever reported to you that any nation in any part of the world has committed aggressive military actions that would preclude them from receiving aid under this amendment?

Mr. HAYS. Not within the past year, no. I would say to the gentleman, if you want to take the political speeches that these Arab leaders make as evidence that they are preparing for war, then I think we could say the late visitor to the White House came here saying that he was preparing for war. Because he makes these speeches, which I think have to be regarded with a grain of salt, it does not make it their intention. He could not very well say anything else. But I do not think any reasonable person either in the State Department or in the Committee on Foreign Affairs thinks that Jordan is about to go to war with Israel.

Mr. ROSENTHAL. Taking some of the other speeches, is it the position of the distinguished gentleman from Ohio if a leader of a state says he is preparing for war, that you do not think he is preparing for war?

Mr. HAYS. No, I do not take that position at all, but I do not think because he necessarily says that he is going to drive somebody into the sea that he is going to do it. They were saying that a lot more vehemently 10 years ago than they are now.

Mr. ROSENTHAL. In other words, you discredit those statements?

Mr. HAYS. No. I think they are made for popular home consumption the same way as a great deal of stuff put in the RECORD here is for home consumption.

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

Mr. ROSENTHAL. I yield to the gentleman.

Mr. MORGAN. I want to say those opposed to the Stratton amendment feel it puts the burden of showing that the United Arab Republic is an aggressor directly on the President of the United States.

Mr. ROSENTHAL. But it would appear to me no one has pursued the objectives of the amendment that the distinguished gentleman voluntarily accepted last year. Apparently even the committee has not pursued what seems to me a thorough investigation of whether the amendment was followed through on or not.

Mr. FARBSTEIN. Mr. Chairman, will the gentleman yield to me?

Mr. ROSENTHAL. I yield to the gentleman.

Mr. FARBSTEIN. Unfortunately, in my opinion, the amendment of last year has in effect been disregarded.

Mr. ROSENTHAL. That is precisely what I was trying to find out from someone who might know.

Mr. FARBSTEIN. Let me add further it has been admitted that there are

presently 40,000 of Egypt's troops in Yemen.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to associate myself with the remarks of the gentleman from New York [Mr. ROSENTHAL]; and also to say that the gentleman from New York [Mr. FARBSTEIN], has put his finger exactly on it. In other words, what we wrote into the act last year has been completely disregarded. I would say to the gentleman from Ohio [Mr. HAYS] if he says that this is for home consumption, that he is absolutely right. I happen to represent the people of my district who have a tremendous interest in this matter. I do not see anything wrong with that in any manner whatsoever.

Also I would simply add that it seems to me that this puts the head of the United Arab Republic, Mr. Nasser, on notice beyond any question, that we mean what we say, which is that we will not in any way participate with anybody who has any aggressive intentions in the Middle East.

I intend to support the amendment of the gentleman from New York.

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

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

Mr. STRATTON. Mr. Chairman, the gentleman from Ohio said a moment ago that he did not believe speeches represented aggression. The four specific things that I referred to in offering my amendment were clearly not speeches. These were documented actions in Cyprus, in Yemen, in Libya, and in the employment of German scientists. These are not speeches; these are concrete actions.

As the gentleman from New York [Mr. FARBSTEIN] has already pointed out, the amendment adopted a year ago to try to stop this kind of thing apparently has not proved effective. That is why we need to turn it around the other way, put it on the other foot, as I have proposed, and then perhaps it will be effective.

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

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

Mr. LINDSAY. Mr. Chairman, I thank the gentleman for yielding.

The distinguished chairman of the Committee on Foreign Affairs, the gentleman from Pennsylvania, stated that the amendment of last year, the Farbstein amendment, is a stronger amendment than the one now proposed. It seems to be generally agreed that it has been ignored by the executive branch of the Government. The question here is, if the pending amendment is adopted, what does the majority of the Committee on Foreign Affairs intend to do about it in order to insure that the State Department carries out the will of Congress?

Mr. ROOSEVELT. Mr. Chairman, I agree with the gentleman. I do not know what we can do except to keep after it

with everything we have. I agree that the amendment of last year is stronger than this amendment. But that seems to be no reason why we should not adopt this amendment.

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

Mr. ROOSEVELT. I yield to the gentleman.

Mr. HAYS. Since my name has been mentioned both by the gentleman from California and the gentleman from New York [Mr. STRATTON], I would like in my own defense to point out that we have now reached the height of ridiculousness. We have heard from the Democratic candidate for the Senate from New York and the Republican candidate for Governor. But I would like to say that the gentleman from New York [Mr. STRATTON], is now pleading the United States guilty of aggression because he says that anybody who employs German scientists is automatically guilty of aggression. Of course, I assume that he knows that Dr. Wernher von Braun is the man who has made our missiles program possible and if we take his statements literally, he has put himself in the position of saying what the Communists have been saying about us all along, that we are aggressors because we build missiles and use German scientists to help do it.

Mr. ROOSEVELT. Mr. Chairman, I refuse to yield any further. The gentleman from Ohio is being ridiculous himself, and I think we can well point out. We have never made the kind of statements Mr. Nasser has made and everybody in this House knows it. There is no parallel whatsoever. On the other hand, everybody in this House realizes that arms have been delivered to Egypt by the Russians to stir up trouble. It seems to me this amendment would go a long way at least to put this House on record that we will not support such action.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. BARRY] for 1 minute.

Mr. BARRY. Mr. Chairman, I want to point out that in the hearings, on page 249 thereof, at the time Mr. Talbot and Mr. Macomber appeared before our committee I asked them if we were still making loans to Egypt and the answer was as follows:

Egypt has received development loans and it is receiving development grants.

Then I asked the following question:

In each instance when we make these loans, are we using our leverage to attempt to bring about as peaceful a solution as possible to the Israel situation?

Mr. TALBOT. I would answer that affirmatively. Mr. Chairman, we are discussing with the United Arab Republic on a continuing basis the whole range of our interests in the Near East and in wider areas of the world. This discussion has been fuller in the past couple of years than at any pre-

vious time of which I am aware in the past decade.

We think that the discussion has had a series of helpful effects.

Then, Mr. Chairman, I asked the following question:

The broadcasting has ceased, has it not?

This referred to the Egyptian anti-Israel broadcasts that were being pursued a year ago.

Mr. Talbot answered as follows:

The broadcasting of comment about other Arab countries has ceased; yes, sir.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from New York [Mr. LINDSAY] for 1 minute.

Mr. LINDSAY. Mr. Chairman, I am going to support this amendment even if it fails. It is useful to make some legislative history on this point. It is past time our Government shut down the doors on Mr. Nasser's aggressive, anti-Israel aggressions.

Mr. Chairman, it may be that the chairman of the Committee on Foreign Affairs is correct, that last year's resolution to cut off all forms of assistance to aggressors is stronger than the one now under discussion. But what good does that do us. Nasser has, if anything, increased his aggressions in the Middle East since last year's resolution was passed. It seems to me it is time that the Congress and particularly the Committee on Foreign Affairs insisted upon positive action on the part of the executive branch of the Government in this regard. The resolution should be implemented. What is the State Department afraid of?

Mr. Chairman, it does little good for the House of Representatives and the other body to pass amendments and resolutions of this kind in order to have them ignored by the executive branch of the Government.

Mr. Chairman, I would hope that in the months to come the Committee on Foreign Affairs will insist that the will of the Congress and its Members be respected and that this double game in the Middle East be ended. Israel is the most powerful friend and defense the United States has in this sensitive and explosive part of the world, and it is high time we gave that fact full recognition.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from New York [Mr. FARBSTEIN] for 1 minute.

Mr. FARBSTEIN. Mr. Chairman, I regret that this debate had to take the turn that it has, but it seems to me it is high time that my amendment of last year be implemented.

Mr. Chairman, I can state numerous other instances of violations of that law by the United Arab Republic. Ethiopia, the only Christian country in that area, is now being endangered as a result of the machinations of Mr. Nasser. The \$40 million that was loaned by the International Monetary Fund last week was due to the fact that Nasser has used up all of his cash in buying weapons with

which to destroy Israel, and wherever else he desires to move.

Mr. Chairman, the entire thrust of this amendment is to put the State Department on notice that it should be implemented. It will be only upon the implementation of that amendment in some degree that Mr. Nasser will know that we are serious about this business and that we refuse to bend our knee to him.

The CHAIRMAN. The time of the gentleman from New York has expired.

The Chair recognizes the gentleman from Illinois [Mr. O'HARA] for 1 minute.

Mr. O'HARA of Illinois. Mr. Chairman, I enlisted in Israel's war for the duration and I can assure my colleague, the gentleman from New York [Mr. FARBSTEIN], that he and I have always stood shoulder to shoulder in our committee for Israel and, Mr. Chairman, I am not now deserting the war.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PUCINSKI] for 1 minute.

Mr. PUCINSKI. Mr. Chairman, I would hope that the statement made here earlier today, that we need not treat Mr. Nasser's threats seriously because they are only made for home consumption, will not capture the imagination of this House.

Mr. Chairman, I do not believe that the State of Israel has ever been in greater danger than it is today, because Mr. Nasser means every word of what he says. He has backed up what he has said with action.

Finally, Mr. Chairman, today he has in his pocket an agreement from Mr. Khrushchev who is carrying on in the Soviet Union a most brutal pogrom against the Jewish people, right now in 1964, that the world has ever seen. So, let there be no mistake, Mr. Nasser is more arrogant now in his determination to destroy Israel than ever before.

Mr. Chairman, I believe the State of Israel is in greater danger today than ever before. It would be my hope that this House will have the courage to adopt this amendment so we can serve notice on Mr. Nasser and on Mr. Khrushchev where we in this House stand on this issue and that we are determined to see Israel survive as a free nation.

I urge adoption of the amendment.

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

Does the gentleman from Pennsylvania [Mr. MORGAN] desire to be recognized?

Mr. MORGAN. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania for 1 minute.

Mr. MORGAN. Mr. Chairman, I want to say again that if we adopt the Stratton amendment we put the burden of proof that the United Arab Republic is the aggressor directly upon the President of the United States.

It is a bad situation to put your own President in. The U.N. has not been able to find that any nation in the Near East is an aggressor. But under the Stratton amendment you are going to

require the President to make a determination on this matter. I do not think the great country of Israel would desire an amendment of this kind.

Mr. HAYS. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HAYS moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

Mr. HAYS. Mr. Chairman, I realize that in opposing this amendment you might be in an unpopular situation if you have Jewish constituents. I realize if you have a great number of them you might be in a further unpopular situation.

I have gone along with my friend, the gentleman from New York [Mr. FARBSTEIN], on numerous occasions in connection with amendments to protect and benefit Israel. It is time to point out that I am chairman of the subcommittee which has jurisdiction over the foreign policy and the personnel of the State Department, yet not one time up to this minute have any of these people who have been bleeding publicly, asked that subcommittee to hold hearings to investigate or to question anybody in order to determine whether or not the State Department has carried out the law, or to determine the adequacy with which it is being carried out.

All they would have to do would be to say that the law is not being effectively carried out, and ask us to hold a hearing. We will hold one this week. That is the way to get at that situation. You are not going about it in a proper way by making speeches on the floor of this House. As far as not believing what Mr. Nasser is doing, I have said, and I say again, if he makes an overt move on Israel we should make it emphatically clear that through the forces of the United States we are not going to stand for the destruction of Israel.

I am delighted to observe, too, that the gentleman from New York [Mr. FARBSTEIN] and the gentleman from California [Mr. ROOSEVELT] have gotten together since last week when the gentleman's son-in-law was running against the gentleman from New York [Mr. FARBSTEIN] and denied that he was an Arab; that he was an Episcopalian, and suddenly became a Jew. I am speaking of Mr. Haddad. You may say there are no politics involved in this situation if you want to, but it seems to me I read in the news media about the gentleman from California going to New York 2 years ago to be for the gentleman from New York [Mr. FARBSTEIN] and this year to be against him. Now they are on the same side and, thank God, Israel has two strong defenders here. I will be interested in seeing how anxious they are in getting that investigation to see whether the State Department is doing its duty.

Mr. MORGAN. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, again I want to say that this is a very emotional situation. I had hoped that the amendment could be disposed of without any display of temper.

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

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

Mr. STRATTON. Mr. Chairman, I was hoping to be recognized in opposition to the preferential motion. If an additional 5 minutes is going to be taken on one side, we on the other side deserve to be heard. I wonder if the distinguished chairman of the committee wants to associate himself with the personal attacks that have been made by the gentleman from Ohio? It is perfectly clear when you do not have an argument you resort to personalities. We have heard a personal attack on the gentleman from New York [Mr. RYAN], we have heard a personal attack on the gentleman from New York [Mr. FARBERSTEIN], we have heard a personal attack on the gentleman from California [Mr. ROOSEVELT]. I think the Chairman of the Committee certainly should either allow these gentlemen to be heard in opposition to the remarks of the gentleman from Ohio or else we ought to have a repudiation of this kind of attack.

The issues are very clear. Do we want to do something about the policy the House adopted last year, or do we just want to go through the motions and do nothing?

Mr. MORGAN. This amendment has been under debate for over 50 minutes. The gentleman from New York has had his time. I do not believe there were any personal attacks on the gentleman from New York [Mr. FARBERSTEIN] by the gentleman from Ohio [Mr. HAYS]. I am sure the gentleman from Ohio [Mr. HAYS] has a personal affection for the gentleman from New York [Mr. FARBERSTEIN]. They work closely together on the Committee on Foreign Affairs. I am sure it was not a personal attack.

Mr. HAYS. If the gentleman will yield, of course I made no personal attack on the gentleman from New York. I consider him one of my closest friends. I merely stated a fact. There was nothing personal in it at all. Nor is there any thing personal when I say that Mr. STRATTON has a right to use this amendment as a vehicle for his senatorial campaign.

Mr. MORGAN. The gentleman from Pennsylvania would like to get back to the Stratton amendment.

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

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

Mr. BARRY. Despite the emotionalism that has been expressed, if one wants to examine the record by referring to the classified information, which is available to any Congressman at either of the leadership desks, he will find, and what I am now going to say is not classified, that the loans to Egypt have been materially cut this year and the program for next year provides a flexible but reduced scale which could be used as a restraining influence by the administration in future negotiations.

So if you want to know what the administration has been doing, I suggest we examine the facts first before we weaken the strong stand we took last year. Indeed by adopting the amend-

ment at hand there is the possibility of doing more harm than good, although I join in the intention of the sponsors of the amendment.

Mr. MORGAN. The amendment put in by the gentleman from New York [Mr. FARBERSTEIN] last year is much stronger than the Stratton amendment. I oppose the proposed amendment because I have a sincere interest in Israel and a sincere interest in my own country. The Stratton amendment is very dangerous, in my opinion. It would upset a very delicate situation in the Near East. It would apply also to Public Law 480 commodities. It puts the burden of proof as to who is the aggressor, directly on the President of the United States. This is a very bad situation. I think we should take a second look at this. Many of us have great love and devotion for Israel and nobody here, including anybody of the Jewish religion, has any greater love and affection for Israel than I. I want to protect Israel and see that its position in the Near East is strong. But what we have in the law is stronger than the Stratton amendment. I say that the President of the United States already has the power and we should stay with the President and not embarrass him, we should not put him in a situation where we are going to be involved in the Israel-Arab dispute for any reason.

The CHAIRMAN. All time has expired.

The question is on the preferential motion offered by the gentleman from Ohio [Mr. HAYS].

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—ayes 32, noes 92.

So the motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. STRATTON].

The question was taken; and on a division (demanded by Mr. STRATTON), there were—ayes 32, noes 83.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. JONES OF MISSOURI

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: Page 8, immediately after line 10, insert the following:

"(d) At the end of section 620, add the following new subsection:

"(n) No assistance under this Act shall be furnished to any country which the President determines is discriminating against the importation of any United States agricultural product."

Mr. JONES of Missouri. Mr. Chairman, this is a very simple amendment. It says that no assistance shall be furnished to any country which the President determines is discriminating against the importation of any U.S. agricultural product. I think that is very simple. I had intended to offer an amendment which was much stronger than this because, frankly, I think the United States is not justified in giving any financial aid to any country which spends U.S. dollars to buy agricultural products from any other country which agricultural products the United States has in sur-

plus. Now I do not go that strong. I am only saying here that no assistance shall be furnished to any country which the President determines is discriminating against the importation of any U.S. agricultural product.

I can cite you a specific instance to indicate the type of operation that I would hope to prevent. Specifically, in Chile. Chile was a customer for U.S. cotton. We were selling cotton there on an equal basis with all other countries. Lately, a tariff has been imposed against U.S. cotton whereas cotton from other countries is permitted to be sold there without any tariff being imposed against their cotton.

Therefore, the U.S. cotton cannot be sold. That is one instance. There are probably many others. I believe Members understand what I am driving at.

I wish to see if you are interested now in permitting discrimination against U.S. products. I ask for support of the amendment.

Mr. MORGAN. Mr. Chairman, I move to strike the last word.

I should like to ask the gentleman from Missouri some questions, before I make up my mind, as to how I should vote on the amendment. Could the gentleman indicate any specific agricultural product or any specific country as to which discrimination has already occurred.

Mr. JONES of Missouri. I just got through spelling out the Chile situation.

Mr. MORGAN. What particular product was that?

Mr. JONES of Missouri. Cotton.

Mr. MORGAN. How was it discriminated against?

Mr. JONES of Missouri. It was discriminated against because they placed a tariff on American cotton and permitted Peruvian and Mexican cotton to enter without a tariff.

Mr. MORGAN. Of course, I feel that the gentleman's amendment relates to Public Law 480 and to matters which concern the Committee on Agriculture more than the Foreign Affairs Committee. I know the gentleman is a member of the Committee on Agriculture, and I know that hearings will be held on Public Law 480, because that act will expire December 31 of this year. The gentleman's committee will be holding hearings. I feel that the restriction does not belong on the foreign aid bill.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield for a brief comment?

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

Mr. JONES of Missouri. The only way we are going to stop this is to cut off the money. That is the only language the Department of State understands—cutting off the money.

Mr. MORGAN. I fear that we should not get into every tariff situation of every industry or commodity in every country to which we are going to give assistance.

Mr. JONES of Missouri. All I am asking is that there not be discrimination against the United States. You are either for discrimination or you are against discrimination. The vote is that simple.

Mr. DENT. Mr. Chairman, will the gentleman yield to me?

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

Mr. DENT. I note that the amendment reads:

No assistance under this Act shall be furnished to any country which the President determines is discriminating against the importation of any United States agricultural product.

The gentleman from Missouri said that we either believe in discrimination or are against discrimination.

I would suggest, sir, that you not discriminate against the industrial products which are being discriminated against by many of the nations which receive aid. Therefore, the very premise of your argument loses weight, in that you yourself would discriminate against those of us who have industrial products which are being discriminated against by nearly all nations.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. DENT. I would be happy to yield, but it is not my time.

Mr. JONES of Missouri. I would be happy to support an amendment to that effect. This was called to my attention. I do not know about discrimination in regard to other products. However, I would be glad to support that amendment.

Mr. MORGAN. Mr. Chairman, if anybody who has a letter from a constituent who cannot sell cotton to a particular country, or cannot sell coal to Western Germany, or cannot sell hats to Poland or some place else, should come up with an amendment to the foreign aid bill, we would be here until doomsday.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

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

Mr. JONES of Missouri. We would say, "If the President determines that there is discrimination."

I am not going to determine it. The President of the United States will determine it. Is the gentleman willing to trust the President of the United States?

Mr. MORGAN. Certainly I trust the President of the United States.

I have a letter from the State Department on the case in point, in Chile. I cannot understand how the situation in Chile could justify an amendment with such serious implications as the amendment offered by the gentleman from Missouri.

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

Mr. MORGAN. I am glad to yield to the gentleman from New Jersey.

Mr. GALLAGHER. The fact of the matter is that while this is aimed at one particular case, it would have a very complex reaction with respect to the entire broad scope of tariff reciprocity.

The gentleman may be willing to listen to a letter from the State Department, which says that except in 1959 the United States has not been a major exporter of cotton to Chile. In addition, the gentleman may be interested to know that there is presently under consideration a proposal for the sale of

U.S. cotton under Public Law 480, which is really the only way we can sell cotton to Chile under present conditions, because of the competition factor and the cost ratio factors as it affects our cotton sales and shipping it there, when the Peruvian cotton is close by.

One of the elements in these discussions includes a clause that calls for Chile to purchase from the United States, in addition to Public Law 480 cotton, some cotton from its own resources with dollars. So I think this amendment should not be adopted in view of the negotiations that are presently taking place.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOW. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this seems an appropriate time for an illustration of how this foreign aid program and related programs work against the interests of American industry and American workmen.

The case history I will relate illustrates that there is little if any coordination between the foreign aid program, the Public Law 480 program, the defense stockpile program, the so-called Appalachia poverty program, and our own national security.

I relate it now because the Agriculture Department has awarded contracts to two American firms to process into ferrochrome some 15,000 tons of Turkish chrome ore acquired under the barter and stockpile program. This new supply of chromium ferroalloy is not needed in the stockpile, but it was purchased from Turkey because that nation's chrome industry has suffered severely from Russian competition, including large purchases of Russian ore by the same American producer who has now won the lion's share of the contract to process the surplus Turkish ore.

I am acquainted with this transaction because Ohio has the largest concentration of ferroalloy plants in the Nation, and they are distressed. In addition, I might add, several of these plants are in the part of Ohio that is now included within the new superstate, Appalachia. Had they received part of the recent contract, as many as 100 men would have been put to work for 1 year, which would have served to eliminate considerable poverty in Appalachia. I do not criticize the Agriculture Department which may have been required to give the award to the lowest bidder, but I suggest that if this administration is truly interested in overcoming poverty in depressed areas, and when it has on its hands some 15,000 tons of ore that we do not need but which we must process anyhow, it might permit some consideration other than the bid to enter into the award of the contract.

To return to the main problem, ferroalloys, as we know, are an essential part of the steelmaking process. The so-called developing nations have been given large amounts of American aid to develop their own steel plants so that they can become self-sufficient and, of course, they need ferroalloy plants, too. In typical foreign aid fashion, we helped them to build many times the capacity of ferroalloy plants that they can use, now or in the

foreseeable future, so they began to look abroad for markets for this product.

Uncle Sam, having created this excess capacity, stepped forward to provide the market for this excess production. We traded wheat for it under the Public Law 480 barter program. We bought three or four times more than our stockpile required. We bought ore and had it produced in the foreign plants that our dollars built. And we turned the prosperous ferroalloy industry of Ohio and other States into a sick and ailing industry, its very survival threatened because foreign aid and foreign barter upset the normal economic pattern.

With American subsidies of every kind plus cheap labor and low taxes, foreign producers are able to flood our markets with ferroalloys.

Complicating the situation, a principal American producer of ferroalloys began in 1962 large imports of Russian chrome ore to be processed into ferrochrome. The Russians apparently are willing to sell this product at less than the cost of production in order to capture our markets. The great volume of Russian chrome coming into the United States at prices up to \$12 per ton cheaper than other nations has given these importers a price advantage over American producers who are unwilling to do business with the Communists. And it has also struck a severe blow, as mentioned earlier, to the Turkish chrome industry and to other friendly national producers such as Southern Rhodesia.

The Turkish Government, quite naturally, complained to our Government about the displacement of its ore in U.S. markets by the cheaper Russian product. The solution was to arrange another barter, the 15,000 tons previously referred to, to be added to the stockpile, which is already 400 percent over our requirements, and the people who created the problem by their Russian imports will, as I have said, realize the profit from beneficiating the ore.

It sounds like something Lewis Carroll might have written.

It illustrates how normal economic channels are thrown completely out of kilter, to the great detriment in this case of many hundreds of people in Ohio, by government manipulation of both domestic and international trade and development.

We will suffer for many years from the damage that has been done, perhaps unwittingly, as a result of our various foreign aid programs and our free trade policies and our refusal to place any real restrictions on trade with the Communists.

Appalachia will be greatly enlarged if this kind of program continues.

Worse than that, our very security is threatened by our increasing dependence on foreign sources not only of ferroalloys but of steel, fuel, torpedo tubes, and hundreds of other products that might be listed.

Mr. Chairman, there is now pending an application for relief under section 232 of the Trade Expansion Act, which is the section empowering the Director of the Office of Emergency Planning to investigate imports that are said to

threaten national security. The application was filed May 20, 1963. The fact that 1 year has elapsed since the filing raises in my mind a question as to the effectiveness of this procedure in a situation which seriously affects national security. The situation has worsened steadily during the past year. I hope that the Office of Emergency Planning may be ready with its reports and recommendation in the very near future.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The question was taken; and on a division (demanded by Mr. JONES of Missouri) there were—ayes 56, noes 83.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. THOMSON OF WISCONSIN

Mr. THOMSON of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. THOMSON of Wisconsin: Page 8, immediately after line 10, insert the following:

"(d) at the end of section 820, add the following new subsection:

"(n) The President shall suspend assistance to the government of any country to which assistance is provided under this Act whenever such country is failing to reimburse the United States, within 3 years following a United States request for reimbursement, for the improper use of assistance made available to the government of such country under this Act."

Mr. THOMSON of Wisconsin. Mr. Chairman and members of the Committee, I think that the time has come to stop the financing of luxury items to foreign countries. The amendment I have offered simply says to foreign nations that if they use our aid money improperly and refuse to pay it back within a period of 3 years, the President shall shut off the aid going to that country. Now, trying to collect the money the AID agency says costs us no money, but they point out that they send a bill or a demand for repayment and if the foreign country does not repay the money, then they follow up this action every 3 months. That costs the taxpayers a lot of money. I think that practice should be stopped.

Mr. MORGAN. Mr. Chairman, will the gentleman yield so I can make an inquiry as to his amendment?

Mr. THOMSON of Wisconsin. Certainly. I yield to the chairman.

Mr. MORGAN. I know you deal with the countries that the products go into, but does your amendment have anything to do with the American companies that sell this that are in violation of this act?

Mr. THOMSON of Wisconsin. Mr. Chairman, I think we have jurisdiction of the American companies who reside here, because you will note in the memorandum from the AID agency itself that if the suppliers, the American suppliers, do not respond and repay within a reasonable time, the claim is referred to the Justice Department.

Mr. MORGAN. The gentleman feels that what is already in the statute books with reference to Americans would cover the situation?

Mr. THOMSON of Wisconsin. I think we are absolutely protected as far as the

domestic individuals and corporations are concerned. But I think we should apply the same standard to foreign nations that are buying luxury items. I do not think we should continue to finance them. I do not think we should be encouraging habits that are away beyond the means of the people in that country to pay for. I think we should treat foreign countries the same as we treat American suppliers.

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

Mr. THOMSON of Wisconsin. Certainly, I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Chairman, I want to assure the gentleman from Wisconsin, and I am sure he is cognizant of the fact that all Members of Congress, including the gentleman from Wisconsin, are deeply concerned over the misuse of foreign aid money in various commodity transactions. As the gentleman knows, there were abuses discovered primarily with respect to pharmaceuticals sent to Vietnam. If the gentleman's amendment were adopted and Vietnam could not recoup the funds from the foreign suppliers or importers, that country would have difficulty in refunding the money. That is where the problem is, is it not? AID is recouping or obtaining repayment where American suppliers are involved.

I repeat, if in the case of Vietnam, if that country is unable to obtain a settlement with the supplier, and is thereby unable to repay the United States, we would have to discontinue aid to Vietnam, is that not true?

Mr. THOMSON of Wisconsin. Yes, I think that is true. I think we should establish a standard that those people would understand. We should not keep on supporting the crooked practices there by permitting, under the AID program, the misuse of these funds. Over \$400,000 has been charged as excessive fees in Vietnam. We do not know whether they are kickbacks or bribes or what. But it is a scandalous situation and I think the taxpayers want it stopped.

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

Mr. THOMSON of Wisconsin. I yield.

Mr. ZABLOCKI. I agree with the gentleman that we want to stop abuses. I point out again however, that the problem does not exist between our country and the Government of Vietnam, or between Vietnam and the importer or the agent, but between the supplier and the importer or agent. That is where most abuses are perpetrated.

Mr. THOMSON of Wisconsin. Mr. Chairman, I cannot yield further. There are some instances of that kind. But what about the shipment of Metrecal to Cambodia, \$16,000 worth of Metrecal to Cambodia? And they thumb their nose at us. Oh, they would like to have us build their highways, but that project is a scandalous abuse of the use of our aid money. They would like to have us conduct training programs in this country. But I think we should say to all of the tin dictators throughout the world, "You are not going to get any more money

through the AID program, when you use it improperly."

Mr. GALLAGHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I might say at the outset that neither Israel nor Egypt is affected by the amendment which has been offered by the gentleman from Wisconsin.

Mr. Chairman, while the gentleman from Wisconsin certainly has a worthwhile purpose in mind, the problem is that his proposed amendment will create greater problems than presently exist under the regulations now in effect, which regulations have brought into being an apparatus through which we can recover these funds and are in fact presently recovering these funds.

Mr. Chairman, we discussed yesterday the question with reference to the collections that Mr. Bell has been making. I would like to point out to the Members of the Committee what this proposed amendment would do. For instance, it would cut off all aid to Panama because of a \$297 claim which has been in contention for the last 3 years.

Further, it would because of a \$878 arrearage in Pakistan cut off all aid to Pakistan.

We have obtained refunds for all the items that the gentleman mentioned yesterday. Therefore, we are presently trying to do everything that can be done to eliminate these abuses. But, to adopt this amendment and to place it into effect would overlook completely the fact that many of these purchases accrued through the private sector. They are financed through commodity credit that is established for the purchase of these commodities here in the United States.

Therefore, Mr. Chairman, we do have in existence means of collecting this money, and we are doing it.

Now, Mr. Chairman, if the gentleman's amendment is adopted, all aid to Korea would be cut off because there is in contention one claim in the amount of \$192.

In addition to all this, there has been in contention with a private company in Vietnam a claim in the amount of \$4,291. This amount has been in contention over the past 36 months. Immediately, right now, if this amendment were adopted all aid to Vietnam would have to terminate.

Therefore, I believe it would be a very unwise action if we should adopt this amendment.

While the amendment seems to seek to recover money for the United States, I wish to assure the members of the Committee that the AID agency is making every endeavor to do just that. But the far-reaching consequences of this amendment I feel are too great and would go far toward jeopardizing our security just to collect a few bills.

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

Mr. GALLAGHER. I yield to the gentleman from Florida.

Mr. FASCELL. Is it not true that the amount of collections has increased?

Mr. GALLAGHER. Oh, yes; it has increased considerably I might say, and the billings have greatly increased since Mr. Bell has been in office.

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

Mr. GALLAGHER. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Is it not true that the percentage of refunds collected by AID is much higher than that of any other governmental agency, including IRS?

Mr. GALLAGHER. There is no question about it. I believe if you want to cut off aid to Vietnam, and we are all concerned about this, then support this amendment.

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

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

Mr. DENT. Perhaps I am confused. Let me see if I can reconstruct it. According to what I believe is going on, we make a loan to a foreign country to buy commodities and commodities are ordered by an importer in that country from an American supplier. The American supplier is paid. Upon arrival in the foreign country, we discover that some of the products, in a post-audit, are products that are not permitted to be sold under this loan provision because they are so-called luxury items and are outside the list of allowed items. However, the American supplier has been paid. We, therefore, say to the foreign government, "This product that you have purchased is not allowed under the terms of the loan."

Is it not true that as much of the blame is upon the shoulders of the American suppliers who are well qualified to be prepared to know the items that are allowed under the loan items?

Mr. GALLAGHER. Exactly. In fact, most of the blame should be shouldered by the American exporter because he has the regulations and the black-listing of these prohibitive items.

Mr. DENT. If the gentleman will yield further, is it not true in the whole business of making a sale, if you can, make it, even if they do not need the product?

Mr. GALLAGHER. Exactly.

Mr. Chairman, I urge the defeat of the amendment.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

I would like to ask the gentleman—I do not believe he stated—how much is still outstanding?

Mr. THOMSON of Wisconsin. There is more than \$24 million that remains unpaid. The collections this year do not reflect the glowing estimates of those who have just spoken on this.

Mr. GROSS. I was afraid of that, and that is why I obtained this time to ask a question or two.

Mr. THOMSON of Wisconsin. They have sent out more than \$24 million of bills this fiscal year, and they have collected for the first three quarters of fiscal year 1964 only \$5 million, and they anticipate collecting only \$1.8 million additional. So the billings are going up and the collections are going down.

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

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

Mr. FASCELL. The gentleman wants to be fair. I would refer the gentleman to page 70 of the minority report, which the gentleman signed. There is a table there showing that for the fiscal year 1962 bills issued amounted to \$19,022,860, for fiscal year 1962 the amount of claims were \$8,739,699; for the fiscal year 1963 the amount of bills issued was \$24,727,656, and the collections for fiscal year 1963 were \$12,474,658, or 50 percent, whereas in previous years it was not that much. This certainly supports the statement that there has been an increase in collections.

Mr. GROSS. Let me ask the gentleman, does he not think we ought to collect if our money is being used to buy bubble gum, eyelid shade, or lipstick?

Mr. FASCELL. The gentleman is absolutely correct.

Mr. GROSS. Or contraceptives, sex stimulants, and that sort of thing? Does not the gentleman think we ought to collect for those?

Mr. FASCELL. Absolutely.

Mr. GROSS. How is it proposed to collect?

Mr. FASCELL. The gentleman's minority report shows we are collecting.

Mr. GROSS. It shows there is still \$24 million outstanding.

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

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

Mr. ZABLOCKI. I know the gentleman is a very informed Member of Congress. I am sure he knows that the refunds are being collected. The so-called bubble gum claim and claims for the other items the gentleman has mentioned were being collected.

Mr. GROSS. I cannot understand why these products are sold in the first place. How could these products get into their hands in the first place if there was proper administration of foreign aid funds?

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

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

Mr. GALLAGHER. I will be very happy to answer the question. The products get into the exporter's hands because we establish a line of credit where there are not dollars available; therefore, unless you have a preaudit, you do not know what is going to be purchased. You must trust they are complying with the law unless you have a preaudit. After we have a postaudit these items turn up, and if they are in violation they are criminally prosecuted or claims are pursued civilly. Where there is a violation, we have already obtained refunds on the items the gentleman has mentioned.

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

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

Mr. DERWINSKI. I would like to make the observation that, in my opinion, the gentleman from New Jersey misses the point of the amendment, or the purpose of the amendment, which is to avoid price disclosures which are so embarrassing to proponents of the

program. Here is an amendment which will help the bill.

Mr. GROSS. I want something more than hope that this money is going to be paid back. This amendment will serve to help get the \$24 million that is outstanding.

Mr. GALLAGHER. I am in agreement with the gentleman. We are doing more than hoping; we are enforcing the regulations. The gentleman from Illinois is worried about these matters. He is very concerned about Vietnam. Are we now prepared to cut off the war in Vietnam because of a \$4,000 unpaid bill?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The amendment was rejected.

AMENDMENT OFFERED BY MR. ADAIR

Mr. ADAIR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ADAIR: Page 8, immediately after line 10, insert the following:

"(d) At the end of section 620, add the following new subsection:

"(n) No funds authorized to be made available under this Act shall be used to furnish assistance (except to complete commitments entered into prior to July 1, 1964) on a loan or grant basis to any country which provides economic development assistance on a loan or grant basis directly to another country."

Mr. ADAIR. Mr. Chairman, yesterday there was discussion concerning those countries which receive assistance from us and in turn are themselves granting assistance to other nations. It was pointed out that by this process we are making it possible for such countries to get credit for giving assistance for which in fact we are paying.

My amendment if adopted would cut off loan and grant aid to any country which is conducting its own economic aid program directly with another country.

Some of the things that my amendment would not do:

It would not force us to renege on or to violate existing commitments or those entered into prior to July 1 of this calendar year. Members who have read the report, including the minority views, will recall that there are at least three nations extremely well developed economically which are still receiving military assistance. I refer to Norway, Denmark, and Japan, which are in this program for a total of approximately \$53 million. In spite of our feeling about them, in spite of the question which may arise in our minds as to the validity of our giving assistance to three nations such as these, my amendment would not cut off assistance because the agreement has previously been made.

Some have wondered whether it would interfere with Peace Corps type operations. My answer to that is in the negative, it would not, because the amendment is limited to economic development assistance.

I think in the same category would be cultural activity. These are not economic developmental activities and therefore they would not be affected.

Neither does it cut off aid to countries because they contribute to multilateral

assistance programs through international organizations.

Finally, it should be pointed out that it does not cut off aid to countries for contributing military assistance either directly or through international organizations.

With these limitations and these safeguards, it seems to me we are saying simply that if other countries are prosperous enough to engage in their own economic development programs, then they ought not to look to us for financing to do that. Therefore, I urge the adoption of the amendment.

Mr. ZABLOCKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I ask unanimous consent that the amendment be reread.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk again read the amendment.

Mr. ZABLOCKI. Mr. Chairman, frankly, I am completely puzzled and I cannot understand the reason for this amendment. After all, over the years, we have been encouraging the rest of the countries of the free world, particularly those countries that have received our assistance and have become economically viable, we have asked them and encouraged them to join in cooperative efforts to help each other and to help the less developed countries. Some of them, of course, are still receiving assistance. Some of them are joining in consortia with other countries to assist third countries. For example, certain countries that are receiving our economic and military assistance at the present time are members of the Colombo plan. If the gentleman's amendment were to prevail, these countries would have to stop providing assistance to other countries. This would cause, I submit, resentment on the part of those who have been friendly to us. They would charge us with infringing on their sovereign rights, on their freedom to conduct international relations, or their dealings with their neighbors and friends.

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

Mr. ZABLOCKI. I am delighted to yield to the gentleman.

Mr. ADAIR. The gentleman raised the question as to the reason for the amendment. I tried to state it very simply, that certainly we want other developed nations to bear part of this burden. But we do not want them to do it with our money. This is an effort to get them to use their own money.

Secondly, I tried to point out in my remarks that where there is an international organization that is carrying on activities that would not be affected by my amendment. This is direct country-to-country economic development assistance which is involved here.

Mr. ZABLOCKI. The gentleman has further clarified his amendment, and I thank him for it, but I want to point out the difficulties that would be involved in trying to administer it. How would the amendment differentiate between countries, between the origins of their assistance to other countries? I want to

make it very clear that we are giving 80 percent of our assistance in the form of commodities. We do not give dollars. So the recipients of our aid would not be using our money in providing assistance to third countries. Further there are cases where countries that are receiving our aid, are giving aid to other countries because of their proximity to such other countries, perhaps because of a common language. Under such circumstances, their assistance can do more good than comparable aid coming from us or from other countries.

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

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

Mr. DENT. The gentleman by his explanation has made the amendment practically useless, because it is ridiculous to say that you are going to stop our aid to them only if they use our dollars to make loans to other countries, because that is exactly the explanation that the gentleman gave. If they are using their own currency or their own commodities for aid to other countries, how can we interfere with that?

Mr. ZABLOCKI. I mentioned earlier that it was our national policy, expressed in legislation adopted by the Congress, to encourage other countries to enter into foreign aid undertakings. I would like to read that section of the law, although I am sure the gentleman from Indiana is familiar with it.

The law reads as follows:

SEC. 102.

"The Congress urges that all other countries (including private enterprise within such countries) able to contribute join in a common undertaking to meet the goals stated in this part. In particular, the Congress urges that other industrialized free world countries increase their contributions and improve the forms and terms of their assistance so that the burden of the common undertaking, which is for the benefit of all, shall be equitably borne by all. It is the sense of Congress that, where feasible, the United States Government invite friendly nations to join in missions to consult with countries which are recipients of assistance under this part on the possibilities for joint action to assure the effective development of plans for the economic development of such recipient countries and the effective use of assistance provided them;"

Now I know the gentleman from Indiana is very much interested in promoting private enterprise and private participation in foreign aid. If I recall correctly, he has joined in formulating this provision of the law, and he has supported this particular section of it. Therefore, I say again, I am completely at a loss as to what the gentleman intends to accomplish by his amendment.

Mr. Chairman, I urge that the amendment not be adopted.

Mr. HAYS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do not propose to use 5 minutes, but it seems to me there is one important point which has not been made in opposition to the gentleman's amendment. Simply stated, it is this: We talk about giving money to other countries. Actually, what we do in this foreign aid program, and what we have done since the days of the Marshall plan,

is make available dollar credits to countries which do not have dollar exchange. At the risk of getting into another argument, we will use Israel as an example. I use it because it has been quite active in the technical assistance field. It is possible that we would want to finance a project in Israel which would require certain things from the United States that they did not have the exchange to pay for, while, on the other hand, they might have credits in Nigeria, in their money, for products they had sold to Nigeria, which they could use to help Nigeria in a technical assistance program.

Do we want to say that when there is a balance-of-payments situation in a little nation, when it is possible to help another underdeveloped nation, this shall not be done at the risk of losing possible U.S. aid? I really do not believe we wish to say that. I do not believe the gentleman from Indiana really wishes to do that, but that would be the effect of his amendment, as I read it and understand it.

For that reason alone I believe the amendment should be defeated.

SUBSTITUTE AMENDMENT OFFERED BY
MR. DERWINSKI

Mr. DERWINSKI. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. DERWINSKI as a substitute for the amendment offered by Mr. ADAIR: Page 8, immediately after line 10, insert the following:

"(d) At the end of section 620, add the following new subsection:

"(n) No assistance shall be furnished under this Act to any Communist country (as defined in section 620(f)) which provides assistance directly to another country. No other provision of this Act shall be construed to authorize the President to waive the provision of this subsection."

Mr. DERWINSKI. Mr. Chairman, I would hope that the amendment offered by the gentleman from Indiana [Mr. ADAIR], would prevail, but hours of observation of the mood and organization of the House this afternoon lead me to the conclusion that his amendment will not prevail.

Mine has a more specific target area, and therefore I offer it as a substitute.

To be specific, we have, over the years, in this foreign aid program, provided aid to Communist countries under the argument that it gives us a "foot in the door" in Eastern Europe, among people who are basically pro-Western and friendly to our concept of freedom. This aid has been used by the Red governments to maintain control over their unhappy citizens.

The purpose of my amendment is to prohibit aid to a Communist government when it, in turn, is carrying on its own aid program; so that if a Red government is interested in receiving American aid, we would then be saying, by this amendment, that our aid must go to improve the lot of the oppressed people, not permitting siphoning off our funds or releasing their funds to embark, in cooperation with the Soviet Union, on a carefully directed program of international subversion.

Poland and Yugoslavia, Communist governments which have received aid under this program both carry on aid to Cuba and other lands as part of the international Communist conspiracy.

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

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

Mr. GALLAGHER. Then the gentleman's amendment would allow us to give aid to Communist countries so long as they were not giving aid to other countries?

Mr. DERWINSKI. No. No. The prohibitions in the law against giving aid to Communist countries would naturally still apply. I would not disturb that. All I say is that if a Communist country is receiving aid under this program and is carrying on its own aid program, the President may not waive, under the other provisions of law, the prohibition.

Mr. GALLAGHER. The fact of the matter is that there are no Communist countries getting aid under this law. The effect of the gentleman's amendment would be to repeal that and to allow this aid to Communist countries.

Mr. DERWINSKI. No. My amendment would prohibit either at a later point in this fiscal year or in any future fiscal years aid to a Communist country which carries on its own aid program. It does not disturb any other portion of the law. I am opposed to granting aid or subsidy to any Communist government.

Mr. GALLAGHER. We do not give any aid to Communist countries under this law.

Mr. DERWINSKI. Temporarily, in this fiscal year you are not giving any.

Mr. GALLAGHER. Your amendment would qualify Communist countries as long as they do not give aid to their neighbors?

Mr. DERWINSKI. No. To repeat, my amendment would merely prohibit the waiving of the prohibition against Communist countries which the President has discretion to grant as to any country if that Communist country were carrying on its own aid program.

Mr. GALLAGHER. Would this cut off assistance to Italy if they were going to provide for the Polish veterans in the cemetery in Italy?

Mr. DERWINSKI. No. Italy is not a Communist country.

Mr. GALLAGHER. No; but under the Adair part of it I mean.

Mr. DERWINSKI. I am substituting this for the Adair amendment, in hopes to bring it into a position where the gentleman from New Jersey and the gentleman from Pennsylvania might approve it.

Mr. GALLAGHER. I think this raises a number of complex issues if the gentleman's amendment is adopted. The fact of the matter is we give no aid to Communist countries nor is it anticipated under this act.

Mr. DERWINSKI. Temporarily we are not giving aid to Red governments.

Mr. GALLAGHER. We are only talking about the 1964 act.

Mr. DERWINSKI. I am trying to protect this program in the future. I suspect the administration will restore aid

to Red governments sometime after the fall elections.

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

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. FASCELL. I can appreciate the fact that you are trying to deal with this program by obfuscation. Under your amendment, we may give aid to a Communist country if it does not engage in an aid program of its own. There is a prohibition in the present law against aid to a Communist country, but your amendment would raise an inference that that has been nullified or repealed.

Mr. DERWINSKI. No. To repeat, my amendment specifically states no other provision of this act shall be construed to authorize the President to waive the provisions of this subsection. What I am saying is the President may not waive any portion of the law when we accept my amendment. I flatly oppose aid to any Communist government.

Mr. FASCELL. That is the only clear thing about your amendment, as a matter of fact. The rest of it does not change the inference which arises by the language in the gentleman's amendment. The gentleman says no aid shall go to any Communist country if they are engaged in an aid program of their own. Ergo you may give aid to a Communist country if it does not have an aid program.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the substitute amendment offered by the gentleman from Illinois [Mr. DERWINSKI].

The substitute amendment was rejected.

The CHAIRMAN. The question now occurs on the amendment of the gentleman from Indiana [Mr. ADAIR].

The amendment was rejected.

AMENDMENT OFFERED BY MR. CASEY

Mr. CASEY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASEY: Page 8, immediately after line 10 insert the following:

"(d) At the end of section 620, add the following new subsection:

"(n) No assistance shall be furnished under this Act for the construction or operation of any productive enterprise in any country unless the President determines that similar productive enterprises within the United States are operating at a substantial portion of their capacity and that such assistance will not result in depriving such United States enterprises of their reasonable share of world markets. 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 currently informed of assistance furnished under this Act for the construction or operation of productive enterprises in all countries, including specifically the numbers of such enterprises, the types of such enterprises, and the locations of such enterprises."

Mr. CASEY. Mr. Chairman, this is an amendment that I offered last year.

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

Mr. CASEY. Yes. I will yield to the chairman of the committee.

Mr. MORGAN. Mr. CASEY, is this the same amendment as you offered to the bill during the debate last year?

Mr. CASEY. I will say to the distinguished gentleman that this amendment is word for word like the amendment that was offered last year and which you saw fit to accept.

Mr. MORGAN. That is true. The committee did accept this last year, and we took the bill to conference. I want to assure the gentleman from Texas that the conferees made an effort within the conference to retain some of the language of the gentleman's amendment, but due to the strong resistance from the conferees on the other side, we finally had to give in on the gentleman's amendment. The main objection, if I remember correctly—and I am quoting from the conference print—is that the Senate objected to the sweeping language that required the President to make some of these determinations. This seemed to be their main objection to the gentleman's amendment.

I just want to say that I think the gentleman's amendment has some merit and I would be glad again to take it back to conference this year.

Mr. CASEY. Mr. Chairman, I should like to say to the distinguished chairman of the Committee on Foreign Affairs that I appreciate his again accepting this amendment, and I thank him again for the efforts he made last year and I hope that someone in the other body will wake up to the merit of this proposal. I hope he will be a little more successful in persuading them to accept this language because in my opinion it will keep us from building up competition and taking away jobs from our own country.

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

Mr. CASEY. I yield.

Mr. RANDALL. Mr. Chairman, I should like to commend the gentleman from Texas [Mr. CASEY]. I joined with him in the effort he made last year. I think I know the reason for his action. The district I represent has a steel mill that was plagued with some of the same trouble as the gentleman from Texas. We were confronted with losing jobs on account of a situation which we are both now trying to remedy by this amendment.

Mr. Chairman, I thank the gentleman for his efforts this year and wish to associate myself with his remarks.

Mr. CASEY. Mr. Chairman, I thank the gentleman.

Mr. Chairman, as I pointed out last year, foreign aid funds are being used to build competition for our own plants and industries, and no consideration seems to be given to the condition of our industries when a similar industry is considered for a grant under the aid program.

Last year, I pointed out that up to that time, in the neighborhood of 179 foreign steel plants had been built or expanded through the foreign aid program. Since last year, that is, in fiscal 1963, in excess of 18 additional aid projects have aided foreign steel competition. In fiscal 1963 alone, over \$315 million of the taxpayers' money was used for steel mill expansion, locomotive plants, forging factories, rolling mills, and so forth.

The reason I use approximate figures and the words "in the neighborhood of" in describing the number of plants is that again, the Library of Congress advises me that the Agency for International Development does not itemize totals per industry or the country in which they are built and that many such activities are included under the overall designation of "productivity centers, mining developments, research centers, metals fabricating plants, engineering laboratories and services, technical support, and industry development and project assistance." Therefore, there is no question that the aid to the steel industries and other industries is higher than that which the Library of Congress Legislative Reference Service is able to furnish.

Last year, I pointed out that 31 pulp and paper plants had been built and expanded under the foreign aid program. And in fiscal year 1963, I have been able to determine that at least seven more projects in the pulp and paper field have been initiated under the foreign aid program. Twenty-two rubber plants had been built or expanded as of fiscal 1962, and during fiscal 1963, three additional projects in the rubber industry are known to have been initiated.

Mr. Chairman, this amendment will spotlight exactly the type of industries being built or expanded with foreign aid funds, and it will also give the Congress and the taxpayers an itemized list of such plants and where they are being built.

It is not restrictive. There is plenty of flexibility. But it will call to the attention of the President for determination the question of whether or not any plant built under foreign aid assistance will seriously jeopardize our own domestic competing companies.

I sincerely hope that those in the other body who have been alarmed at the flood of steel imports will take note of this amendment and will see fit to offer this or a similar amendment to the Senate's version of the Foreign Assistance Act. Because, until this agency is required to use some discretion and caution in building plants overseas, they will have nothing to look forward to but more imports and the further loss of production, as well as jobs, in their respective States and districts.

Mr. Chairman, in the next few days, I will insert in the RECORD a recompilation of U.S. aid to specific foreign industries to again bring to the attention of this Congress and the people the competition that we have built with our own money, which I think will tell more graphically than I can do here today the need for this amendment.

I again wish to sincerely thank the gentleman from Pennsylvania [Mr. MORGAN], chairman of the committee, as well as other members of the committee, who have seen fit to recognize the merits of this amendment, and I wish them more success this time when they take the matter to conference.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. CASEY].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. REID OF NEW YORK

Mr. REID of New York. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REID of New York: Page 7, immediately after line 24, insert the following:

"(a) Amend section 612, which relates to the use of foreign currencies, by adding the following new subsection (c):

"(c) Any Act of the Congress making appropriations to carry out programs under this or any other Act for United States operations abroad is hereby authorized to provide for the utilization of United States-owned excess foreign currencies to carry out any such operations authorized by law.

"The President shall take all appropriate steps to assure that, to the maximum extent possible, United States-owned excess foreign currencies are utilized, in lieu of dollars. As used in this subsection, the term "excess foreign currencies" means foreign currencies or credits owned by or owed to the United States which are, under applicable agreements with the foreign country concerned, available for the use of the United States Government and are determined by the President to be excess to the normal requirements of departments and agencies of the United States for such currencies or credits and are not prohibited from use under this subsection by an agreement entered into with the foreign country concerned."

Page 7, line 25, strike out "(a)" and insert in lieu thereof "(b)".

Page 8, line 4, strike out "(b)" and insert in lieu thereof "(c)".

Page 8, line 7, strike out "(c)" and insert in lieu thereof "(d)".

Mr. ROONEY of New York. Mr. Chairman, will the distinguished gentleman yield?

Mr. REID of New York. I yield briefly, to the distinguished chairman from New York.

Mr. ROONEY of New York. Mr. Chairman, I do not understand this. The gentleman and I had a conversation earlier with regard to using foreign currencies in lieu of American dollars. Now the gentleman offers an amendment which contains certain language; for instance, the last three lines at the foot of the proposed amendment.

Under these circumstances I may have to oppose it.

Mr. REID of New York. First I would like to discuss the amendment.

Mr. Chairman, the Foreign Operations Subcommittee of the House Committee on Government Operations held hearings on November 18, 19, and 20 on uses of U.S.-owned foreign currencies.

Testimony was taken from representatives of the Department of State, Department of the Treasury, AID, and the Bureau of the Budget. It was clear from this testimony that the United States has in excess of \$1.1 billion of excess foreign currencies for the exclusive use of the United States. It was equally clear that we have \$920 million, roughly, as of now that is totally noncommitted.

Mr. Chairman, the purpose and the focus of this amendment is to make clear the concern and the interest of the Congress with regard to our excess foreign currencies for the exclusive use of the United States.

We also hope to point out the rate of accretion with respect to these foreign

currencies, because they are growing at the rate of something in excess of \$100 million per year. In the last 8 months, from June 1963 to February 1964, they increased at the rate of \$94 million.

Mr. Chairman, the amendment is specific with regard to several direct points. One, it explicitly defines for the first time excess currencies.

Two, it states the President shall take all appropriate steps to assure to the maximum extent possible that U.S.-owned excess foreign currencies are utilized in lieu of dollars.

In addition, it is my conviction and I believe that of my colleague, the gentleman from Wisconsin [Mr. REUSS], who helped draft this amendment, and of the subcommittee chaired by the distinguished gentleman from California [Mr. MOSS]—that the utilization of these currencies can result not only in a savings of some dollars but complement and extend the value of dollars in other programs. Also, their utilization is important and essential for certain U.S. programs.

Mr. Chairman, the utilization of excess foreign currencies under existing programs, and consistent with existing laws, can be helpful in terms of support for: Schools abroad for dependent children of U.S. officers and employees; language instruction for our Foreign Service officers and other U.S. nationals serving overseas; the teaching of English as a second language; official travel for officers within their regional area of service; and for other purposes such as lease, rental, and acquisition of adequate housing facilities. In addition, another key area of support includes international, educational, and cultural exchange activities.

In my judgment it is important for the Congress in this bill to take note of the accretion of these currencies, to encourage the Executive to come forward to the Appropriations Committee with properly thought out requests for their use under existing programs so that these funds can be appropriately utilized and where possible, save dollars.

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

Mr. REID of New York. I yield to the distinguished gentleman from Wisconsin.

Mr. REUSS. Mr. Chairman, I feel that this is a good amendment. I hope it will be favorably received.

Mr. Chairman, we now have close to a billion dollars worth of such currencies as Indian rupees, Yugoslav dinars, Polish zlotys, and other foreign currencies. While they lie there gathering moss, they do not help us, but they are a constant source of friction to our friends.

Mr. Chairman, the gentleman's amendment would assure the orderly use of these currencies, and I hope the amendment will be adopted.

Mr. ADAIR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to compound a question of the author of the amendment. There might be some question as to whether or not this would increase the total amount of expenditures. It is my desire to get the intent of the author of this amendment.

Is it his intent that these local countries should be used in lieu of dollars or in addition to other already programmed dollar amounts?

Mr. REID of New York. In response to the question of the distinguished gentleman from Indiana, I would like to say first of all these excess foreign currencies, now in some seven countries, are currencies or credits owned by or owed to the United States which are, under applicable agreements with the foreign countries concerned, available for the use of the U.S. Government.

These funds, therefore, as the amendment suggests, could be used in lieu of dollars. In other words, the thrust of this amendment is: First, to make clear the intent of Congress as to sound utilization of these funds rather than their continuing accretion; second, to save dollars where we can; and third, to facilitate support of programs to aid and strengthen our foreign policy.

Mr. ADAIR. Reference has been made by the gentleman from Wisconsin [Mr. REUSS], to this matter, and I would like to ask him if he subscribes to the sentiments expressed by the gentleman from New York with respect to saving dollars where possible in connection with this proposed amendment.

Mr. REUSS. Yes. I subscribe entirely to what the gentleman from New York [Mr. REID], has just said. I think we can rely on the Appropriations Committee, chaired by the gentleman from New York [Mr. ROONEY], to screen very carefully any requests for the use of foreign currency and to apply to them the same standards we would require of any other request for appropriations. That is the purpose of the amendment, and I believe it is a dollar-saving amendment.

Mr. ADAIR. With those answers, and in the hope that it will result in the utilization of local currency owned and the conservation of dollars, I think the amendment should be supported.

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

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

Mr. BRAY. Would these funds have to be authorized and appropriated the same as any other funds by the Congress?

Mr. REID of New York. Absolutely. That would be the concern of the Committee on Appropriations.

Mr. ROONEY of New York. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I should like to participate in this little bit of legislative history and to say that insofar as I am concerned the distinguished gentleman from New York [Mr. REID] came to me earlier with a proposed amendment to this pending bill which was two pages long and under which he would have authorized expenditures for many more programs than we presently spend for in connection with what? The Department of State, the U.S. Information Agency, and the AID.

The distinguished gentleman and I had a discussion, as the result of which he agreed to present in place of his proposed amendment a mere statement of policy. This statement of policy is the

same statement of policy that has been contained in reports on State Department appropriations bills for many years; to wit, that they shall use foreign currencies wherever possible instead of American dollars for programs approved in appropriations bills. Who could be against the use of this so-called wooden money, as somebody has called it? But let me refer to them properly, foreign currencies on deposit in the Treasury of the United States rather than our American tax dollars. These foreign currencies originally cost us good American tax dollars when they were given to whomever the program was generated by. That is the situation. So this business of any other or additional programs being concerned with here is not truly in the picture; is that correct, I ask the gentleman from New York?

Mr. REID of New York. I appreciate the opportunity to reply to the gentleman's question.

Mr. ROONEY of New York. Will the distinguished gentleman please answer me directly? Does he propose to spend any more money, counterpart or otherwise, under the terms of the pending amendment?

Mr. REID of New York. My understanding is, and I thought it was clear, we would save dollars. This does not provide any new programs.

Mr. ROONEY of New York. I thank the gentleman.

Mr. REID of New York. All it provides is authorizations.

Mr. ROONEY of New York. Since there are to be no new or expanded programs in the use of foreign currencies, I withdraw my opposition to the pending amendment. Thus this amendment is merely a statement of policy, and does not authorize the expenditure of any additional taxpayers' moneys, whether in foreign currencies or in American tax dollars.

I thank the distinguished gentleman from New York.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I find myself in agreement with the objectives of this amendment but in disagreement with the legislative procedures which are being used to attain these objectives.

I assume that the greater part—if not all—of the excess foreign currencies which are referred to in this amendment have accrued under Public Law 480, 83d Congress. If so, this is a law which is separate and distinct from the Foreign Assistance Act, which deals solely with the surplus commodities and other assets of the Commodity Credit Corporation, and which is under the jurisdiction of the Committee on Agriculture.

The subcommittee of which I am chairman has had public hearings and several executive sessions on the extension and revision of Public Law 480, and the foreign currency uses authorized by this amendment include uses to which we have given extended and, I might add, generally favorable consideration.

I think that the amendment might well be subject to a point of order. But I do not intend to raise that point of order because I find myself in agreement with

the objectives of the amendment—and I believe that most of the members of my subcommittee would also agree with these objectives.

The Committee on Agriculture is constantly at work trying to get greater beneficial use to the United States out of the foreign currencies which are received by the Commodity Credit Corporation in exchange for surplus agricultural commodities.

This amendment would apparently help to bring about such additional U.S. uses.

But it does it in a manner which is inconsistent with the legal theory of Public Law 480—by authorizing the reappropriation of assets which have already been appropriated and made available to the President for his use pursuant to the provisions of Public Law 480.

Authorizing the reappropriation of these foreign currencies is exactly the same as though Congress were to go through the procedure of authorizing every sale, transfer, or donation of wheat, corn, or cotton after it has already authorized the use of these commodities by the President.

The Committee on Agriculture has felt from the very start of Public Law 480 that the utmost possible use beneficial to the United States should be made of these foreign currencies. For that reason, we have resisted from the start this grotesque business of reappropriating these currencies before they could be used overseas in lieu of dollars, for our own benefit.

In spite of our opposition, the Congress now goes through the illegal and restrictive procedure of not permitting a Government agency to use these currencies until there has been an appropriation in dollars to that agency for their use.

As the direct result of this restrictive and shortsighted procedure, U.S. use of these foreign currencies has dropped from about 26 percent of the total received during the early years of the program to 17 percent in 1963.

I can readily understand how the Appropriations Committee, seeking as it properly always is to trim budgets, can find something to trim now and then from the dollar requests for foreign currency uses overseas.

What the distinguished members of that committee do not seem to understand is that this money has already been appropriated and that the only thing they are restricting is the United States getting the most benefit possible out of dollars that have already been spent.

If I understand this amendment correctly, it will at least authorize the appropriation of the foreign currencies themselves, rather than dollars. To that extent, I think it is an improvement of our present procedure.

I hope that more of our excess foreign currencies will be used abroad for the benefit of the United States.

For that reason I am not going to oppose the amendment.

But I want to make it clear that this does deal with a law which is within the jurisdiction of the Committee on Agriculture, and that it is entirely possible

that in our review and revision of Public Law 480, we may find need to reconsider the action taken today.

We expect to have a bill extending Public Law 480 before the House within the next few weeks. I anticipate that most of the amendments which will be proposed to the existing law will be for the purpose of trying to see that the United States gets more value for the CCC assets we are sending abroad; that more of the foreign currency received in exchange for these assets is devoted to U.S. uses. I hope that we will have the cooperation of all Members of the House, and of other committees, in this endeavor.

Mrs. KELLY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am shocked by the remarks of the gentleman who has just spoken. I, too, regret that Public Law 480 is not within the jurisdiction of the Committee on Foreign Affairs because sometimes I wonder whether our foreign policy exists to serve the domestic agricultural programs and Public Law 480, or vice versa.

It seems to me, Mr. Chairman, that at times Public Law 480 can get our foreign policy into a great deal of trouble. At the present time, agricultural problems are one of the reasons why the Common Market which we are endeavoring to encourage in Europe is not advancing as rapidly as was anticipated. Therefore, I hope that a change of policy under Public Law 480 will not compound those problems or cause the dumping of our products on other countries.

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

Mrs. KELLY. I yield to the gentleman.

Mr. BARRY. I rise in support of the amendment. I think it is good. Several years ago we considered this problem and its solution is long overdue.

Mrs. KELLY. I thank the gentleman.

Mr. MORGAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I know that the Committee on Government Operations had long hearings on this amendment last November and December. The gentleman from New York who has offered the amendment brought the original draft to the attention of the committee, during our markup of this bill.

We considered it at that time. We thought it was a broad and inclusive amendment and suggested that maybe it should be in Public Law 480. Now that we have heard from a member of the Committee on Agriculture, the gentleman from Texas [Mr. POAGE], who says that he sees no objection to it going in here, and that his committee is going to pursue this further in hearings on Public Law 480 later this year together with the fact that the gentleman from New York [Mr. ROONEY], who chairs the great Subcommittee on Appropriations for the Department of State, has withdrawn his objection, I feel that the committee can take this to conference and we have no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. REID].

The amendment was agreed to.

Mr. FASCELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I just want to make a brief comment with respect to section 620(a)(3) which was added to the bill last year, an amendment which I co-sponsored with my distinguished colleague, the gentleman from Florida [Mr. ROGERS].

You will recall that the amendment required a determination as to whether any country has failed to take appropriate steps not later than 60 days later than the enactment of the Legislative Act preventing shipping and transporting by plane commodities to or from Cuba.

The United States immediately notified covered countries of the legislative restrictions under the act and that our Government would carefully scrutinize action being taken by such countries to which that amendment would apply.

As a result thereof, it was found that 19 countries had ships or aircraft in trade with Cuba since October 23, 1962.

Of those 19 countries, 3—Canada, Finland, and Sweden—did not receive assistance from funds provided under this act and, therefore, did not come within the purview of the amendment.

Of the remaining 16 countries, 3 who were receiving aid were found not to have taken appropriate action. Those were the United Kingdom, Yugoslavia, and France. We immediately terminated the residual, small programs we had with those countries.

Of the remaining 13 countries affected by that amendment, it was determined that appropriate action had been taken by those countries within the time prescribed by the amendment, and therefore that they had met the conditions and the requirements of the amendment. The countries are: Denmark, Greece, Italy, Japan, Lebanon, Mexico, Morocco, Netherlands, Norway, Panama, Spain, Turkey, and West Germany.

I should like to give Members an idea of what kind of action was taken. This is the kind of legislative requirement which does call for the exercise of the best diplomatic skill on our part. We here believe that skill has been applied to the interpretation of this amendment.

For example, Greece, by two royal decrees, prohibits all carriage to or from Cuba.

Japan, which had only one ship which called at Cuba in 1963, promptly removed that from the trade.

Panama promptly punished a shipowner of vessels violating the decree of that Government which prohibited calls at Cuba.

Turkey had no ships which called at Cuba in 1963 and 1964 and has also fully cooperated with the United States.

The AID Agency, and the President have followed the intent of the Congress pursuant to my amendment. This action has been effective and I am pleased to report the prompt and effective action taken by the President and the AID Agency to carry out the intent of Congress. We have taken another affirmative step in carrying out our national goal in freeing this hemisphere of Castro and communism.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to my distinguished colleague from Florida.

Mr. ROGERS of Florida. I thank the gentleman.

I wish to say, Mr. Chairman, in backing up the remarks of my colleague and coauthor of the amendment, the gentleman from Florida, Congressman FASCELL, that of the 19 countries which were shipping into Cuba there are now only 2 main offenders. The biggest offender is England.

The report for this past month, the latest, shows that in May England had 12 ships which went into Cuba, the Greeks had 2 and the Lebanese 5.

If we will continue the pressure against these countries we can soon cut off the shipping to Cuba, and this will place an intolerable burden upon Russian shipping. This will be a major step in getting rid of communism in this hemisphere.

Mr. Chairman, last year the House exercised its wisdom and adopted the FASCELL-ROGERS amendment to the foreign aid bill to prohibit U.S. aid going to any country which allows ships or aircraft of its registry to call in Cuba.

When the amendment became law on December 16, 1963, there were 19 nations involved in shipping to Cuba. Diplomatic representations have been made to these nations, with threats of U.S. aid cutoffs being the primary lever, in efforts to obtain cooperation.

Canada, Finland, and Sweden were receiving no aid from the U.S. foreign aid program, but, nonetheless, not one ship from any of these countries has entered Cuba since January of this year, according to the intelligence reports from the Maritime Administration.

However, because insufficient action resulted in continuing ship traffic to Cuba by vessels of British, French, and Yugoslav registry, United States aid to those countries has been suspended by order of President Johnson.

Of the remaining nations, efforts are nearly completed whereby those governments have either drafted legislation to prohibit shipping to Cuba, reached agreements with their shipping interests, or actually halted shipping to Communist Castro.

Thus the law is being applied with a firm hand.

The principal offenders of this continued shipping to Cuba are Britain, with 12 ships calling so far according to the reports for May; Lebanon, with 5 ships reported so far for May; and Greece, with 2 calls reported in May. The Greek Government, however, has issued a royal decree banning any further charter commitments.

Thus, Mr. Chairman, it is clear that the amendment adopted last year has been effective. No reason exists to alter the law in this area as it has been administered firmly.

However, stronger efforts must be made to get those few nations led by Great Britain to halt this continued assistance to Communist Castro by serving as his transporter. That task should be borne solely by the Communist world, and not by a nation claiming our friendship.

AMENDMENT OFFERED BY MR. JENSEN

Mr. JENSEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JENSEN: On page 8, after line 10, add a new section to read as follows:

"No assistance is herein provided to any country which does not contribute financially to the struggle in Vietnam.

Mr. JENSEN. Mr. Chairman, the amendment speaks for itself, but I wish to say that about 3 weeks ago I was called to the White House, along with a number of other Members of the House and of the Senate, to meet with the President of the United States and with the Security Council. At that meeting Secretary McNamara, Secretary Rusk, and Mr. McCone briefed us quite extensively on conditions in Vietnam. They painted a dismal picture, to say the least.

After the briefing, which was quite thorough, we asked a number of questions. I asked this question of Secretary McNamara: "How much financial aid are these other so-called friendly nations of ours contributing to the Vietnam struggle?"

He said about \$30 million. I did not ask him how many men they were contributing, because I already knew. That number is less than 100, while we have 15,000 men in Vietnam. Our men have suffered around 1,200 casualties and over 140 of our fine American youth have lost their lives there. So I asked Secretary McNamara if he had insisted that these other so-called friendly nations of ours get into this struggle with us. He said he had asked them to do it. "Well," I said, "do you not think it is about time to insist?" then I directed this statement to the President of the United States, who was sitting across the table from me, "Do you not think, Mr. President, it is about time that you demand they get in this struggle with us?" Now, of course, I am not going to quote the President of the United States, but I will say this: There was a tall, powerful man that met me at the door as I was leaving and he said, "BEN, from now on I am going to demand that they get into this struggle in Vietnam with us."

Now, we have a Federal debt today of almost twice as much as all the other nations in the world all put together. The record will show, that there is not a single nation listed in this bill today that is not just as well able and possibly more financially able to help in that struggle in Vietnam than are the taxpayers of the United States. Mr. Chairman, I am sincere and serious in offering this amendment.

Now, some may say, "You do not state how much these nations should contribute financially." I am not going to name any amount, but I am quite sure the President of these United States will insist on a substantial contribution from these nations if this amendment is adopted by both Houses of Congress, and become law.

I hope my amendment will be adopted.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on

this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Chairman, I had the occasion and the honor to attend the same briefing as the gentleman from Iowa did, and I am sure the gentleman, when he asked the President that question, was sincere in his desire to get help for South Vietnam. We all would like other countries to pitch in to South Vietnam and help us, but it seems that we are committed to assume the primary responsibility for backing up the Vietnamese people and I cannot see why we should stop our fight against communism all over the world by adopting his amendment, or why we should stop the Alliance for Progress, stop our NATO contributions, and stop our payments for our SAC bases in Spain as well as other parts of the world by attempting to bring these people into South Vietnam. I do not think it will bring any help to us in Vietnam.

I know the gentleman is sincere in his efforts, and that he asked a question of the President in great sincerity. I am sure he has offered an amendment here in great sincerity, but I do not feel that the way to win the fight against international communism is to say that if you do not go into Vietnam we are not going to do anything for you. I do not think this amendment will get us any help or any money for Vietnam nor will it put any more soldiers there. It will only make the problem we face all over the world bigger and greater.

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

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

Mr. JENSEN. Mr. Chairman, the gentleman could not have been listening to the reading of my amendment.

Mr. MORGAN. The gentleman referred to offering assistance in Vietnam.

Mr. BROOMFIELD. I think the gentleman from Iowa has a point. I think what should be stressed is that many of these countries in the Far East could be encouraged to participate to a greater extent than they are now in that area. I am not talking about dollars so much; I think there are countries in the Far East who should be willing to put men in there to join U.S. forces in the effort against communism in Vietnam.

Mr. MORGAN. I agree with the gentleman, but I do not think this is the way to stir them to action.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. JENSEN].

The amendment was rejected.

Mr. BRAY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, once again we are offered the grab bag of foreign-aid gifts, and have the unhappy duty of accepting them all or rejecting them all.

There are so many different aspects of foreign aid that it is very unfortunate we do not have an opportunity to vote separately on them.

There is very strong sentiment favoring military assistance to friendly nations, and such aid would have strong support if it were presented by itself.

Even within that category, many of us would like an opportunity to consider separately aid to friendly nations, and aid to Communist or near-Communist nations where our assistance may serve a more doubtful purpose.

Some people would like the opportunity to support the Alliance for Progress, and are still hopeful for its success, despite its early failures.

No doubt most all of us, in varying ways, want to support aid which will educate other people to help themselves—to make self-sustaining nations of countries currently underdeveloped.

Instead we are greeted again with a patched together conglomeration of various programs and various purposes. It is obvious that in this way it is hoped to push through the good with the bad, the generally approved with the highly controversial.

This can be a very undesirable, and even dangerous legislative procedure. Many times in the past things have been approved in this fashion which might well have failed had they not been pushed through under the cover of other programs.

One such example refers to the African nation of Ghana. Since 1957, and in spite of President Kwame Nkrumah's total hostility toward the West and his close alliance with the Communists, the United States has given almost \$170 million in loans and grants to Ghana.

This includes \$7 million for beginning the construction of a great power-producing project on the Volta River. This amount was contained in the 1962 foreign aid bill.

During debate on this bill on July 11, 1962, I spoke against this particular item, pointing out that while the amount was small, it was merely a foot in the door and the project would cost many times that before construction was finished.

I also criticized the folly of aiding Nkrumah and giving him additional prestige, noting that this could only strengthen him in maintaining an iron hand over the lives and freedom of his own people, as well as encourage other countries of Africa to take a similar course of enmity toward the West.

In addition, I observed that construction of the Volta Dam, where power was to be used to produce aluminum in great quantities, could only injure the West. With this great U.S.-financed ability to produce cheap aluminum, Ghana would clearly become an important force to assist the Communists to destroy the free world aluminum industry. There is a world surplus of aluminum and American manufacturers who employ American workers have had to curtail their operations. Thousands of Americans will be put out of work by increasing the aluminum production abroad.

I want to point out again the prophetic remarks I made in July 1962:

In trying to make friends of our enemies, we make enemies of our friends. Such a philosophy has never succeeded in helping

the country which followed it, but apparently we naively believe that such can be accomplished by helping the Communist leader Nkrumah.

Now we have reaped the fruits of this policy. The thanks we receive for the \$170 million given to Ghana comes to us in the form of Government-inspired and Government-led insults, attacks upon our embassy, desecration of our flag, threats of massacre, and slanderous accusations of having murdered our own President.

Furthermore, the leaders of Ghana have announced their complete support of Fidel Castro in Cuba.

It is difficult to understand the type of people in our State Department who insist upon our supporting projects of this kind.

In another typical attempt to lump everything together the administration has thrown in a request for additional money for the defense of Vietnam. If more money is needed for our men in Vietnam and to resist the efforts of the Communists to take over there, I am sure that this Nation wants the money to be provided. It is unfortunate, however, that this cannot be handled separately and upon its own merits, instead of being lumped together with many less desirable programs.

There are many of us who fear that continued programs such as that which lead us to help the Ghanas of this world, and to support in office leaders such as Kwame Nkrumah, will only tend to encourage and strengthen Communist advances and to discredit and destroy free enterprise development.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

CHAPTER 2—ADMINISTRATIVE PROVISIONS

SEC. 302. Chapter 2 of part III of the Foreign Assistance Act of 1961, as amended, which relates to administrative provisions, is amended as follows:

(a) Amend section 625, which relates to employment of personnel, as follows:

(1) In subsection (d)(2) in the third proviso strike out "more than thirty persons in the aggregate" and substitute "the assignment to such duty of more than twenty persons at any one time".

(2) Add the following new subsection (j):

(j) The President may appoint or assign a United States citizen to be representative of the United States to the Inter-American Economic and Social Council and to be United States representative to the Inter-American Committee on the Alliance for Progress and, in his discretion, may terminate such appointment or assignment, notwithstanding any other provision of law. Such person may be compensated at a rate not to exceed that authorized for a chief of mission, class 2, within the meaning of the Foreign Service Act of 1946, as amended."

(b) Amend section 626, which relates to experts, consultants and retired officers, as follows:

(1) Subsection (a) is amended by striking out "\$75" and substituting "\$100".

(2) Subsection (c) is amended by striking out the words "Career Compensation Act of 1949, as amended (37 U.S.C. 231 et seq.)" and substituting "section 101(3) of title 37 of the United States Code".

(c) Amend section 637(a), which relates to administrative expenses, by striking out "1964" and "\$54,000,000" and substituting "1965" and "\$52,500,000", respectively.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 303. Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is amended by adding at the end thereof the following new section:

"SEC. 648. SPECIAL AUTHORIZATION FOR USE OF FOREIGN CURRENCIES.—Subject to the provisions of section 1415 of the Supplemental Appropriation Act, 1953, the President is authorized, as a demonstration of good will on the part of the people of the United States for the Polish and Italian people, to use foreign currencies accruing to the United States Government under this or any other Act, for assistance on such terms and conditions as he may specify, in the repair, rehabilitation improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II."

PART IV—AMENDMENTS TO OTHER LAWS

SEC. 401. The first section of the Act entitled "An Act to authorize participation by the United States in the Interparliamentary Union", approved June 28, 1935 (22 U.S.C. 276), is amended to read as follows:

"That an appropriation of \$50,000 annually is authorized, \$23,100 of which shall be for the annual contributions of the United States toward the maintenance of the Bureau of the Interparliamentary Union for the promotion of international arbitration; and \$26,900, or so much thereof as may be necessary, to assist in meeting the expenses of the American group of the Interparliamentary Union for each fiscal year for which an appropriation is made, such appropriation to be disbursed on vouchers to be approved by the President and the executive secretary of the American group."

Mr. MORGAN (interrupting the reading of the bill). Mr. Chairman, I understand that there is only one more amendment to be offered.

Mr. Chairman, I ask unanimous consent that the bill be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MORGAN. Mr. Chairman, I ask unanimous consent that all debate on the bill close in 15 minutes, the last 5 minutes to be divided between the minority and the majority.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

AMENDMENT OFFERED BY MR. FOREMAN

Mr. FOREMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FOREMAN: On page 10, immediately after line 9, insert the following:

"SEC. 304 Chapter 3 of part III of the Foreign Assistance Act of 1961, as amended, which relates to miscellaneous provisions, is further amended by adding at the end thereof the following new section:

"SEC. 649. LIMITATION ON AUTHORIZATIONS FOR ECONOMIC ASSISTANCE.—Notwithstanding any provision of this or any other Act, no provision of this Act authorizing appropriations to carry out any program of assistance under this Act (other than a provision contained in part II of this Act) shall become effective until the tax receipts of the United States Government for the preceding fiscal year were equal to or greater than the expenditures of the Government (other than for the retirement of indebtedness) for such fiscal year."

Mr. FOREMAN. Mr. Chairman, this is a very simple amendment. It simply says that we will not continue to give our tax dollars away so irresponsibly as we have in so many parts of the world, until we have balanced our national budget.

Never before in the history of mankind has there been demonstrated such shortsighted generosity as our expensive, badly executed, unrealistic, uncontrolled, and uncontrollable foreign aid giveaway program. This is the only Federal aid program I know of that does not exert Federal control along with the granting of Federal funds.

American taxpayers have contributed more than \$124 billion, including the interest we have paid on the money we borrowed to give away, in foreign aid—about 1 out of every 17 tax dollars—to over 100 nations during the last 16 years.

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

Mr. FOREMAN. I am pleased, indeed, to yield to my good friend the distinguished gentleman from Texas, [Mr. ALGER].

Mr. ALGER. Is the gentleman suggesting that we not borrow money in order to give it away?

Mr. FOREMAN. That is exactly what I am suggesting.

Mr. ALGER. If the gentleman will yield further, is he suggesting that we balance the budget before we appropriate money to give away?

Mr. FOREMAN. Exactly. I say that before we continue this kind of foreign aid giveaway program, we should get our own house in order. We should balance our own domestic budget, and pay our own debts first.

Mr. ALGER. I appreciate and certainly agree with the gentleman's view but he has not a slightest chance of getting such a reasonable amendment accepted.

I thank the gentleman for yielding and commend him on his very positive, constructive approach to this very grave and perplexing problem.

Mr. FOREMAN. I would like to point out one very important aspect. This amendment leaves in part 2 of the bill, the military assistance portion of this act. It only cuts out the economic grant portions of aid as contained in this bill.

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

Mr. FOREMAN. I would be delighted to yield to the distinguished gentleman from Iowa.

Mr. GROSS. I want to commend the gentleman for offering his amendment. I wish it went further and provided for payment on the national debt as well as a balanced budget.

Mr. FOREMAN. I thank the gentleman for his remarks, and I certainly agree with him, however, I believe he will agree this is about all we could expect to get at this setting.

Mr. Chairman, as I pointed out, this amendment leaves in part 2, the necessary and strategically important military assistance portion of the bill. Further, as pointed out in the report in the minority views, we can get along without this aid if need be, until the budget

is balanced. We will have from 2 to 3 years, or perhaps even longer to balance our national budget, by continuing this program with the money that we already have in the foreign aid pipeline, as shown by tables in the report, country by country and program by program the unexpended balances of economic and military assistance in the foreign aid program financed with funds made available under the authority of the Foreign Assistance Act of 1961, as amended. At June 30, 1964, this pipeline of economic aid added to the military pipeline of \$2,087.7 million totals \$6,363 million. Add this sum to the \$3,517 million authorized by this bill and the total available for expenditure rises to \$9,880 million.

One of the ironies of this program is that the United States gives economic or military assistance to a number of countries which themselves are giving aid. It was brought out during the hearings that \$90 million in military assistance during fiscal year 1964 and \$55 million during fiscal year 1965 was programed to European countries and Japan having assistance programs of their own.

Military assistance to nations conducting substantial assistance programs include, but are not limited to, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, United Kingdom.

In addition, economic loans and technical assistance grants went to such countries as China, Mexico, and Israel that also carry out direct technical assistance activities with other countries.

Further, it was brought out that assistance activities by other countries had expanded to a considerable degree during the last decade. However, the financial terms on which it is given are considerably harder than our own. In 1962, U.S. loans to less developed countries carried an average maturity of about 30 years as compared to the 12-year repayment period for Italy and 17 years for Germany. Interest rates on aid loans of countries other than the United States have been high, averaging 5.1 percent, while the United States makes loans with no interest and only a service charge of three-fourths of 1 percent. Not only are the financial terms considerably harder than our own, but the assistance is tied to the procurement of project commodities and other products from the country granting aid.

In addition to the inefficiencies and wastes in the program, I direct special attention to the basic foreign policy inconsistencies which are clearly seen in this program.

The legislative history of the Foreign Aid Act and all the titles under which it has been operated indicate that the main argument advanced for this massive spending program has been to stop the spread of communism.

The same day our Foreign Affairs Committee approved this latest spending authorization, State Department officials were negotiating to provide trade subsidies for the Rumanian Communist Government with the implication that direct aid would be forthcoming under this act in the near future.

The granting of aid and favorable trade conditions to Communist nations is a self-defeating, tragic policy, completely contrary to the arguments advanced for it on behalf of this program.

For years the Communist rulers of Poland have been granted aid under this program and what have been the results? Polish authorities have loyally supported the policies of Moscow in Laos, cooperated with other Communist governments in subsidizing Castro and have played a major role in international Communist conspiracies. In addition, within their own country, instead of liberalizing or mellowing as the State Department claims, they have increased persecution of religion, intensified class warfare, and moved deliberately to subjugate peasants of the country to Communist agricultural bondage.

The massive aid poured into Yugoslavia has not produced any major results or freed the people of that country of harsh Communist rule. On all major international issues, the Tito Government stands with the Soviet Union and their fellow Communist tyrants. Communist Yugoslavia is especially involved in programs to infiltrate Africa with Red-trained personnel.

In turn, the people of Yugoslavia are subject to religious persecution, constant governmental control of communications media, and standard Communist interference with their attempts for personal economic advancement as under any Red dictatorship.

We have been unable to obtain the cooperation of our European allies to reduce their trade with Cuba in strategic materials. Not even our hemispheric neighbors will go along with us on the sanctions against Cuba necessary to protect their freedoms.

The political settlement in Laos has predictably worked to the advantage of the Communists. The \$330 million poured into that country has done nothing more than identify the United States with a losing battle.

After 10 years and \$370 million in aid, Cambodia has asked us to pick up our marbles and go home.

Indonesia with \$870 million of our money continues to threaten freedom-seeking Malaysia. On March 25, 1964, Sukarno announced: "To hell with U.S. aid." Yet, we continue to give him aid. In fiscal year 1965, \$10 million is planned for technical cooperation.

Our friends in Turkey and Greece are at each other's throat over Cyprus.

Are these the accomplishments of our aid? If so, the program needs to be drastically revised.

Had our aid been dispensed in a hard-nosed fashion in earlier years I believe the United States would not be faced with many of the international problems it faces today. If we had demanded, as a condition to receiving assistance, the social and economic reforms that were necessary to give people hope and assure proper utilization of the aid furnished—

Indonesia's economy might be viable instead of on the verge of bankruptcy; she would be a member in good standing with the free world forces against com-

munistism instead of its apt pupil; and Sukarno, kept in power with our aid, would long ago have departed from the international scene;

The popular base needed to sustain President Diem's government in South Vietnam would not have been dissipated and thereby encouraging another source of support for Communist insurgents;

President Rhee of Korea would have remained as the inspired leader of his people and the unstable situation would not be the problem it presently is;

Laos might be wholly free; and

Brazil would be realizing its great economic and leadership potential.

These are only a few of the benefits we could have derived from "hard decisions" instead of soft grants and loans.

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

Mr. FOREMAN. I yield to my good friend the distinguished gentleman from Illinois.

Mr. FINDLEY. I want to commend the gentleman for offering this amendment. I think it would go a long way toward restoring a sound dollar as the first line of defense of this country.

Mr. FOREMAN. I thank the gentleman for his remarks and endorsement of this amendment, one which I might point out, that has been offered by the gentleman from Illinois [Mr. FINDLEY] several times in the past. Now, what improvement proposals do I offer concerning our foreign aid program?

We must initiate drastic reductions in foreign aid in all instances, except where technological and military assistance is necessary to the defense of the free world and is economically advantageous to the United States. We must initiate some tough-fisted management over it. We must use commonsense in our administration of it and curb its waste and mismanagement.

We can do this by restricting grants to the careful distribution of surplus farm products to friendly underdeveloped countries to feed the hungry, by providing needed medicines to the sick, and by providing technological assistance and instruction to those who show a willingness and desire to help themselves. Our money and equipment sent to countries needing help should be only to non-Communist countries, and this should not be grants, rather it should be in the form of sound, hard, reasonable interest-bearing loans, backed up with collateral, and to be repaid according to a specified, sensible, businesslike schedule.

Mr. Chairman, it is an unforgivable disgrace, indeed, for a country with a national debt greater than all the countries of the world combined, to continue to tax our people to give away our goods to try to buy friends among people who readily turn against us when the till goes empty and the chips are down. Any supporter of this wasteful throwaway program, who has one hungry child or one depressed business in his district, should hang his head in shame if he continues to vote funds that are to be so irresponsibly spent. How absurd, how foolish, how ignorant can we get when we throw our money away to our enemies?

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

Mr. FOREMAN. I yield to the gentleman from Texas.

Mr. ALGER. Will the gentleman support the bill if his amendment is adopted?

Mr. FOREMAN. If this means we would balance our national budget, I would certainly be inclined to support this bill.

Mr. ALGER. May I suggest to the gentleman that he take it up with the chairman of the committee? The chairman might consider his amendment.

Mr. FOREMAN. I would not be so naive as to believe that he would. However, my reason for offering this amendment, was to try to get the Members of this House to accept a responsible, effective alternate to the very sad, deteriorating economic situation that we are facing in this Nation today.

I would like to quote from a letter of the New Mexico Taxpayers' Association, as reprinted by my good friend Mr. Bill Hooten, editor of the El Paso Times Newspaper, El Paso, Tex., which I think further points out the ridiculousness of borrowing money to give away in foreign aid:

Last year Congress legislated into law a denial of foreign aid funds to any nation whose ships supplied oil to Cuba. In the first 6 months of this year, four nations shipping oil to Cuba have received \$145 million in foreign aid.

The State Department without asking anyone's permission gave the U.N. \$217 million, part of which was used to pay the delinquent dues of Castro's Cuba.

All of us would agree on humanitarian grounds, that we should help a needy neighbor. But Christian charity does not decree that we should go in debt to see that he has an egg in his beer.

Dr. Howard Kershner reported a conversation in which the Prime Minister of Lebanon said that his little country had balanced its budget, had no debts, no deficit, no inflation, and had increased its gold holdings from \$20 to \$170 million. When he had finished, Dr. Kershner said, "Mr. Prime Minister, my country hasn't balanced its budget in 26 of the last 32 years. Our debt is greater than the combined debt of all the nations of the world. We're losing gold so fast that the very stability of our currency is in danger. We have chronic inflation. Do you think that under these circumstances we should continue to give your country millions of dollars each year?" And the Prime Minister said, "No, but if you're foolish enough to do it, we're going to keep on taking the money."

Poland has to take it—how else can she give \$13 million to Castro and \$15 million to North Vietnam so more American soldiers can be killed? For \$1 billion, Tito lets us have one American reading room in Belgrade. Less than half of Brazil's annual budget is covered by tax revenues—the difference is made up by the billions we have poured in and now we've handed them a half million more to make a survey to determine what uses they could find for additional funds.

Further, Mr. Chairman, I would like to include a very excellent editorial on this subject by my good friend, Mr. Olin Ashley, editor of the Odessa American, Odessa, Tex.:

FOREIGN AID

One of the most palpable instances of mass deceit perpetrated by politicians is found in

the current claim that "foreign aid helps domestic industry."

Recently an article appeared which gained wide circulation in various news and feature media in which it was stated that "most foreign aid is now spent with U.S. firms." The theory is that money we send abroad is channeled back into America thereby stimulating business and encouraging boom conditions at home.

A precise analogy can be found if we imagine the following condition.

A man has a department store. To spur business, he stands outside the door and hands out money to people on the street encouraging them to enter his portals and buy generously. Even if we assume that a majority of the recipients of these unexpected dollars do as directed, in what way will the store owner benefit? Would he not be just as well off if he abandoned the money route, took his merchandise out onto the street and gave it away?

At the start of the transaction, he has both money and merchandise. At the end of his giveaway cycle, he has only some of the money and none of the merchandise. But it is said that he has prospered.

The bogus nature of the propaganda we are getting is even worse than this. For the fact is that only a relatively small percentage of the money we ship overseas comes home to roost. Rather, it is employed to increase our competitors' competitive position in the creation of new factories and improved production techniques. So, in the end, we only have subsidized the organization and implementation of foreign competition.

Following is a chart of American dollars and where they have gone. The sums listed are totals bestowed from 1945 through mid-1962:

France	\$9,438,000,000
Britain	8,713,200,000
Italy	5,755,800,000
Korea	5,433,600,000
West Germany	4,999,400,000
Nationalist China	4,428,300,000
India	3,952,000,000
Turkey	3,869,300,000
Japan	3,693,800,000
Greece	3,387,600,000
Netherlands	2,481,400,000
Vietnam	2,441,700,000
Yugoslavia	2,396,900,000
Belgium-Luxembourg	1,995,900,000
Brazil	1,952,700,000
Pakistan	1,889,600,000
Philippines	1,753,200,000
Spain	1,711,300,000
Indo-China Reg.	1,535,200,000
Iran	1,310,200,000
Austria	1,173,800,000
Norway	1,146,800,000
Denmark	905,600,000
Israel	877,700,000
Mexico	766,900,000
Thailand	753,900,000
Indonesia	670,900,000
Argentina	640,500,000
United Arab Republic (Egypt)	628,600,000
Poland	522,600,000
Portugal	488,700,000
Peru	470,700,000
Laos	461,000,000
Colombia	408,500,000
Morocco	352,000,000
Jordan	349,300,000
Tunisia	293,200,000
Venezuela	273,800,000
Bolivia	258,400,000
Afghanistan	219,600,000
Libya	191,700,000
Ethiopia	185,300,000
Guatemala	162,600,000
Ghana	156,500,000
Ireland	146,200,000
Ecuador	138,300,000
Liberia	131,500,000
West Berlin	131,000,000

Sweden	\$108,900,000
Haiti	100,800,000
Panama	100,800,000
Burma	95,400,000
Congo	94,600,000
Costa Rica	89,900,000
Lebanon	89,000,000
Uruguay	88,200,000
Ceylon	79,700,000
Syria	75,800,000
Iceland	70,200,000
Nicaragua	68,900,000
Iraq	67,700,000
Sudan	65,000,000
Paraguay	59,300,000
Cuba	52,100,000
Nepal	48,400,000
Saudi Arabia	46,600,000
Dominican Republic	45,500,000
Honduras	45,300,000
Nigeria	43,600,000
El Salvador	40,700,000
Rhodesia-Nyasaland	36,100,000
Indus Basin	33,800,000
Hong Kong	30,400,000
Cento	27,400,000
Somali	27,400,000
Malaya	23,200,000
Yemen	22,900,000
West Indies	22,500,000
Kenya	18,500,000
Tanganyika	16,600,000
Cyprus	16,900,000
Cameroon	15,600,000
Algeria	15,000,000
Guinea	14,300,000
Jamaica	8,800,000
Mali	6,100,000
Rwanda-Burundi	6,100,000
Togoland	5,800,000
Dahomey	5,200,000
Senegal	4,600,000
Ivory Coast	4,600,000
British Guiana	3,500,000
Sierra Leone	3,500,000
Surinam	3,400,000
Niger	3,200,000
Upper Volta	3,200,000
British Honduras	2,400,000
Seato	1,800,000
Mauritania	1,600,000
Malagasy	1,300,000
Gabon	500,000
Chad	400,000
Central African Republic	2; ; 00
Zanzibar	100,000

The excuse given for all this foolishness takes two avenues:

1. It is good for American business to give away this money because most of it is returned to us. (Fact: less than 12 percent annually is returned.)

2. This process serves to prevent the spread of communism.

In 1945 communism, as a going concern, was largely limited to the Soviet Union and to slightly more than 200 million people. Today, thanks in part to our foreign aid program, communism is now the accepted economic system for nearly all the people of the world.

Perhaps we had best wake up to the realization that wealth sharing by compulsive means is the core of communism. Foreign aid doesn't stop communism—it is communism.

Mr. HAYS. Mr. Chairman, I rise in opposition to the pending amendment.

First, I would like to point out the two gentlemen who seem to be talking most for this amendment, the two gentlemen from Texas, if I can read the news media right, also have a plan to abolish the income tax. I do not know exactly what that will do to the national debt, and I am sure they have not explained that, either, because it is very easy to be for a proposition without giving much of an explanation.

The second thing I would like to point out is this: In spite of what the gentleman says, this is not a simple amendment. I suppose what the amendment would do, if simply explained, is the amendment would kill the bill. I think it is made crystal clear if you want to kill the bill, vote for the amendment; but if you want to continue fighting communism you will defeat it.

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

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

Mr. MORGAN. Although the gentleman exempts military assistance to Vietnam, he does eliminate supporting assistance to Vietnam and to other countries. I want to agree with the gentleman from Ohio that this amendment would absolutely kill the foreign aid bill; there is no question about that.

Mr. HAYS. Not only that, may I say to the gentleman, but it would give him something else to criticize the administration for losing the war in Vietnam. This is pretty much having your cake and eating it, too.

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

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

Mr. GALLAGHER. Would it also cut off supporting assistance to Laos, Korea, Pakistan, and other countries on the periphery of the Communist threat?

Mr. HAYS. It would cut off all aid to all the countries. I cannot think of anything that the Communists would like to see more than this amendment becoming law.

Mr. FOREMAN. We do not have to use this bill to criticize the present administration for losing the war in Vietnam. Anybody who knows anything about the situation knows we are not on the winning side now.

Mr. HAYS. You would not have any more reason for criticizing the administration than you would for shoving the Vice President around in Dallas.

Mr. ALGER. Mr. Chairman, I demand the words be taken down.

The CHAIRMAN. The Clerk will report the words objected to.

Mr. HAYS. Mr. Chairman, to save time, I ask that my remarks be withdrawn.

Mr. ALGER. I object. I want them to be taken down. I want them to be read, and I expect to talk about them on a question of personal privilege.

Mr. HAYS. I hope you do that, and I will answer it.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. HAYS. You would not have any more reason for criticizing the administration than you would for shoving the Vice President around in Dallas.

The CHAIRMAN. The Committee will rise.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, 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. 11380) to amend further the For-

eign Assistance Act of 1961, as amended, and for other purposes, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to in the Committee of the Whole House on the State of the Union.

The Clerk read as follows:

Mr. HAYS. You would not have any more reason for criticizing the administration than you would for shoving the Vice President around in Dallas.

The SPEAKER. The Chair is prepared to rule.

The Chair sees nothing objectionable or in violation of the rules of the House in the language used. It is a matter of opinion of the gentleman from Ohio. The Chair does not see that the remarks made by him constitute a violation of the rule.

The Committee will resume its sitting. Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11380, with Mr. RAINS in the chair.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. FOREMAN].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. ADAIR], a member of the committee.

Mr. ADAIR. Mr. Chairman, I should like to advise the Committee of the contents of the proposed motion to recommit. First, it will include a reduction in the development loan fund. It will be the same provision offered earlier this afternoon which would have the effect of reducing by \$172,200,000 the authorization for this fund. This figure is computed from the appropriation request.

I would call the attention of Members to the fact that when this is read, some may have the impression that it is a reduction of \$750 million. This is not the case when measured, as I said, in terms of the appropriation request. It is a reduction of \$172.2 million from that. Added to that, Mr. Chairman, will be a proposed reduction in the contingency fund of \$50 million to make a total proposed reduction in dollars, if the motion to recommit is adopted, of \$222,200,000.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. MORGAN].

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. MORGAN. I yield to the gentleman.

Mr. ROGERS of Florida. Mr. Chairman, progress has been made in the past 5 years in effecting reductions in the gift and grant features of the foreign aid program. I have received encouraging proof of this reduction in a letter from the Agency for International Development.

The letter states that requests by the executive branch for supporting assistance alone have gone from \$1.047 billion in fiscal year 1959, to \$405 million for fiscal year 1965. This represents a

total reduction of \$642 million in Executive requests.

In addition, the letter states that the reduction in the number of countries for which such aid is programed has also been reduced from 41 nations in fiscal year 1959, to 14 nations for fiscal year 1965. Thus there are 27 less countries in line for gift and grant aid now than there were 5 years ago.

The reason for this reduction may be found in an amendment to the foreign aid program which was adopted first in 1959, then again in 1961, when it was made a permanent part of the law as section 634(e). The amendment, which I sponsored, directed that a country-by-country study be made of those nations receiving bilateral grant economic assistance. The directive required that a report be made to the Congress each fiscal year on ways which such assistance can be progressively reduced and eventually terminated. It marked the first positive expression of congressional intent that such plans be made.

Not only has supporting assistance been reduced, but requests for technical cooperation aid have also been diminished. In the 3 years since this portion of the foreign aid program has been subject to section 634(e) of the Foreign Assistance Act of 1961, some \$70 million have been reduced from requests, and there has been a reduction of eight countries receiving such aid.

The Agency for International Development is discharging its duties under section 634(e), and is wisely shifting its emphasis away from the giveaway aspects of the foreign aid program.

I include herewith the letter from the Deputy Administrator of the Agency for International Development:

DEPARTMENT OF STATE, AGENCY
FOR INTERNATIONAL DEVELOPMENT,
Washington, D.C., June 9, 1964.

HON. PAUL G. ROGERS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ROGERS: I am pleased to respond to your inquiry regarding compliance with the Rogers amendment first added to the Mutual Security Act in 1959 and now part of the Foreign Assistance Act (sec. 634(e)).

This section, as you know, directs the executive branch, wherever practicable, progressively to reduce and eventually terminate bilateral grant economic assistance. This directive has been in effect with reference to supporting type assistance since fiscal year 1959, and with reference to technical cooperation type assistance since fiscal year 1962.

Attached are two charts showing the progress that has been made in complying with the Rogers amendment in these two appropriation categories.

With reference to supporting type assistance, the total request made by the executive branch has declined from \$1,047 million in fiscal year 1959 to \$405 million in fiscal year 1965—a reduction of \$642 million. The reduction in the number of countries for which such assistance is programed has been from 41 in fiscal year 1959 to only 14 in fiscal year 1965—an overall reduction of 27 countries.

With reference to technical cooperation type assistance, the total reduction in the appropriation request from fiscal year 1962 to 1965 is \$70 million. The reduction in the number of countries has been 8—from 77 in fiscal year 1962 to 69 in fiscal year 1965.

However, technical cooperation assistance is expected to be a continuing part of the aid program for some time to come and this type of activity is not readily susceptible to loan financing.

These figures show that there has been substantial compliance with the congressional directive contained in the Rogers amendment regarding the reduction in bilateral grant economic assistance.

I hope this information will be helpful to you and if there is any way we can be of further assistance, please do not hesitate to call.

Sincerely yours,

WILLIAM S. GAUD,
Deputy Administrator.

Supporting type assistance appropriation requests since application of the Rogers amendment (sec. 634(e))

	Appropriation request (millions)	Number of countries for which assistance programed
Fiscal year 1959.....	\$1,047	41
Fiscal year 1960.....	1,106	42
Fiscal year 1961.....	992	34
Fiscal year 1962.....	610	42
Fiscal year 1963.....	481	22
Fiscal year 1964.....	435	19
Fiscal year 1965.....	1,405	14

¹ Includes \$70,000,000 special additional request for South Vietnam.

NOTE.—Total reduction in request fiscal year 1959-65, \$642,000,000. Reduction in number of countries fiscal years 1959-65, 27.

Technical cooperation type assistance appropriation requests since application of the Rogers amendment (sec. 634(e))

	Appropriation request		Number of countries for which assistance programed
	Millions	Millions	
Fiscal year 1962...	\$380	---	77
Fiscal year 1963...	435	(\$100)	80
Fiscal year 1964...	357	(100)	79
Fiscal year 1965...	310	(85)	69

NOTE.—Total reduction in request fiscal years 1962-65, \$70,000,000. Reduction in number of countries fiscal years 1962-65, 8.

Mr. MORGAN. Mr. Chairman, I want to use the 1½ minutes of time remaining to oppose the motion to recommit. As has been stated all along in the hearings and in the debate on the floor during these last 2 days, this is a barebones program. It is a bikini-size program. It is a preshrunk program. The President has already taken the fat out of this program. It is a program that is at the same level as was appropriated for last year plus the addition of \$125 million for Vietnam. The President needs every dollar of the \$3,517,000,000 and I hope the Members will consider this and vote against the motion to recommit.

Mr. FEIGHAN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Chairman, over the years since 1947 I have voted in support of our foreign aid program. The record will confirm my support of this program. My action has always been voluntary, based upon my conviction that

our national interest was served by helping our allies and friends to strengthen their national economies so that in due time they would be able to defend their national independence against the tyranny of communism. My vote in favor of this program has never been sought by interested parties nor has anyone ever attempted to influence my vote on this issue.

Now, in this 16th year of the program, I believe we can make a few reasonable conclusions. Among those conclusions, I include the following:

First. Our foreign aid program has served its intended purpose in Europe. There we are happy to see an unprecedented era of economic prosperity. There is no unemployment there. In some countries of Europe there is an actual manpower shortage—more jobs than they have people to fill. All of the European countries have a favorable balance of payments which we, the donor nation, do not have.

Second. In Asia we are happy to see that Japan, Thailand, and Taiwan are prospering and enjoy a favorable balance of payments. These countries can now stand on their own economic feet. All are proud of their freedom and independence. All can be counted upon to defend their interests against those who would seek to relieve them of their freedom and independence.

Third. There remains the so-called underdeveloped nations of the world who now look to the United States for economic assistance. The nations of Latin America, many underdeveloped, are in a special category because they are part of the Western Hemisphere where the United States must assume the burdens of leadership and where, in the final resolve, our security interests are primary, if not overriding.

This leaves the newly emerging nations of southeast Asia and Africa. In those areas, with rare exceptions, we find despotic and dictatorial regimes in power who specialize in the game of courting Moscow as well as the United States. Their behavior reminds one of a feather merchant or middleman who seeks without conscience to play both ends against the middle.

Take Sukarno as an example. He has done very well in extracting in excess of a billion dollars from the Public Treasury of the United States. And how does he indicate the importance of our help to his country? He tells us he will throw us out, economically, unless he gets approval for his imperial plans in southeast Asia. In fact, he has warned that if we do not agree with his plans he will refuse to accept our assistance.

Take Nkrumah as another example. We went all out to help Ghana, as a symbol of national independence in west Africa. And what is our reward? Nkrumah today is closer to Moscow than he ever was. And as a special salute of gratitude he ordered his stooges to tear down the American flag which flew over our Embassy in Accra, Ghana. If that is not contempt for the United States it is certainly a signal of his allegiance to Moscow.

It is time we woke up. It is time we made a realistic evaluation of our foreign aid program on a country-by-country basis. The present foreign aid package deal method, under which Members are forced to vote for an undue amount of stupidity to accomplish some good, must be abolished or it will abolish the foreign aid program.

I present these basic questions as calling urgently for forthright answers.

First. Does our aid to neutralist countries, or more specifically neutralist dictators, enhance our position in the power struggle which grips the world today?

Second. Does our present foreign aid policy, stipulating no qualifications—with no precise terms of reference—with regard to self-interest, encourage our prosperous allies in Europe to contribute to the overall concept of aid to underdeveloped countries?

Third. Does our present broad and overgeneralized aid concept discourage the otherwise ingenious and vigorous urge of private U.S. investments abroad?

In this connection, I suggest we must begin to look more at the needs of our own people here at home because there is a limit to the tax burden the American people can carry. Illustrative of my point, I include a recent letter which I wrote to the Postmaster General, following receipt of a resolution from the Cleveland AFL-CIO Federation of Labor. When we begin to curtail vital public services to our people as an economy move, while permitting the foreign aid program to carry on in a business-as-usual fashion, we are headed for serious trouble. My letter to the Postmaster General makes this issue crystal clear.

JUNE 5, 1964.

The Honorable JOHN A. GRONOUSKI,
Postmaster General, Post Office Department,
Washington, D.C.

DEAR MR. POSTMASTER GENERAL: The Cleveland AFL-CIO Federation of Labor, which represents 200,000 members, has unanimously adopted a resolution protesting the curtailment of postal service to the public, a copy of which is enclosed for your information.

I am sure you understand that the purpose of the resolution adopted by the Cleveland AFL-CIO Federation of Labor is to insure rapid, efficient, and continuous service to the public by the Post Office Department. They are equally concerned about the curtailment of Government employees involved and the obvious relationship this has to serving the public.

I join with the Cleveland AFL-CIO Federation of Labor in this protest and respectfully request that you take steps to rescind the orders which will bring about a curtailment of service by the Post Office Department in the Greater Cleveland area. In making this request, I take this opportunity to suggest that it is time our Government gave priority consideration to the needs of our own people here at home, only a part of which is the distressing and chronic unemployment problem, in preference to the large expenditures of taxpayers' dollars in a wide variety of nonproductive and questionable foreign aid programs. I am keenly aware of the fact that there is a limit to the burden which the American taxpayers can carry, and the need to cut back drastically on all nonessential Federal expenditures. I am therefore convinced that the desired cutbacks in Federal expenditures can be accomplished without impairing in

the slightest those vital public services which our people expect and are entitled to have.

I will appreciate hearing from you on this matter at your earliest convenience.

With all good wishes, I am,

Sincerely,

MICHAEL A. FEIGHAN.

RESOLUTION OPPOSING DECREASE IN POSTAL SERVICES

Whereas the Post Office Department is rendering a great disservice to the public and to its own employees by closing window services on Saturday and eliminating one full day of parcel post service each week; and

Whereas the fact that parcel post rates were increased 13 percent in April 1964 and service decreased more than 16 percent 1 month later is a severe blow to the patron, the employee, and the prestige of the service; and

Whereas this policy is a direct reversal of Post Office policy to give better service to the public; and

Whereas the purpose of closing window service and curtailing parcels is to reduce employment at a time when the Government is trying to reduce unemployment; and

Whereas the curtailment order is discriminatory in that it permits 6-day delivery in some areas but only 5-day delivery in the major and volume business areas, and

Whereas this order eliminates Saturday service for purchase of money orders, COD's, and postal savings; prevents trust fund deposits, box rentals, meter settings, and information services; Therefore be it

Resolved, That the Cleveland AFL-CIO Federation of Labor go on record to use all its efforts in supporting the 6,500 members of the Council of Postal Employees representing letter carriers, clerks, special delivery messengers, motor vehicle, mailhandlers, and maintenance workers, to have this order rescinded, and to send written protest to the Post Office Department, our four Congressmen, both Senators and any other necessary media.

Adopted: May 13, 1964.

Mr. MATSUNAGA. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. RYAN] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Hawaii?

There was no objection.

Mr. RYAN of Michigan. Mr. Chairman, I wish to rise in full support of the measure which authorizes the President to use foreign counterpart currencies in the repair, rehabilitation, improvement, and maintenance of cemeteries in Italy serving as the burial place of members of the armed forces of Poland who died in combat in Italy during World War II.

These Polish soldiers, who fought side by side with our own American boys and with other allied troops, are being denied a decent final resting place on the land where they so willingly gave their lives.

The Italian Government is unable to provide the necessary funds. The present Polish Government has refused to maintain the burial places of the anti-Communist Polish forces who fought with the Allied Forces in World War II.

As a demonstration of good will on the part of the people of the United States for the Polish and Italian people, and out of respect for those men who fought with us for freedom's sake, I urge Con-

gress, as the true representative of the people, to pass this measure.

Mr. MOORHEAD. Mr. Chairman, foreign aid is vital for our national security. And since our national security is involved, we must mobilize all of the resources of this country. Government assistance alone cannot do the job. America's assets are its wealth of private companies, business and professional associations, universities, cooperatives, labor unions, State, and local governments, farmers' organizations, charitable institutions, and voluntary service groups. Their capital and competence are especially important to social and economic assistance to the less-developed countries.

In fact, the entire foreign assistance program is a product of private effort. It takes about 600,000 farmers and workers to produce the industrial and agricultural products and equipment which are furnished each year under the aid program. About one-quarter of the technical assistance now provided is carried out by nongovernmental groups—universities, business firms, service organizations—on direct contract from AID. The University of Pittsburgh in my district has three AID contracts totaling \$1,471,000 for training programs in Ecuador, Chile, and Nigeria.

American private investment is of course particularly important for stimulating the growth of the less-developed countries. In 1962, total new American long-term investment in companies and plants overseas totaled \$2.7 billion—half again the total expenditures of economic aid under the Foreign Assistance Act. Most of this flow of investment went to the developed countries rather than to the less-developed countries, but it shows the possibilities for investment if adequate incentives and encouragement are given.

Investment by private companies not only supplies necessary capital but it also brings with it technical skills, managerial talents, and administrative organization. In many developing countries these are even more of a bottleneck than shortage of capital. Although much is now being done by AID in the private field, further studies should be made to determine how the present program can be strengthened and supplemented to make sure that private investment makes the maximum contribution. I was, therefore, pleased to see that in accordance with the Senate amendment of last year, an Advisory Committee on Private Enterprise in Foreign Aid has been appointed by the Administrator. This Committee will make recommendations this year for achieving the most effective utilization of the private enterprise provisions of the Foreign Assistance Act.

The main new legislative actions requested by the President for fiscal year 1965 are in accordance with the new emphasis upon the private community: The investment tax credit, increased funds for investment surveys, and increases in extended risk guaranty authority and Latin American housing guarantee authority. Further legislation may well be recommended next year

as a result of the report of the Advisory Committee.

Potentially one of the most powerful devices for mobilizing private resources for development is the proposed tax credit legislation, called the Less-Developed Country Investment Credit Act, which was designed to encourage a greater flow of U.S. private capital to developing countries. It provides for a U.S. investor to receive a tax credit, against his total tax liability, equal to 30 percent of his investment in developing countries. It also authorizes a credit on reinvested earnings in excess of 50 percent of total earnings if they remain at work in the developing country. This tax credit leaves the investment decision freely to the private investor, but it should tip the balance in many cases in favor of a decision to invest in one of the less-developed countries.

One of the important problems in mobilizing private enterprise for development is how to make businessmen aware of the opportunities that do exist and of how to encourage them to give serious consideration to such opportunities.

A Businessmen's Information Center has been established within AID to help businessmen learn where and how they can participate in AID private enterprise programs. The Center will provide information and guidance to American businessmen on those functions of the agency which affect business and whom to contact on each of them. AID is also compiling a list of investment opportunities which have been studied by numerous public and private organizations such as international banks, foreign governments, U.S. and foreign corporations, universities, and foundations, for use by the investing public.

Authorization of \$2.1 million for the investment survey program has been requested by the President because the program has expanded rapidly in the past year. Under this program AID can agree to pay up to half of the cost of investment surveys undertaken by prospective investors. If the survey results in an actual investment project, the investor pays the full cost of the survey. The modest AID costs under the program give promise of opening the way to millions of dollars of investment. In 1963, AID participated in the financing of 60 surveys by companies wishing to explore new investment opportunities in less-developed areas—a significant jump from the five surveys authorized in 1962.

The leverage of this program is so high that even a relatively small proportion of successes would produce an impressive increase in investment—much of which might not have taken place without this encouragement.

To overcome the higher risks which act as a major barrier to U.S. investment in developing areas, the President has asked for expanded guarantee authority.

A crying need in developing countries is for boldness in pursuing investment opportunities entailing considerable risk, beyond those that can be insured against through the specific risk guarantee programs. Authority to grant extended risk guarantee coverage on commercial risks to U.S. investors is granted in the

authorizing statute. The act now authorizes up to \$180 million for assuring against loss of any loan investment for housing projects, or against loss of not to exceed 75 percent of any other investment. I understand that the first contract granting such coverage was signed with a group of U.S. companies to cover an \$8 million additional investment in a petrochemical complex in Argentina. Rapid expansion is now anticipated by AID, with amounts under this guarantee expected to rise to \$50 million in fiscal year 1964 and to \$140 million in fiscal year 1965. To allow this expected expansion, the President has asked that we increase the authorized guarantee issuing authority by \$120 million, bringing the total to \$300 million.

As is well known, the housing shortage in Latin America is incredible. Without even the barest minimum of a place to live, it is hardly surprising that unrest, strife, and despair cover the continent. The Latin American housing guarantee program is a start toward providing a measure of social justice in this hemisphere. In 1963, AID approved eight investment guarantees for self-liquidating demonstration housing projects in Latin America; in addition, two projects were guaranteed in 1962. These 10 projects in Peru, Chile, El Salvador, Honduras, Mexico, and Panama will produce approximately 13,000 housing units, representing a total investment guarantee commitment of almost \$55 million. More than 5,500 homes are already under construction, and 100 of the first 400 houses to be built and financed under this Alliance for Progress housing guarantee were formally dedicated and delivered in Lima, Peru, on January 18, 1964.

The President has asked us to raise the authorized guarantee issuing authority by \$100 million to a total of \$250 million. This will accommodate the continued rise in demand for these guarantees. Close to \$190 million is expected to be in force by the end of fiscal year 1965.

The introduction of low downpayment, long-term mortgage financing in Latin America—aided by the U.S. guarantee—is broadening the possibilities for private home ownership and serves as a demonstration to local builders and financial institutions.

The oldest AID program to assist the U.S. investor is the specific risk guarantee program, covering convertibility, expropriation, or war risk. From the inception of the program through December 1963, 778 guarantee contracts worth \$1.4 billion had been written for specific political risks. Of this amount, \$1.1 billion was still outstanding. Outstanding guarantees have doubled again over the last 2 years.

In 1963, Congress increased guarantee issuing authority by \$1 billion to a total of \$2.5 billion. This authority is sufficient to meet the needs for the coming fiscal year.

The President's proposal for an Executive Service Corps will help to mobilize the technical and managerial skills of American business for development. There are many Americans with high skills and long experience in business

who would welcome the challenge and opportunity to put their know-how to work directly to help the growth of free enterprise in developing countries. At the same time, a major limiting factor in the growth of private enterprise in most of these developing countries is the great shortage of managerial and technical manpower.

The Executive Service Corps should bring together the needs of the developing countries and the available skills in the United States. But I also applaud the President's view that the Executive Service Corps should be operated entirely by a business organization, working with similar local groups in developing countries.

The proposed new Executive Service Corps should emphasize placing people directly in private enterprises and in actual operating jobs overseas rather than purely advisory functions. Those going abroad should go as individual volunteers and not as U.S. Government representatives in any formal sense, though we hope that through their deeds they may become effective ambassadors for development through private enterprise. This has been the key to success of the Peace Corps—and is a noble example for older citizens.

This program offers an opportunity to mobilize business know-how and skilled manpower—which is one of the greatest strengths of our system—to meet the challenge of world development. It also offers the opportunity for Americans to practice what they preach and to show by example why we as a nation believe so strongly that a free enterprise system is the most effective way to achieve both prosperity and true freedom.

I congratulate the administration for the progress being made toward greater participation in the aid program by private enterprise and private organizations.

Mr. PEPPER. Mr. Chairman, I have been pleased to hear the statement of my colleagues from Florida [Mr. FASCELL and Mr. ROGERS] as to the good results obtained by the amendment offered by them when the foreign aid authorization bill was up last year to deny foreign aid to nations which carry on trade with Cuba, an amendment with which I associated myself at the time of its adoption and which I still strongly favor.

All of us agree, I think, however, that we should go further toward restricting trade with Cuba by other nations of the world so as to expedite the restoration of that "jewel of the Caribbean" to the status of a free and independent nation.

I have a bill pending, H.R. 8464, which I think will go far toward the accomplishment of that purpose. My bill would prohibit any ship which goes into a Cuban port while Castro or communism dominates Cuba, from thereafter coming into an American port. It would prohibit any owner of any ship which has been directed into a Cuban port while Castro or communism dominates Cuba, from sending any other ship owned by such owner into an American port. It would also prohibit any ship captain who has taken any ship into a Cuban port while Castro or communism

dominates Cuba, from bringing any ship into an American port.

This bill would so reduce the value of any ship which takes commerce into a Cuban port while Castro or communism dominates Cuba, that any such ship owner would not wish to stand such loss; and it would so penalize a ship captain who takes a ship into Cuba while so dominated as to make most, if not all captains in the free world unwilling to perform such service.

I am hoping to have hearings at an early date upon this bill and I commend it to the consideration of the able chairman and the members of the committee as well as to my colleagues.

Mr. ROUSH. Mr. Chairman, the votes we cast on the various bills which come before the House of Representatives are not always easy votes to cast. The reason for this is, of course, that there is some good in much of the legislation we consider and there is also some bad in much of the legislation. This is especially so with the foreign aid authorization bill of 1964.

I commend the administration for its insistence that the foreign aid program be "cut to bone." This bill now carries the lowest price tag it has had for many years. Yet, despite this, I have, as in the past, misgivings. It is still a program which operates beyond the restraints which Congress imposes on domestic programs. We impose every kind of restraint and control over every domestic program we have with the view of keeping them under congressional control.

In the foreign aid program, we cut the reins with the pretense it must be done to give more flexibility to meet fluid situations. To me this does not make sense.

I also believe there is much to the argument that much of the program is not providing the basic help which will lead a nation to that place where it becomes economically self-supporting but, rather, causes these developing nations to become dependent both in attitude and response. It is my considered opinion that no part of the funds should be used unless those funds are designed to cause the recipient nations to become self-sufficient. No aid should be given to any country which is not politically stable and which, both by promise and action, shows that it is capable of providing sound and stable government for its people. The combining of both military and economic aid in this one bill is not sound. I doubt very much if the bill would pass if it contained only economic aid.

Mr. Chairman, much more could be said. My vote shall be "no." My hope will be that we will eventually get this program in line with good judgment, sound planning, and purposeful goals.

Mr. BRADEMAs. Mr. Chairman, I should like to speak briefly about our foreign assistance efforts in the field that I know best, education. Too few Americans are aware of the good work that American educators are doing overseas in helping the developing countries improve their educational systems. We hear much too much of failures, and

much too little of the success of our efforts. It is all too rare that we hear of the classrooms that have been built, the textbooks that have been provided, the improvements made in the university, or the help given in planning for better use of that most precious national resource—the young men and women of a nation. Our efforts in the field of education are beginning to pay off. In this field, foreign aid has made a difference.

The importance of the skills and discipline of a people to its own national development can hardly be overemphasized. Our country was built by pioneers whose first act was to build schools and churches; the factories, the dams, the industrial development came later. And so it must be in the developing societies.

It does little good to plan for industrial expansion in a country where too few people can read or write. Development plans put together by foreign experts collapse for lack of trained manpower. Without an educated people, the plans for tax reform, for economic expansion, for agricultural development have little chance of success. Our best economists have recognized this fact for they argue that the educational system of a country is as basic to its growth as are its roads, dams, and factories. In my own travels in Latin America, I have heard—as have many of you—that the biggest, most serious shortage is trained manpower.

What is AID doing to meet this challenge? A great deal. Today I want to confine my remarks to four major areas: Textbooks and materials, school construction, teacher training, and assistance to the universities. The projects that AID has underway in these critical areas symbolize to me what can be done when American educators put their shoulders to the wheel.

First, textbooks and materials: We take books for granted in our own country. But in countries such as Colombia, Nigeria, and Pakistan, millions of youngsters go to schools that are without books. The shortage is immense. But foreign aid can make a difference. And it is making a difference. Americans are a generous people, and we are all familiar with book drives for old, discarded U.S. books, including textbooks. Unhappily, many donated books are not usable. A first grade reader used in the Indian schools is not really relevant to the needs of a 6-year-old youngster in Costa Rica. He needs a reader in Spanish, with illustrations drawn from his country, his culture.

In Central America, AID has organized a regional textbook center. First and second grade readers are being written, printed, and distributed to youngsters in the five Central American countries. Thus, for the first time in history, every youngster in Central America will soon have a first grade reader. This is a magnificent achievement; if anything will pay off, surely this will.

In the Philippines, AID is helping relieve a critical textbook shortage in the nation's school system by financing paper imports and technical services to print 25 million textbooks by 1965.

Second, school construction: Not only books but classrooms are in extremely

short supply in many parts of Africa, Asia, and Latin America. Obviously, we cannot build schools everywhere for everyone, nor is this being attempted. But in select countries help is being given for school construction. American advisers assist in the design of classrooms that can serve as prototypes in school construction programs. Here our most important contribution has been the self-help principle. The best schools are those which the local community itself helps build. In such self-help school projects the community provides the labor; AID and the host government provide technical help and construction materials.

To the extent that the self-help principle catches fire in Latin America, it promises a revolution in Latin American education within a generation. Money alone, whether our money or the host country's money, will not do the job. The people themselves, whether in the African bush, the Guatemalan highlands, or the plains of India, must want schools for their children, and want them badly enough to work with their own hands to help build them.

In Liberia, there is a rural school built by the women of a remote village. The mud and cement were carried in buckets on the heads of the women, for there are no beasts of burden in this country. It took 12,000 miles of walking and carrying by the women of the village. But the school was built and the village will never be the same. The AID educator who guided the project made a difference.

Third, teacher training: Classrooms mean little unless there are teachers—and good teachers. The shortage of teachers is the most crippling of all manpower shortages, for unless youngsters learn to read and write, to develop their curiosity, they will never have the opportunity to decide whether to become lawyers or engineers or architects or accountants. And as in the case of books and classrooms, the problem cannot be solved by importing foreign teachers. Nor can it be solved, in my judgment, by opening up the doors of our colleges and universities to all who would come here from Africa and Asia and Latin America. In the long run, each nation must educate its own. And this means that the developing countries must prepare their own teachers.

AID's distinctive contribution, it seems to me, is to help set up the teacher training programs so desperately needed. And this AID is doing. We cannot wait to expand formal training programs. In Nigeria, in Central America, and elsewhere, AID has helped the Ministry of Education develop short courses for intensive summer study. We have done whatever has to be done, whether in providing home-study programs, in improving curriculums, in adding to the libraries in the universities.

Much of AID's efforts are sharply focused, as indeed they should be, on teacher training. This is fundamental. All other assistance, whether for books or equipment or for advisory services, will go for nothing unless ways can be found to increase the supply and upgrade the quality of the teaching profession.

Fourth, assistance to universities: Universities are the capstone of any nation's education system. Not only do they produce the engineers and the administrators necessary to manage a modern economy but they also produce the leaders who guide the destinies of the nation. Few of the universities in the developing societies are equipped to perform their job adequately. They have neither the teachers, the libraries, the traditions, nor the managerial know-how to operate modern universities.

I have visited several universities in Latin America. They need help, and they are eager to accept help. As a result of the foreign assistance program, about 70 U.S. universities are extending help, chiefly to their counterparts overseas—to schools of medicine and veterinary medicine, in agriculture, in business and public administration, and in education.

In modernizing the universities, we help modernize the society itself. For no country can hope to feed and provide for its people, let alone compete in world markets, unless it equips itself with modern science and technology. And it is the universities which hold the key to science and technology.

I am convinced that in Latin America, for example, helping the universities is the most tangible way of impressing the restless and radical youth of these societies that we are genuinely interested in their future. The American professor who teaches chemistry in the University of Honduras, and the specialist on audiovisual materials in São Paulo, Brazil, are visible symbols of our competence and our concern.

These are but a few examples of the approaches that have most impressed me: Assistance in textbooks, school construction, teacher training, and the upgrading of universities.

There have been great successes; and there have been failures too. In education as in other fields not everything that we have attempted has succeeded. We have learned that assistance in education must be highly selective. Indiscriminate help is in some ways worse than no help at all, for it may generate unrealistic aspirations and lead to disappointment. Assistance to education must be tailored to a country's needs. Textbooks may be the top priority in one country, and a much lower priority in another country. The secondary school is the bottleneck in many countries. In these cases it makes more sense to expand the secondary school than to assist the universities.

Our aid will be effective if the very best minds in the U.S. academic community are brought to bear on this problem. We need to have more of our colleges and universities involved. Some may see this as a drain on our own academic resources at a time when our own rapidly expanding school population needs the guidance of our best minds. But knowledge is unique among the world's riches; it can be shared without loss to the donor. We are the richer, not the poorer, when we help the University of El Salvador improve its medical school, when teachers from San Francisco State College help the Liberians

design a new educational system, when agricultural teachers from our great land-grant universities introduce Brazilians and Indians and Pakistanis to the disciplines and technologies that underlie modern agriculture.

The next generation of American students will be better served by teachers who have lived and worked overseas, and have added new dimensions to their understanding. It is not, in truth, a smaller world but rather a larger, more complicated, more confusing world that is emerging. And our own universities must shape their programs in the light of new knowledge about the peoples of the world. Indeed, this is the principal thrust of an excellent report that I commend to my colleagues—the report of AID-university relations prepared by Mr. John Gardner of the Carnegie Corp. of New York.

We can be proud of the AID programs in the field of education, for they have made a difference. At present over 7,000 men and women from the developing countries are studying in the United States, largely in our colleges and universities, under AID auspices. In studying economics and agriculture, medicine and nursing, and other subjects, they are preparing themselves to become leaders in their own societies. I can imagine no better investment in the future. Many hundreds of American teachers are at work for AID, in ministries of education, in textbook centers, in universities, in vocational schools. We are giving generously of our skills, our competence, our specialized knowledge. We are, in short, helping build the schools and colleges without which no nation can possibly enter into the economic life of this century. In last analysis it is not simply American know-how that we export. Rather it is the American faith in education—as a liberating agent for the individual, as the guardian of a nation's freedoms, and as the only lasting key to a strong economy and a secure society.

Mr. Chairman, I include at this point in the RECORD some facts and figures concerning the impact of the U.S. AID program in the field of education in several major areas of the world:

AFRICA

Total program, \$82,900,000.

Educational component, \$24,526,000.

Educational programs have a high AID priority in Africa because of the magnitude of the need for education. Education is regarded as a highly profitable short-term as well as long-term economic investment.

The dimensions of Africa's educational needs are demonstrated dramatically by these 1961 statistics:

African enrollment south of the Sahara—percent of school population

Current African enrollment:	
Primary	9.4
Secondary	5.9
Higher	.09
World average (current):	
Primary	76.0
Secondary	21.0
Higher	3.0
United States:	
Primary	93.8
Secondary	81.3
Higher	26.7

The AID program varies with the widely ranging needs and stages of development of African countries. The program may be characterized by the following four significant and successful educational projects in Africa:

1. Secondary education: A cooperative undertaking with the United Kingdom in the three east African countries that has made possible rapid and effective expansion of critically needed secondary education opportunities.

2. Teacher education: The expansion and improvement of teacher education in the western region of Nigeria through the services of a contract team of 15 people from Ohio University. This team advises the Ministry of Education and the several teacher training institutions in the region.

3. Higher education: The impressive emergence of Africa's first land-grant college in the form of the University of Nigeria. In 4 years the university has grown from 220 students to 1,800, has produced its first 150 graduates, and has pioneered in developing a program suited to the Nigerian needs in modern times. Nearly half its faculty is now Nigerian, a percentage of indigenous staff not matched by any other university south of the Sahara.

4. Vocational education: A project in Ethiopia which was conducted completely by direct-hire technicians, was carried through to completion as planned, and has continued to operate effectively under host country direction and financing in the years since the complete phaseout of U.S. assistance.

NESA

Total technical assistance program, \$56,100,000.

Education component, \$10,770,000.

(Supporting assistance, \$150,000.)

The NESA education program varies from country to country, depending on needs and varying stages of development. The majority are in the secondary and higher level.

1. Vocational education, Turkey:

Adult Education: AID will continue to help the Turkish Government improve and expand its literacy and adult education program launched by the Armed Forces in 1959, which in 1963 saw 127,000 civilian adults attending basic literacy and vocational classes.

Vocational education: AID will continue to help the Ministry of Education improve various programs in vocational education. The final phase of AID support will be aimed at upgrading industrial and vocational education facilities of the new vocational demonstration organization at Narmac, a suburb of Tehran.

2. Teacher education, India: AID is supporting a series of summer inservice science and mathematics teacher training institutes aimed at introducing new methods of teaching to Indian professors and secondary school advisors and teachers. AID is financing the participation of 32 American science and mathematics secondary schoolteachers and 16 American University professors to help run this program.

3. Higher education, India: AID is helping finance an Institute of Technology at Kanpur under a contract with a consortium of nine universities known as Educational Services, Inc. Fiscal year 1965 funds will provide an additional year of funds for the consortium for 25 professors, 10 laboratory research assistants and others and the purchase of about \$6 million of equipment and books by the summer of 1966.

FAR EAST

Total technical assistance program, \$48,700,000.

Educational component, \$5,548,000.

This program is balanced among elementary, secondary and higher education needs depending on national stages of development which range from Laos at the beginning, to Taiwan, which has attained a

high degree of development and where the AID program is being phased out.

Elementary, Vietnam: AID is assisting in building of elementary schools or classrooms in 16,000 villages; the training of teachers for these schools and the writing and publishing of textbooks for the schools.

Secondary education (vocational), Korea: AID is continuing to support what is becoming a \$4 million project for improving and expanding vocational training to help provide an adequate supply of well-trained workers for Korea's industrial and agricultural development.

Higher education: In a multilateral project under SEATO, USAID is working with the British, French, and Australians to support a graduate school of engineering at Bangkok under contract with Colorado State University. The program will produce high-level graduates geared to the industrial needs of southeast Asia.

LATIN AMERICA

Total technical assistance program, \$79,400,000.

Educational component, \$16,959,000.

The Latin American program continues to move away from the concept of vocational training alone to meet the broader educational needs of the area as defined by Latin Americans.

Examples:

1. Educational planning: support of the Economic Development Institute at Santiago. University contract support of planning in Peru, Ecuador, and Colombia.

2. Improvement in the quality and form in higher education: Peru, three university consortium; Brazil, land-grant college.

3. The development of middle level manpower to meet the region's growing agricultural and industrial needs.

LOANS

Loan activities tied to quality improvement of higher education: CSUCA, improvement of faculty, etc.

WORDS TAKEN DOWN

Mr. MARTIN of Nebraska. Mr. Chairman, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. ALGER. Mr. Chairman, today, during debate on H.R. 11380 in a colloquy between the gentleman from Ohio [Mr. HAYS] and the gentleman from Texas [Mr. FOREMAN], I demanded that the gentleman from Ohio's words be taken down. I did this because the gentleman from Ohio said to the gentleman from Texas [Mr. FOREMAN]:

You have no more right to criticize the administration than your colleague had to shove the Vice President around in Dallas.

As the reporter took the words down the words "your colleague" were omitted. Obviously, the meaning is quite different, since the reference to "colleague" referred to me.

In either case, the gentleman from Ohio is entirely out of order by such a statement whether it refers to either gentleman from Texas, and has no place in debate on the floor of the House. The gentleman from Ohio should inform himself of the facts before he accuses others of shoving people around.

The CHAIRMAN. All time has expired.

Under the rule, the Committee rises. Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. RAINS, 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. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, pursuant to House Resolution 742, he reported the bill back to the House with sundry amendments adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to. The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT

Mr. ADAIR. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. ADAIR. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. ADAIR moves to recommit the bill (H.R. 11380) to the Committee on Foreign Affairs with instructions to report the same to the House forthwith with the following amendments:

On page 1, immediately after line 6, insert the following:

"TITLE I—DEVELOPMENT LOAN FUND

"SEC. 101. Section 202(a), which relates to authorization, is amended by striking out 'and \$1,500,000,000 for each of the next two succeeding fiscal years' and inserting in lieu thereof '\$750,000,000 for fiscal year 1965, and \$1,500,000,000 for fiscal year 1966.'"

On page 5, line 1, strike out "\$150,000,000" and insert in lieu thereof "\$100,000,000".

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. ADAIR. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 193, nays 211, not voting 27, as follows:

[Roll No. 152]
YEAS—193

Abbt	Beermann	Byrnes, Wis.
Abele	Belcher	Casey
Abernethy	Bell	Cederberg
Adair	Bennett, Fla.	Chamberlain
Alger	Bennett, Mich.	Chenoweth
Anderson	Berry	Clancy
Andrews, Ala.	Betts	Clausen,
Andrews,	Bonner	Don H.
N. Dak.	Bow	Clawson, Del
Arends	Bray	Cleveland
Ashbrook	Brock	Collier
Auchincloss	Bromwell	Colmer
Avery	Brotzman	Corbett
Baker	Brown, Ohio	Cramer
Baring	Broyhill, N.C.	Cunningham
Bates	Broyhill, Va.	Curtin
Battin	Burleson	Curtis
Becker	Burton, Utah	Dague

Derounian	Kilburn	Roudebush
Derwinski	King, N.Y.	Roush
Devine	Knox	Rumsfeld
Dole	Kornegay	St. George
Ellsworth	Kunkel	Saylor
Feighan	Kyl	Schadeberg
Findley	Laird	Schenck
Fino	Langen	Schneebell
Fisher	Latta	Schweiker
Ford	Lennon	Scott
Foreman	Lipscomb	Selden
Fulton, Pa.	McClory	Short
Fuqua	McCulloch	Shriver
Gathings	McDade	Sibal
Glenn	McLoskey	Sikes
Goodell	McMillan	Siler
Goodling	MacGregor	Skubitz
Grant	Marsh	Smith, Calif.
Griffin	Martin, Calif.	Smith, Va.
Gross	Martin, Nebr.	Snyder
Grover	May	Springer
Gubser	Meador	Stafford
Gurney	Michel	Stinson
Hagan, Ga.	Miller, N.Y.	Taft
Haley	Milliken	Talcott
Hall	Minshall	Teague, Calif.
Halleck	Moore	Thomson, Wis.
Harrison	Morton	Tollefson
Harsha	Mosher	Tuck
Harvey, Ind.	Neisen	Utt
Harvey, Mich.	Norblad	Van Pelt
Henderson	O'Konski	Waggonner
Herlong	Ostertag	Watson
Hoeven	Passman	Weaver
Hosmer	Pelly	Weitner
Huddleston	Pirnie	Westland
Hull	Poff	Whalley
Hutchinson	Pool	Wharton
Ichord	Quile	Whitener
Jarman	Quillen	Whitten
Jennings	Reid, Ill.	Williams
Jensen	Reifel	Willis
Johansen	Rhodes, Ariz.	Wilson, Bob
Johnson, Pa.	Rich	Wilson, Ind.
Jonas	Riehlman	Wydyer
Jones, Mo.	Rivers, S.C.	Wyman
Keith	Rogers, Fla.	Younger

NAYS—211

Addabbo	Flynt	Madden
Albert	Fogarty	Mahon
Ashley	Fountain	Mailliard
Aspinall	Fraser	Mathias
Ayres	Frelinghuysen	Matsunaga
Baldwin	Friedel	Matthews
Barrett	Fulton, Tenn.	Miller, Calif.
Barry	Gallagher	Mills
Beckworth	Garmatz	Minish
Blatnik	Gary	Monagan
Boggs	Gibbons	Montoya
Boland	Gilbert	Moorhead
Bolton,	Gill	Morgan
Frances P.	Gonzalez	Morris
Brademas	Grabowski	Morrison
Brooks	Gray	Morse
Broomfield	Green, Oreg.	Moss
Brown, Calif.	Green, Pa.	Multer
Burke	Griffiths	Murphy, Ill.
Burkhalter	Hagen, Calif.	Murphy, N.Y.
Burton, Calif.	Halpern	Natcher
Byrne, Pa.	Hanna	Nedzi
Cahill	Hansen	Nix
Cameron	Harding	O'Brien, N.Y.
Carey	Hardy	O'Hara, Ill.
Celler	Harris	O'Hara, Mich.
Chelf	Hawkins	Olsen, Mont.
Clark	Hays	Olsen, Minn.
Cohelan	Healey	O'Neill
Conte	Hébert	Osmers
Cooley	Hechler	Patman
Corman	Hollifield	Patten
Daddario	Holland	Pepper
Daniels	Horton	Perkins
Davis, Ga.	Joelson	Philbin
Davis, Tenn.	Johnson, Calif.	Pickle
Dawson	Johnson, Wis.	Pike
Delaney	Karsten	Pilcher
Dent	Karth	Poage
Denton	Kastenmeyer	Price
Diggs	Kelly	Pucinski
Dingell	Keogh	Purcell
Donohue	Kilgore	Rains
Downing	King, Calif.	Randall
Dulski	Kirwan	Reid, N.Y.
Duncan	Kluczynski	Reuss
Dwyer	Landrum	Rhodes, Pa.
Edmondson	Lankford	Rivers, Alaska
Edwards	Leggett	Roberts, Tex.
Elliott	Lesinski	Robison
Everett	Libonati	Rodino
Evins	Lindsay	Rogers, Colo.
Fallon	Long, La.	Rogers, Tex.
Farbstein	Long, Md.	Rooney, N.Y.
Fascell	McDowell	Rooney, Pa.
Finnegan	McFall	Roosevelt
Flood	Macdonald	Rosenthal

Rostenkowski	Staggers	Ullman
Roybal	Steed	Van Derlin
Ryan, Mich.	Stephens	Vanik
Ryan, N.Y.	Stratton	Vinson
St. Germain	Stubblefield	Wallhauser
St. Onge	Sullivan	Watts
Schwengel	Teague, Tex.	White
Secret	Thomas	Wickersham
Senner	Thompson, N.J.	Widnall
Sickles	Thompson, Tex.	Wilson,
Sisk	Trimble	Charles H.
Slack	Tupper	Wright
Smith, Iowa	Tuten	Young
Staebler	Udall	Zablocki

NOT VOTING—27

Ashmore	Gialmo	Powell
Bass	Hoffman	Roberts, Ala.
Bolling	Horan	Sheppard
Bolton,	Jones, Ala.	Shipley
Oliver P.	Kee	Taylor
Bruce	Lloyd	Thompson, La.
Buckley	McIntire	Toil
Dorn	Martin, Mass.	Winstead
Dowdy	Murray	
Forrester	Pillion	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Taylor for, with Mr. Sheppard against. Mr. Thompson of Louisiana for, with Mr. Toll against.

Mr. Shipley for, with Mr. Jones of Alabama against.

Mr. Dowdy for, with Mr. Buckley against. Mr. Dorn for, with Mr. Gialmo against.

Mr. Lloyd for, with Mr. Powell against. Mr. Horan for, with Mrs. Kee against.

Until further notice:

Mr. Ashmore with Mr. Hoffman. Mr. Winstead with Mr. Bruce.

Mr. Roberts of Alabama with Mr. Pillion. Mr. Bass with Mr. Martin of Massachusetts. Mr. Forrester with Mr. McIntire.

Mr. GRIFFITHS and Mr. BARRETT changed their vote from "yea" to "nay."

Mr. WILLIS changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. ADAIR. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 230, nays 175, not voting 26, as follows:

[Roll No. 153]
YEAS—230

Addabbo	Clark	Fino
Albert	Cleveland	Flood
Arends	Cohelan	Fogarty
Ashley	Conte	Ford
Aspinall	Cooley	Fraser
Auchincloss	Corbett	Frelinghuysen
Ayres	Corman	Friedel
Baldwin	Daddario	Fulton, Pa.
Barrett	Daniels	Fulton, Tenn.
Barry	Davis, Tenn.	Gallagher
Bates	Dawson	Garmatz
Beckworth	Delaney	Gary
Bell	Dent	Gibbons
Blatnik	Denton	Gilbert
Boggs	Diggs	Gill
Boland	Dingell	Gonzalez
Bolton,	Donohue	Grabowski
Frances P.	Downing	Gray
Brademas	Dulski	Green, Oreg.
Brooks	Duncan	Green, Pa.
Broomfield	Dwyer	Griffin
Brown, Calif.	Edmondson	Griffiths
Burke	Edwards	Grover
Burkhalter	Elliott	Gubser
Burton, Calif.	Everett	Hagen, Calif.
Byrne, Pa.	Evins	Halleck
Byrnes, Wis.	Fallon	Halpern
Cahill	Farbstein	Hanna
Cameron	Fascell	Hansen
Carey	Feighan	Harding
Celler	Finnegan	Hardy

Hawkins
Hays
Healey
Hébert
Hechler
Hollifield
Holland
Horton
Hosmer
Joelson
Johnson, Calif.
Johnson, Wis.
Karsten
Karth
Kastenmeier
Keith
Kelly
Keogh
King, Calif.
Kirwan
Kluczynski
Kunkel
Lankford
Leggett
Lesinski
Libonati
Lindsay
Long, Md.
McDade
McDowell
McFall
Macdonald
MacGregor
Madden
Mahon
Mailliard
Mathias
Matsunaga
Matthews
Meador
Miller, Calif.
Minish
Monagan
Montoya
Moorhead
Morgan
Morrison

Morse
Moss
Multer
Murphy, Ill.
Murphy, N.Y.
Natcher
Nedzi
Nelsen
Nix
O'Brien, N.Y.
O'Hara, Ill.
O'Hara, Mich.
Olsen, Mont.
Olson, Minn.
O'Neill
Osmer
Ostertag
Patman
Patten
Pepper
Perkins
Phillips
Pickle
Pike
Pilcher
Pirnie
Price
Pucinski
Purcell
Quie
Rains
Reid, N.Y.
Reuss
Rhodes, Pa.
Riehlman
Rivers, Alaska
Roberts, Tex.
Robison
Rodino
Rogers, Colo.
Rooney, N.Y.
Rooney, Pa.
Roosevelt
Rosenthal
Rostenkowski
Roybal
Ryan, Mich.

Ryan, N.Y.
St Germain
St. Onge
Schneebell
Schweiker
Schwengel
Selden
Sennar
Sibal
Sickles
Sisk
Slack
Smith, Iowa
Springer
Staebler
Stafford
Staggers
Stratton
Stubblefield
Sullivan
Teague, Calif.
Thomas
Thompson, N.J.
Thompson, Tex.
Trimble
Tupper
Udall
Ullman
Van Deerlin
Vank
Vinson
Wallhauser
Watts
Weaver
Weltner
Whalley
White
Wickersham
Widnall
Wilson,
Charles H.
Wright
Wylder
Young
Zablocki

Wharton
Whitener
Whitten
Ashmore
Bass
Boiling
Bolton,
Oliver P.
Bruce
Buckley
Dorn
Downy

Williams
Willis
Wilson, Bob
Forrester
Giaino
Horan
Jones, Ala.
Kee
Lloyd
McIntire
Martin, Mass.
Murray

Wilson, Ind.
Wyman
Younger
Pillion
Powell
Roberts, Ala.
Sheppard
Shipley
Taylor
Thompson, La.
Toll
Winstead

NOT VOTING—26

So the bill was passed.
The Clerk announced the following pairs:

On this vote:
Mr. Sheppard for, with Mr. Taylor against.
Mr. Toll for, with Mr. Thompson of Louisiana against.
Mr. Jones of Alabama for, with Mr. Shipley against.
Mr. Buckley for, with Mr. Dowdy against.
Mr. Giaino for, with Mr. Dorn against.
Mr. Lloyd for, with Mr. Ashmore against.
Mr. Powell for, with Mr. Horan against.

Until further notice:
Mrs. Kee with Mr. McIntire.
Mr. Bass with Mr. Pillion.
Mr. Roberts of Alabama with Mr. Martin of Massachusetts.
Mr. Winstead with Mr. Bruce.
Mr. Forrester with Mr. Murray.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

APPLICATIONS FOR WRITS OF HABEAS CORPUS

Mr. YOUNG, from the Committee on Rules (on behalf of Mr. DELANEY), reported the following privileged resolution (H. Res. 747, Rept. No. 1471), which was referred to the House Calendar and ordered to be printed:

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. 1335) to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on the Judiciary now in the bill and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House

with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommend with or without instructions.

IRRESPONSIBLE CADRES OF OUTSIDERS SEEM DETERMINED TO CAUSE BLOODSHED IN ST. AUGUSTINE, FLA.

Mr. MATTHEWS. 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 Florida?

There was no objection.

Mr. MATTHEWS. Mr. Speaker, irresponsible cadres of outsiders seemed determined to cause bloodshed in St. Augustine, Fla., the oldest, and one of the proudest cities in America. Proud of their religious heritage, conscious of their historical tradition, Americans of all races, creeds, and of many national origins in St. Augustine have lived in harmony for years until the recent forces of discord, have fomented strife and now openly clamor for bloodshed.

In the other body today, cloture has been voted by a vote of 71 to 29 and the so-called civil rights bill, which I have opposed to the utmost of my ability, will become the law of the land. There will be thousands of pious utterances that people all over America should obey these laws despite their personal differences.

What about the laws today? There are State laws until repealed that local officials are charged to enforce. The roving bands in St. Augustine are demanding that local and State laws be abrogated, not through orderly processes but by intimidation.

The inciting of riots is not nonviolent. The undisciplined cadres of juvenile, thrill seekers, and agitators who claim a divine right to interpret what law should be obeyed and what laws should be disobeyed are not holy messengers in the spirit of the living Nazarene but are actually prophets of anarchy.

Americans of sober thought should demand that the citizens of St. Augustine have the right to continue their orderly program without threats and irresponsible acts of a small minority who are not willing to subscribe to the rule of law and order.

Americans should realize that the imposition of the so-called civil rights bill on the people of this country will create fantastic problems. Now as never before those who for personal notoriety, take the law in their hands, and demand laws by intimidation, should be told to abate their efforts to cause the loss of life.

In St. Augustine, the overwhelming majority of the citizens, white and colored, are proud of the progress they have been making. Their public facilities have been integrated, schools are integrated, some restaurants have been integrated—without Federal laws. But

NAYS—175

Abbutt
Abele
Abernethy
Adair
Alger
Anderson
Andrews, Ala.
Andrews,
N. Dak.
Ashbrook
Avery
Baker
Baring
Battin
Becker
Beermann
Belcher
Bennett, Fla.
Bennett, Mich.
Berry
Betts
Bonner
Bow
Bray
Brock
Bromwell
Brotzman
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burlison
Burton, Utah
Casey
Cederberg
Chamberlain
Chelf
Chenoweth
Clancy
Clausen,
Don H.
Clawson, Del
Collier
Colmer
Cramer
Cunningham
Curtin
Curtis
Dague
Davis, Ga.
Derounian
Derwinski
Devine
Dole
Ellsworth
Findley
Fisher
Flynt
Foreman
Fountain
Fuqua
Gathings
Glenn
Goodell
Goodling
Grant
Gross
Gurney
Hagan, Ga.
Haley
Hall
Harris
Harrison
Harsha
Harvey, Ind.
Harvey, Mich.
Henderson
Herlong
Hoeven
Hoffman
Huddleston
Hull
Hutchinson
Ichord
Jarman
Jennings
Jensen
Johansen
Johnson, Pa.
Jonas
Jones, Mo.
Kilburn
Kilgore
King, N.Y.
Knox
Kornegay
Kyl
Laird
Landrum
Langen
Latta
Lennon
Lipscomb
Long, La.
McClory
McCulloch
McLoskey
McMillan
Marsh
Martin, Calif.
Martin, Nebr.
May
Michel
Miller, N.Y.
Milliken
Mills
Minshall
Moore
Morris
Morton
Mosher
Norblad
O'Konski
Passman
Pelly
Poage
Poff
Pool
Quillen
Randall
Reid, Ill.
Reifel
Rhodes, Ariz.
Rich
Rivers, S.C.
Rogers, Fla.
Rogers, Tex.
Roudebush
Roush
Rumsfeld
St. George
Saylor
Schadeberg
Schneck
Scott
Secrest
Short
Shriver
Sikes
Siler
Skubitz
Smith, Calif.
Smith, Va.
Snyder
Steed
Stephens
Stinson
Taft
Talcott
Teague, Tex.
Thomson, Wis.
Tollerfon
Tuck
Tuten
Utt
Van Pelt
Waggonner
Watson
Westland

this progress is treated contemptuously by the present agitators who in Hitlerian fashion insist on their demands—or else.

Congratulations to the good people of St. Augustine, the people of all races and creeds who are still working together for a greater community. Since their city is the oldest in the United States, and in the public eye, they have been marked by the self-styled critics as a logical place to foment trouble.

I pray there will be no bloodshed. But if there is—the fault will lie with those who have organized this “March on St. Augustine.” Our local law enforcement officers are doing a heroic job, but flames of wrath are smoldering. They can extinguish these flames if people who go to St. Augustine to cause violence will return to their homes, and contribute to the building of America rather than devote their energies to the destruction of this great and beloved land of opportunity.

GRACIOUS THANKS

Mr. MONAGAN. 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 Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, as a member of the House Committee on Foreign Affairs, I have been actively interested in our international educational and cultural exchange program, which is administered by the Department of State. It was my privilege to have supported the Fulbright-Hays Act, which authorizes this program, both in committee and on the floor of the House. I have on several occasions enjoyed the privilege of telling constituents that they had been selected to participate through a Federal grant under the Mutual Educational and Cultural Exchange Act of 1961 in studies and seminars approved by the Board of Foreign Scholarships.

I have received many gratifying acknowledgments from recipients of grants under this program, but none more touching than the one which came to me recently from Mrs. Isabelle Ann Pioppi, of Oakwood Drive, Harwinton, Conn., a teacher at the Torrington, Conn., High School, who has been elected to participate in a seminar for American teachers of Italian at the University of Rome.

I offer for the gratification of my colleagues the following letter which I have received from Mrs. Pioppi:

HARWINTON, CONN.,
May 27, 1964.

Congressman JOHN MONAGAN,
U.S. House of Representatives,
Washington, D.C.

DEAR SIR: I cannot tell you how happy and proud I was to receive your congratulatory message in reference to my receiving a Fulbright award to study in Italy this summer.

Your letter was not a mere formality. It asked me to call upon you if I need help.

What a marvelous country this is. First, I, an unknown citizen living in a small town, am given the honor, made possible through a Government program, to represent, in a sense, our great country and its ideals. Then, my Congressman wants to

know if he can be of help to me. What high and excellent proof of our democratic ideals.

I would be happy, honorable sir, if you could in some way, thank our Congress for me for such a program, and thank all of those people who were responsible for selecting me.

I carry this award within me with a deep sense of honor and shall do all I can to bring it dignity and credit, in turn. Perhaps this is the best way I can show my appreciation.

Perhaps I may in some way, some day, be of service to you.

Most respectfully yours,

ISABELLE PIOPPY.

PRAYER AND BIBLE READING IN THE PUBLIC SCHOOLS

Mr. BECKER. 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 New York?

There was no objection.

Mr. BECKER. Mr. Speaker, in last night's Washington Star there was an article by David Lawrence. I commend it to all Members to read, because reference was made to a statement by 223 professors and so-called constitutional lawyers about my amendment to permit prayer and Bible reading in the public schools. I want to read just one paragraph from their statement:

American liberties have been secure in large measure because they have been guaranteed by a Bill of Rights which the American people have until now deemed practically unamendable.

The article continues:

This will come as a shock to many people who have always thought that the Constitution could be amended whenever public opinion desired it, and that there is nothing so sacred about anything in the Constitution that the public could not change it at will.

These 223 people would deny the right of the American people to amend the Constitution. I shall do everything in my power to induce the Congress to take action at this session to give the people the right to amend the Constitution to return God to the schools and keep Almighty God here in the House of Representatives.

Mr. Speaker, I include at this point in the RECORD as a part of my remarks the entire article which I have referred to.

[From the Washington (D.C.) Star, June 9, 1964]

THE RIGHT TO AMEND CONSTITUTION—SUPREME COURT'S PRAYER DECISIONS STIR CONTROVERSY ON BILL OF RIGHTS

(By David Lawrence)

A surprising statement has just been filed with the House Judiciary Committee by 223 lawyers, including 55 deans of law schools, and several college professors, many of them of the so-called liberal school of thought. They have taken a stand which will be construed as meaning that, so far as possible, further amendments to the Constitution must be blocked and that the Supreme Court of the United States must be left to rewrite the Constitution at will.

The current controversy arises as a consequence of the Supreme Court's decisions which have produced widespread apprehension that the word “God” cannot be mentioned in public school exercises and that

voluntary prayers may be prohibited in educational institutions or in connection with official activities of the Government.

The statement warns those who have been agitating for a constitutional amendment that they are, in effect, engaging in something bordering on impropriety. Dozens of amendments, for instance, have been proposed to overrule the decisions of the Supreme Court on the subject of prayer in exercises or ceremonies in schools, but the statement of the 223 citizens asks for a kind of cloture on further consideration of all such amendments by Congress. The statement says:

“American liberties have been secure in large measure because they have been guaranteed by a Bill of Rights which the American people have until now deemed practically unamendable.”

This will come as a shock to many people who have always thought the Constitution could be amended whenever public opinion desired it and that there is nothing so sacred about anything in the Constitution that the people couldn't change it at will. Objection rather has been voiced against the Supreme Court's assumption of a right virtually to introduce any meaning it pleases, thus giving to an oligarchy of nine judges appointed for life the power to amend the Constitution through judicial decisions.

The recent movement to submit to the people an amendment safeguarding the right to pray grew out of a deep-seated belief that the Supreme Court had taken away a fundamental right and had indeed violated that part of the Constitution which states that there should be no interference with “the free exercise” of religion. The statement of the protesting group, however, says:

“Whatever disagreements some may have with the Bible-prayer decisions, we believe strongly that they do not justify this experiment. Accordingly, we urge that Congress approve no measures to amend the first amendment in order to overrule these decisions.”

The lawyers who filed the statement have a right to their opinion and to argue against any proposed amendment to the Constitution, but it comes as a surprise to find such a learned group stating that the mere attempt to use the amending process prescribed in the Constitution is dangerous. The sponsors of this viewpoint add:

“If the first clause of the Bill of Rights, forbidding laws respecting an establishment of religion, should prove so easily susceptible to impairment by amendment, none of the succeeding clauses will be secure.”

Such a sweeping declaration is hardly justified because, for one thing, there are more than 100 proposals for a constitutional amendment, along with the resolution submitted by Representative FRANK J. BECKER, Republican, of New York, in behalf of many Members of Congress, all of which are merely designed to safeguard the right to pray in official surroundings.

There are many ways by which this right can be assured without imposing any established church. Just as one group respects the right of another group to hold differing opinions, there is every justification for at least tolerating voluntary prayer by another body of citizens, whether outside or inside a Government building, in a public ceremony.

But entirely apart from the merits of the issue itself as it relates to the right to pray, the controversy over methods of amending the Constitution may be intensified. In 1962 the National Council of State Governments adopted a resolution proposing an additional formula. Thus, if two-thirds of the State legislatures submitted identical texts for a proposed amendment, three-fourths of the States could then ratify it without any further action by Congress.

Whether the foregoing proposal is a desirable one or not, the fact remains that many constitutional lawyers in the United States believe that, if Congress is going to block the amending process, some way must be found to enable the people themselves to initiate amendments to the Constitution through their own State legislatures.

DISTRIBUTION OF SILVER DOLLARS

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RIEHLMAN] may extend his remarks at this point and include extraneous matter.

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

There was no objection.

Mr. RIEHLMAN. Mr. Speaker, and Members of the House, there has been a recent run on the Treasury for silver dollars by collectors and hobbyists.

After 25 million silver dollars had been released, the Treasury halted the outflow.

The Treasury undoubtedly did so because the remaining silver dollars all have special numismatic value. We have been made aware of this by its press releases.

For some time there has been a great deal of controversy about the disposition of these 3 million silver dollars.

There is no way of equitably distributing them at their face value. At the same time, the suggestion that they be melted down for other coinage is appalling because of their value to collectors and as historic items of currency of the United States.

The question naturally arises as to why the Treasury should continue to hoard these silver dollars.

What good are they to the Treasury? Why should they not be made available to the public just as the Post Office makes available special stamp issues in various ways to stamp collectors?

I believe the Treasury should be allowed to dispose of these coins at their numismatic value. Thus, the United States would make some profit on these coins which otherwise will continue to be retained by the Treasury. In addition, some of these historic coins would circulate among hobbyists just as stamps do.

Estimates of the worth of these dollars have ranged up to a quarter of a billion dollars.

In my opinion the Treasury could sell these coins somewhat like the Superintendent of the Philadelphia Mint does now with mint proof and uncirculated coin sets—with the purchaser paying the costs of handling and mailing as well as a premium.

It may interest Members to know that the Treasury realized a profit of \$1,662,000 in fiscal year 1963 on the sale of mint proof sets. These are specially polished and stamped coins.

However, disposition of the silver dollars should differ in one respect from the sale of mint proof sets. The coin sets in the past have been available in quantities up to 100 per individual. This has been very inequitable to many individual collectors who have been unable to buy one set because of the great demand.

I would suggest that silver dollars be made available at their numismatic value on the basis of one per customer on a first-come, first-served basis after a certain date to be determined by the Treasury.

To accomplish disposition of these coins, I am today introducing legislation which would grant authority to the Secretary of the Treasury to publish price lists and sell the silver dollars at their numismatic value.

ARA LOANS TO THE AFFLUENT

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. TALCOTT] 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 Nebraska?

There was no objection.

Mr. TALCOTT. Mr. Speaker, we hear reports from almost every section of our country—whether poverty stricken or affluent—that ARA moneys are disbursed profigately, without economic justification, and without compliance with the original intent of the ARA program.

These deviations from principle and from plan degrade the purpose and jeopardize the usefulness of ARA.

Moneys loaned for political purposes deprive the needy elsewhere. Money hurriedly loaned "to make an impressive lending record" usually does not accomplish the intended purpose.

I insert one of many letters I have received which tells a story and appears to be all too typical of the deteriorating ARA operation:

Re ARA loan commitment, Teton County, Wyo.

MY DEAR MR. TALCOTT: This letter pertains to a certain ARA redevelopment loan commitment made to Alex Morley, Paul McColister, et al., d.b.a. Jackson Hole Ski Corp. in the sum of \$975,000 for the development of a ski complex in Teton County, Wyo. How did a county with less than 3,300 population qualify for an ARA loan when the people of said county own as many, or more, new automobiles, guns, boats, fishing rods, skis, et cetera, per capita than any area in the Nation and where probably more time is devoted to play and recreation per capita than any area and where the local bank has approximately \$7 million in assets and where rural area deeded land is valued for sale purposes at \$1,000 to \$8,000 per acre?

When I asked the above question of some of the local influential citizens I was informed that to get this loan it was necessary to work a gimmick. Many of us do not believe we qualify for distress ARA loans and do not want them.

This county has undeveloped natural resources, water no doubt being the most valuable, which exceeds billions of dollars in value. Last year there were 2,000,040 tourists in the area including the Grand Teton National Park and the Yellowstone National Park.

Money obtained by the above mentioned loan will be used to the detriment of, and in direct competition with, privately invested capital.

The development of the above mentioned ski complex is highly speculative and, in my opinion, has not been proved feasible.

I sincerely request that no further money, or any money, be disbursed on this commit-

ment until an investigation is completed to determine if all available facts were presented before this commitment was made.

This concerns all American citizens.

Very respectfully yours,

A BILL TO AMEND TITLE II OF THE SOCIAL SECURITY ACT

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. QUIE] 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 Nebraska?

There was no objection.

Mr. QUIE. Mr. Speaker, today I have introduced a bill to amend title II of the Social Security Act. My bill will increase from 75 percent in the case of children, surviving mothers, and parents and 82.5 percent in the case of widows or widowers to 100 percent all survivors' benefits; permit the payment of child's insurance benefits beyond the age of 18 years for children attending school on a full-time basis; and increase the amount of outside earnings from \$100 to \$250 a month without deductions from benefits.

My action today is prompted by evidence of poverty in our country presented to the House Education and Labor Committee during consideration of the administration's antipoverty proposals. A large percentage of the families earning less than \$3,000—these are the people the administration have termed "poverty stricken"—are headed by elderly persons and surviving mothers and widows. In fact, 16.2 percent of the families under \$3,000 have a female head under 65 years, and 30.5 percent under \$3,000 are headed by persons 65 years and older.

Thus, almost 47 percent of the people to be aided by the President's antipoverty organization could be helped directly through the Social Security Administration provided they have met the eligibility requirements. Here is a specific case where we already have administrative machinery set up for the express purpose of aiding these types of individuals; yet surprisingly enough, there is no mention of an increase in benefits and pensions under Social Security in the administration's poverty legislation. Rather, we are asked to support the establishment of a new and monstrous Federal bureaucracy which in almost every respect will duplicate the efforts of others.

Furthermore, let me point out that it has been 3 years since the Congress last provided an increase in benefits under social security, and this only pertained to widows. The last across-the-board increase in pensions was enacted in 1958. Yet, since 1958 the cost of living has increased 7.1 percent and at the same time the purchasing power of the dollar has decreased by approximately 6 percent. This continuing trend of rising prices and declining purchasing power has its most profound and detrimental effect on those living on fixed incomes and those with limited opportunities.

The second provision of my bill, relating to the extension of child dependents' benefits to cover education expenses, is so important to our country's basic needs of an intelligent and articulate electorate, trained manpower, and professional people that I think every possible effort must be made to enable our youth to complete their education. I am happy to note that many of my colleagues realize the importance of this matter and have introduced similar legislation. I might add that one of the main ideas brought out of our hearings on antipoverty legislation was the need for education to break the generation-to-generation poverty conditions where young people lack the general background and training in skills necessary to find a place in modern-day employment and thus are unable to remove themselves from their present condition.

The third part of my bill, which would increase the monthly earnings limitation from \$100 to \$250, is an effort to correct what I consider an improper motive behind the Social Security Act. When it was first enacted, we were faced with a situation of severe unemployment especially among our young and middle-aged citizens, and it was felt that if we could retire our older citizens at 65 with a pension, we would then be able to absorb a good proportion of this unemployment. During the depression this philosophy seemed justified, but it no longer holds water in 1964. Our unemployment rate has remained relatively constant and even decreased within the last couple of months, the wonders of medicine have extended the life span of man, and the ability of an elderly couple to live on a monthly social security check alone is proving more and more difficult. I think that our economy is strong enough and diverse enough to allow for the normal increase in the labor market without a governmental policy urging retirement at 65 or under. Not many people who reach the age of 65 have laid away enough money for incomes which, together with social security, will enable them to live respectably. Furthermore, the present earnings limitation keeps many older persons from working with a resultant loss to the country of valuable skills and productivity. The present provision causes real hardship for those individuals who must work to supplement their benefits.

Mr. Speaker, I urge my colleagues on the Ways and Means Committee to give favorable consideration to this measure as a practical, effective, and most important way of helping our elderly citizens.

FOREIGN AID

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HARSHA] 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 Nebraska?

There was no objection.

Mr. HARSHA. Mr. Speaker, Congress should drastically cut and revise our foreign aid program.

The sum requested in the bill of \$3.5 billion is not a true portrayal of our foreign aid costs. A more accurate figure would be in excess of \$7 billion. The following is a recapitulation of the various authorization proposals and appropriation requests during 1964 that can be identified:

Foreign Assistance Act:	
Economic assistance.....	\$2,461,700,000
Military assistance.....	1,055,000,000
Peace Corps.....	115,000,000
Food for peace (Public Law 480).....	2,215,000,000
Inter-American Development Bank:	
Social Progress Trust Fund.....	750,000,000
Callable capital stock.....	412,000,000
International Development Association.....	373,656,000
Tax credit proposal.....	60,000,000
Total.....	7,442,356,000

Furthermore, there are additional sums requested for foreign aid projects in some of the individual Federal agencies' budgets. This is far too much foreign aid; we have too many problems here in America that need solving first before we undertake to solve the problems of the world.

What has our generous well-intentioned but misguided assistance activities accomplished? Nothing—and events of the last few months support this:

NATO appears on the verge of complete disintegration. It offers hope only in a "crisis confronting" situation since the diversity of political, economic, military, and other interests would probably preclude any unanimity on limited actions. France, a major recipient of U.S. aid, has apparently withdrawn its support while retaining its voice.

We have been unable to obtain the cooperation of our European allies to reduce their trade with Cuba in strategic materials. Not even our hemispheric neighbors will go along with us on the sanctions against Cuba necessary to protect their freedoms.

The political settlement in Laos has predictably worked to the advantage of the Communists. The \$330 million poured into that country has done nothing more than identify the United States with a losing battle.

After 10 years and \$370 million in aid, Cambodia has asked us to pick up our marbles and go home.

Indonesia with \$870 million of our money continues to threaten freedom-seeking Malaysia. On March 25, 1964, Sukarno announced: "To hell with U.S. aid." Yet, we continue to give him aid. In fiscal year 1965, \$10 million is planned for technical cooperation for Indonesia.

Our friends in Turkey and Greece are at each other's throat over Cyprus.

Are these the accomplishments of our aid? If so, the program needs to be drastically revised and reduced.

The main argument advanced for this massive spending program has been to stop the spread of communism. However, our State Department has nego-

tiated trade agreements with the implication that direct aid would be forthcoming under this act in the near future. It is in the process of negotiating liberalized trade agreements with other Communist nations.

The granting of aid and trade agreements with Communist nations is a self-defeating tragic policy completely contrary to the arguments advanced on behalf of foreign aid and should be curtailed.

I urge my colleagues to accept the amendment offered to reduce this authorization bill and in the alternative, if these amendments are not accepted to vote for recommitment to the Foreign Affairs Committee. The American taxpayer has had enough of this dole.

DISARMAMENT: RESPONSIBLE AND IRRESPONSIBLE

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from South Dakota [Mr. BERRY] 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 Nebraska?

There was no objection.

Mr. BERRY. Mr. Speaker, under leave to extend my remarks, I wish to insert in the RECORD another in the series of articles by Holmes Alexander.

The article is as follows:

DISARMAMENT: RESPONSIBLE AND IRRESPONSIBLE

(By Holmes Alexander)

WASHINGTON, D.C.—In the unfinished business which President Johnson took over from President Kennedy is action to prevent the national atomic energy enterprises from highballing down the same track that nearly wrecked the American railroad system.

One of the Atomic Energy Commissioners who served under J.F.K. tells me that he discussed this matter with the late President in terms of the following analogy:

Like the railroads, the Atomic Energy Commission has been on the point of getting itself committed to an open-ended supply of services: that is, doing research and providing materials at large costs to the Defense Department, NASA, and private industries.

Like the railroads, the AEC is committed, through its contractors, to scores of labor contracts that reach far into the future, as well as to contracts with many universities and research corporations.

Like the railroads, the AEC is a multi-billion-dollar institution and has accumulated manifold and complex fiscal obligations which are threatening to become an impediment to free and wise choice of action.

Against this background of thinking, President Johnson, last January, announced a reduction in the production rate of plutonium and uranium. In part, this was a disarmament decision, for the military uses of nuclear power take a large hunk of the AEC's \$2.6 billion budget.

The point I am creeping up on is that here is a careful, phased, responsible form of disarmament, the very opposite of the ignorant, meat-ax, irresponsible disarmament which is being attempted by ban-the-bomb scientists, do-gooders, and dubious characters, two of whom I shall name in this piece.

The President, the Defense Department, the AEC, and the Joint Congressional Committee on Atomic Energy all had a part in determining that the cutback in production of uranium-plutonium could be safely made. The Joint Committee, consisting of Senate and House members of long experience in these fields, decreased last year's nuclear weapons program by \$11.1 million, and knocked another \$22.1 million off last year's figure for plant and capital equipment in the weapons program.

In contrast to these reductions in nuclear arms production by men who know what they're doing, we get political scheming by an outfit that ought to be politically blacklisted—the Council for a Livable World. This pacifist group, with a secret membership, has invested sometimes over \$80,000 in the reelection funds of Senators who are nonmembers of the Atomic Energy and Armed Services Committees, but who vote for meat-ax disarmament. At least two members of the Scientists' Committee of the Livable World can be called suspect of not having the Nation's best interests at heart. They are:

Dr. Halsted Reid Holman, born 1925, a California physician, a president and vice president of groups cited by the Un-American Activities Committee as Communist fronts, a campaign fund contributor as recently as 1962 to the Livable World. In testimony before the Senate Internal Security Subcommittee, 1951-52, Dr. Holman pleaded the fifth amendment and declined to answer several questions, including:

"Are you a member of the Communist Party? In November 1946, you were a member of the Communist Party in Connecticut, were you not?"

Dr. Herman J. Muller, born 1890, a Nobel Prize winner in medicine and physiology, author of an avowedly Marxist book, "Out of the Night." Dr. Muller testified in closed hearings of the Un-American Activities Committee, 1953. The committee records show him as a member of the Advisory Committee of the Book Union (1944) and member of the national committee of the Student Congress Against War (1944), both cited by the committee as being subversive organizations. In justice to Dr. Muller, he resigned his post (1933-39) as senior geneticist at the Soviet Academy of Sciences' Institute of Genetics, and also his membership to the U.S.S.R.'s Academy of Sciences (1948) because of disagreements arising from the Stalinist dictatorship. He says he is not an "orthodox Marxist," but believes Marx rates with Darwin as a man who gave the world "revolutionary truths."

The Livable World, into whose affairs I am prying, is financially backing the reelections of Democratic Senators BURDICK, of North Dakota; MCGEE, of Wyoming; and MUSKIE, of Maine. In 1962, it backed Democratic Senators CLARK, of Pennsylvania; FULBRIGHT, of Arkansas, and MCGOVERN, of South Dakota. Four Republicans who have been either offered or given campaign backing—KUCHEL, JAVITS, PROUTY, and FONG—have backed off.

Thus we have an organization, difficult to research because of its secrecy but showing at least two dubious official advisors, trying for a foothold of influence in the U.S. Senate.

SELECTION OF SITE FOR NEW PLANT BY THE NESTLE CO. OF WHITE PLAINS, N.Y.

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. SCHADEBERG] 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 Nebraska?

There was no objection.

Mr. SCHADEBERG. Mr. Speaker, one of the best known firms in the United States, the Nestle Co. of White Plains, N.Y., has announced selection of a site in Burlington, Wis., for a new 200,000-square foot \$30 million plant to serve as the Midwest center for the manufacture and distribution of the famed Nestle chocolate and chocolate products.

As Burlington is and has been home to me and my family for many years, Nestle's choice of Burlington naturally stirs in me a feeling of pride in our town. But the reasons for that choice are of even greater significance. They are found in the ingredients that make up Burlington and the First Wisconsin District—the city's location 65 miles north of Chicago and 40 miles south of Milwaukee; its proximity to the other larger communities of the Midwest; its terrain; the healthy business and industry already thriving on the nutrition of a sound local economy; and not the least important—the industrious and self-reliant people of Burlington and the surrounding areas of Delevan, Lake Geneva, Elkhorn, East Troy, Racine, Kenosha, Waterford, Union Grove, Kansasville, and Westosha, from whom will be selected the majority of employees who will staff the new plant. A relatively few workers, including technicians, will be brought in from New York and California where the firm has established plants.

There is significance to the Members of Congress in this decision by Nestle, which is the purpose of these remarks. It is the fact that Burlington's attributes and the fair and effective presentation of them by community leaders—business, government, and civic leaders at the local level—were responsible for Nestle's approval of the Burlington location. It is to the credit of the Nestle Co. that it sought no special inducements to locate in Burlington, and to the credit of the local leaders that they offered none. Once again it proves that industry will go where the economic climate, geography, and natural resources are favorable to the growth and expansion of that industry. In this instance, in addition to the plus factors already enumerated, a most important contribution to the operations of the new plant is that provided by our dairy industry in the heart of America's dairyland.

The people of the first district express their appreciation to those who have been instrumental in bringing the plant to Burlington, numbered among them are Robert Bayer, Les Hoganson, Anthony B. Rewald, William E. Branan, Patrick Lloyd, Assemblyman Merrill Stalbaum, State Senator Lynn Stalbaum, and Governor Cunningham. The cooperation of the people of the city of Burlington and the surrounding area was outstanding and noteworthy.

It is a pleasure for me to welcome the Nestle Co. to Burlington and to the First Wisconsin District.

SUGAR LEGISLATION

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. LANGEN] 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 Nebraska?

There was no objection.

Mr. LANGEN. Mr. Speaker, it is a rare occasion when this House has the opportunity to assist American agriculture by encouraging the production of a needed crop that not only is not in surplus but by virtue of its expansion would reduce the production of other crops already in surplus. But this is exactly what we have in a number of bills concerning sugar legislation, including my own H.R. 11113, which have been introduced during this session. These bills, generally, call for an increased domestic quota for sugarbeets to meet the rising demand for sugar and to insure an adequate supply in the future.

In 1962, when the present Sugar Act became law, the domestic beet sugar quota was set at a little less than 2,700,000 tons. We were told that supplies of sugar on the world market would more than take care of the future needs of this Nation. But political unrest abroad and a number of other factors combined to create a sugar shortage and unconscionable rises in the price of sugar. It was obvious that something had to be done and the administration took the most logical action possible by appealing to the domestic sugarbeet industry to take up the slack.

Our domestic sugarbeet producers rose to the occasion, increased production as requested, and in compliance with existing restrictions and still produced 20 percent more sugar than the year before. And the amazing thing is that the sugarbeet industry sold this sugar, during the height of the sugar crisis, at \$1 to \$3 per hundred pounds less than cane sugar. But because our domestic industry believed that the Government would stand behind them, our growers face a serious cutback after investing time and money. The crop now in the ground is expected to yield a possible 3,400,000 tons of sugar, but under the present law the beet sugar quota for 1964 will be only 2,700,000 tons. Legislation is obviously needed.

Mr. Speaker, conditions have changed considerably since the quotas were set in 1962.

And it appears, as I have cautioned before, that a number of the foreign suppliers are of doubtful reliability because of present or potential political instability. We simply cannot afford to gamble on an unreliable source of sugar when the farmers of the United States are fully capable of supplying our needs. It is ridiculous to rely on foreign sources for two-thirds of our sugar needs.

Actually, the basic foreign quotas for sugar would be untouched under provisions of my bill and other similar measures. My bill merely sets the basic

domestic quotas at levels where the industry is now producing to protect our established growers, and includes modest provisions for the expansion of both the established industry and for new acreage in areas such as the Red River Valley of Minnesota and North Dakota, where it has been proven that beets can be grown profitably.

The main area affected by this new and needed legislation is on the world market scene, where supplies are uncertain and prices fluctuate to the disadvantage of the American consumer. This legislation would not affect our Latin American neighbors or other countries with fixed quotas, even though opposition to such legislation, mainly from some cane processors, has insinuated that these quotas would be cut and that the Alliance for Progress would be jeopardized.

Thinking and reasoning by our own State Department has not helped the situation, either. I met yesterday with representatives of the State Department and was appalled by their lack of concern for the American sugar industry. It is unconscionable that these people, paid by the taxpayers of this Nation, can blatantly defend foreign interests at the expense of private enterprise. I seriously hope the State Department, along with other Government departments and agencies, will adapt their thinking and policies to the common good of the United States.

Apparently the State Department fails to grasp the importance of an adequate supply of sugar to our national defense. Certainly we are not trying to exclude all foreign importations, but we do have to face up to this problem and give the top priority to our own people and our own self-interest as a Nation.

It was my privilege this past week to have met with representatives of both potential new growers of sugarbeets and representatives of established growers. Both need a responsive ear from the Congress and the administration.

The old growers, of course, are concerned with the impending cutbacks if new legislation is not enacted. These old growers note with natural concern that in the event of a cutback in acreage, the burden would fall on their shoulders since the newest plants in operation are protected from cuts in acreage allotments.

These old growers have gone to considerable expense in order to respond to their Government's plea for extra sugar. They should not be denied now.

Other farmers, from established and proven beet areas, also would like to raise sugarbeets. And they should not be denied either. I have noted with interest the formation in Washington this week of a new organization called the National New Sugarbeet Growers Committee. Homer Garrison of Plainview, Tex., was elected chairman; Carl Hansen, of Breckenridge, Minn., vice chairman; and Robert J. Waite, also of Breckenridge, Minn., as secretary-treasurer. This organization is composed of prospective growers from 17 States, and was formed for the purpose of securing

allotments in new sugarbeet growing areas of the United States to replace crops now being grown in surplus. They recommend extension of the present sugar act for 1967, 1968, 1969 and 1970, increasing the annual allotment for new domestic sugarbeet production from 65,000 to 150,000 tons annually.

We have a great opportunity to perform a needed service for the farmers of America, for the taxpayers of this country and for the consumers of our Nation. We need sugar legislation this year that will maintain our present domestic production, allow a reasonable and needed expansion of the industry both among established growers and new growers, and a reasonable expectation that the United States will continue to have a reliable source of sugar at a reasonable price. This can be accomplished through my pending bill, H.R. 11113.

RESTORATION OF LOSSES RESULTING FROM PRICE SUPPORT PROGRAMS

Mr. MARTIN of Nebraska. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MICHEL] 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 Nebraska?

There was no objection.

Mr. MICHEL. Mr. Speaker, in February when Secretary Freeman and his budget officer were before the House Subcommittee on Appropriations for the Department of Agriculture, the statement was made that only partial restoration of the losses resulting from price support programs was being requested by the Department. In fact, in response to a direct question, the Department admitted that it would require \$1,057 million to restore losses for 1961; \$100 million for 1962; and \$930 million for 1963 losses. In response to the request from the Department, the committee restored only partially the losses suffered by the Commodity Credit Corporation operation.

On the floor of the House when the appropriation bill was debated, I called attention to the fact that, if we were to be honest with ourselves and balance the books of the Commodity Credit Corporation, we would have to include an additional \$975 million. In both the committee hearings and on the floor, I raised questions with reference to financing of CCC to insure that it could continue operation under the several support programs required of it by current laws. I was very fearful that the Department and Congress was failing to provide sufficient funds for CCC to carry out its operations.

Also on the floor during the debate, I called attention to the fact that probably before the end of the fiscal year Congress might have to provide additional funds. I regret to inform the House that it now seems that my fears were well founded. The statutory borrowing authority available to the CCC is

at such a low level now that the Department is resorting to rather questionable methods of financing export sales. The balance as of June 5, 1964, was \$132.4 million out of a total of \$14.5 billion.

It has just come to my attention that on April 27, the Foreign Agriculture Service, under title I of Public Law 480, authorized a contract in the amount of \$16,200,000 to Yugoslavia with the following provision:

CCC letters of commitment will provide that drafts presented by suppliers on or before June 30, 1964, shall be time drafts maturing in not less than 45 days. The importing country may at its option, and by arrangement with banks, use the "on board" date of the ocean bill of lading in lieu of the date of presentation to establish whether time drafts are required. On or after July 1, 1964, CCC financing is available for payments at sight or for time drafts, at the election of the importing country.

On May 15 the USDA announced issuance of a food-for-peace authorization to Pakistan to finance purchase of \$8,700,000 worth of dairy products:

The Commodity Credit Corporation will not make cash disbursements under this purchase authorization before July 1, 1964. For shipments before that date, the importing country may make arrangements for temporary financing until July 1 or later. The importing country must make these arrangements (through its designated bank or other agency) with the U.S. bank holding the CCC letter of commitment. The U.S. bank may draw on CCC on and after July 1.

On May 20 in a similar arrangement with Pakistan and Vietnam for some \$5 million worth of dairy products, a similar type of arrangement was made to finance the operation with the understanding that the CCC will not make cash disbursements under these purchase authorizations before July 1, 1964.

I, of course, do not know all the details of how such transactions are financed, and I merely point these out in order to call the attention of the House to the serious financial situation that CCC finds itself in, and it is largely due to the failure of the President and the Congress to face up to our fiscal responsibility in financing the current agricultural programs.

SECRETARY DILLON EXPLAINS MAJOR STEPS TAKEN IN KENNEDY-JOHNSON ADMINISTRATION ECONOMIC PROGRAM TO PREVENT STAGNATION AND TO ENCOURAGE ECONOMIC GROWTH

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. REUSS. Mr. Speaker, Secretary of the Treasury Dillon, in an address on June 6, 1964, before the National Business Conference of the Howard Business School, lifted political discourse on the Nation's problems of maintaining accelerated economic growth to a new plane. In a statement which follows in

the tradition of President Kennedy's request at Yale University on June 11, 1962, for a national dialog on economic policy questions, the Secretary describes the application by the Kennedy-Johnson administration of major economic policy instruments in order to strengthen our free enterprise economy and to encourage its growth. He explains how tax, monetary, debt management, and Federal expenditure policies have been coordinated to this end.

Secretary Dillon outlines the achievements today in economic expansion, revived capital investment, reduced unemployment, price stability, and an improved balance of payments. However, he points out our present inability to use tax policy more flexibly and, thus, more effectively.

It will be a challenge to the Congress to work out procedures whereby the Federal tax system can be used not only to promote longrun economic growth, but to protect the economy from short-term inflationary or recessionary changes.

The text of Secretary Dillon's address follows:

When the Kennedy administration took office, one of the most urgent tasks confronting it was the need to rethink the role of fiscal policy in relation to all other elements of overall economic policy.

That need was imperative both because of the persistently sluggish performance of our domestic economy, and because of the mounting deficits in our balance of payments, which had seriously eroded confidence in the dollar and had caused a rapidly accelerating outflow of gold. We were then in the midst of our fourth postwar recession—and each of the three previous recessions had been marked by successively shorter and weaker recoveries. Unemployment was far too high. Business investment was wholly inadequate to stimulate needed growth or to maintain the competitive posture of American industry in a rapidly changing world.

The great challenge was to find a new way to promote more rapid and steadier economic growth at home, and at the same time restore confidence in the dollar by whittling down and eventually eliminating our balance-of-payments deficit. There were many gloomy prophets who insisted this couldn't be done and conjured up an irreconcilable conflict between encouraging domestic growth and eliminating balance-of-payments deficits. More rapid growth, they argued, means more demand for everything—including imports. Also, they claimed, the pressures it puts on the labor markets and on plant capacity lead inevitably to higher prices, which both hinder exports and further inflate imports.

The fact, however, is that a strong, healthy and vigorously expanding domestic economy is essential to sustained confidence in the dollar and to balance-of-payments equilibrium. For in any overall longrun appraisal of our balance of payments, the imperatives are that our industry remain in the forefront of technology, that our productivity rise fast enough to satisfy the pressures for higher real wages and income while maintaining stable prices, and that our economy crackle with investment opportunities fully comparable, or superior, to those abroad. All of these are the fruits of domestic growth—fruits now well on their way toward ripening under the policies of the past 3½ years.

The situation that confronted us in 1961—and still continues—ruled out the use of extremely low interest rates. We simply could not permit short-term interest rates to drop to the levels of earlier postwar re-

cessions without courting a massive outflow of short-term capital. On the contrary, with interest rates already substantially higher in nearly all other countries, even maintaining the January 1961 level of short-term rates entailed grave risks. Ways had to be devised, and promptly, to shore up our short-term interest rates, while assuring a ready availability of longer term credit at reasonable rates to bolster lagging domestic investment. In short, the very real dangers in our balance-of-payments situation necessarily limited the freedom of monetary policy and gave it a new challenge—to facilitate investment at home without provoking an outflow of capital abroad.

This meant that fiscal policy had to assume a larger share of the task of encouraging and sustaining domestic growth. That is why, from the day President Kennedy took office, we looked to fiscal policy to move us once again—as we are now moving—toward full employment, and assigned it a more active role than perhaps ever before in our history.

But that basic determination promptly raised questions involving tax and expenditure policy. The big question was whether to increase Government expenditures or to reduce taxes—or, to come to the heart of the matter: whether to rely upon the latent energies of the private sector or to expand Government activity.

Our fundamental problem in early 1961 was sluggish growth and inadequate incentives for investment. Postwar expansionary forces had been dissipated. Tax rates were siphoning off too much income to allow the private economy to reach full employment. The result was inadequate demand—with increased unemployment and ever more frequent recessions.

Larger Government expenditures, if well timed, could, of course, have boosted demand and thereby cut unemployment. But, unless such expenditures could be clearly justified on their own merits, their longrun contribution to productivity and investment would be uncertain at best. Thus, they seemed to offer less benefit to the balance of payments than the path we chose: tax reduction.

We were convinced that tax reduction could achieve the necessary expansion of purchasing power by freeing the private economy from high and restrictive wartime tax rates, originally designed to restrain strong and inflationary pressures that no longer existed. Lower tax rates, we felt, would also offer the much-needed longrun stimulus to growth that comes from added incentives to invest and to produce. These, in turn, would lead to cost-cutting improvements in technology, thus strengthening our international competitive position and enhancing our trade balance. And greater profitability in the domestic economy would also encourage the employment of funds here, instead of abroad. Both of these results would directly help our balance of payments.

In the early days of the administration, therefore, and without hesitation, we decided to employ fiscal policy—and, more specifically, tax policy—to expand the role of the private sector of our economy as the primary force in achieving our national economic goals. We also felt that, having made this decision, we should not lose the opportunity it presented of making long-needed reforms in our tax system. Thus, an already large task became even greater. And, while the basic blueprint—tax reduction to expand the private sector of our economy, accompanied by long overdue tax reform—was set forth by President Kennedy at the very beginning of his administration, concrete results were necessarily piecemeal, and took years, rather than months.

Our choice of tax reduction called for expenditure restraint, since there would necessarily be a temporary lag in Federal reve-

nues. Yet, in 1961, there were overriding national priorities, all of which cost money: the need to bring our military defenses to a higher plateau of readiness, the special requirements of the Berlin crisis, the rapidly expanding space program. And, of course, the interest on the national debt. We could not cut down in those areas, but we could—and did—hold down sharply the rate of spending in other areas.

That record of expenditure restraint comes through clearly when you compare expenditures, incurred and planned, in the 4 fiscal years from 1961 through 1965 with those of the preceding 4 years, a period in which considerable stress was placed on prudent budgeting. It is true that we find overall budget expenditures in the 1961-65 period increasing at an average of about \$4 billion a year compared to just over \$3 billion a year during the earlier period. But the breakdown of the increases during the two periods is very revealing. For the fiscal 1957-61 period we find budget expenditures for defense, space, and interest on the debt increasing by \$6.5 billion, with expenditures in all other areas going up by a nearly equivalent \$6 billion. In the fiscal 1961-65 period, on the other hand, expenditure increases for defense, space, and interest will almost double, amounting to about \$12 billion, but the policy of expenditure restraint is evident in the sharp decline in the increases for all other expenditures, which will total only about \$4 billion, one-third less than the comparable increase during the earlier 4-year period.

As we had planned and expected, the need for increasing outlays in defense and space has now leveled off. That fact, joined with the thoroughgoing economy drive which President Johnson is so forcefully spearheading, means that funds are now being freed both to meet vital domestic needs such as the poverty program and to speed the achievement of a balanced budget.

It was necessary to get the major increases in defense and space spending behind us before we could safely implement our full program of tax reduction. But rather than wait, we promptly undertook two major moves to improve the climate for business investment—moves that could be instituted without any excessive loss of revenue. They were the Revenue Act of 1962, with its central provision of a 7-percent investment tax credit, and the administrative liberalization of depreciation—both landmarks of progress in our drive to spur the modernization of our capital equipment. Together, they increased the profitability of investment in new equipment by more than 20 percent. This was equivalent in terms of incentives to invest to a reduction in the corporate profits tax from 52 percent to about 40 percent.

These measures brought the tax treatment of investment in the United States more closely in line with that provided by other industrial countries—thus removing an unwarranted inducement to invest overseas—while at the same time working toward a more efficient, competitive, and profitable home economy. They were also accompanied by significant improvements in the equity of our tax structure, as well as by limitations on the use of tax havens abroad.

Although these were major achievements, they were merely first steps in our integrated, long-range program to stimulate the private sector of the economy. The biggest impediment to a more robust private sector still remained—the high individual and corporate income tax rates, born out of wartime inflation, that continually prevented the economy from reaching and maintaining its full potential. In so doing, they reduced taxable income, held revenues at inadequate levels—and thus were self-defeating in any effort to restore budgetary balance.

The Revenue Act of 1964 substantially embodies the tax program we proposed to break the grip of these high tax rates upon

our economy. Since we desired, at the same time, to improve tax equity, that act also substantially reduces the tax burden on those citizens whose incomes are inadequate by any standard. I think it can truly be said that the Revenue Act of 1964 is not only a giant stride forward in our drive to secure self-generating, longrun economic growth, but is also a milestone in improving the equity of our tax system. The fact is that revenue-raising reforms in the 1964 and 1962 acts, taken together, totalled \$1.7 billion, almost three times the \$600 million in new revenues produced by all other revenue acts since 1940.

While the prime purpose of our overall tax program is—and always has been—the long-range stimulation of our economy to permanently higher levels, the timing of the program has been important in sustaining the present expansion, and deliberately so. We must not, however, let this question of timing obscure the underlying objectives of the tax program. The fact that the Revenue Act of 1964 is having some beneficial countercyclical effects should not be taken to mean that we have succeeded in developing a new and effective countercyclical tool.

There remain, in my opinion, great obstacles to the use of tax policy for purely countercyclical purposes. The chief of these obstacles is the fact that, within our constitutional system, a long lag typically intervenes between a request for a change in tax rates and legislative approval. Unless and until some method is worked out—acceptable to the Congress and consistent with its prerogatives—whereby tax rates can be varied without undue delay, the purely countercyclical function of tax policy will remain outside our arsenal of economic tools.

This does not mean that cyclical changes in tax policy would not be useful. Nor, fortunately, does it mean that tax policy is entirely impotent in moderating cyclical fluctuations today. By promoting sustained growth and a stronger economy, tax policy can be and, as it has been developed over the past 3½ years, now is an important counterforce both to recessions and to inadequate growth. But we clearly have a major piece of unfinished business to resolve before we can claim that tax policy is fully equipped to do for us the job that any modern economy requires of it.

It is, of course, far too early to reach any final judgment on the results of this year's \$11.5 billion reduction in personal and corporate taxes. Some observers have expressed surprise that its effects upon consumer spending so far appear to be moderate; others are relieved that the tax cut has not overheated the economy. I have always expected, and have so stated repeatedly, that the tax cut would not create a sudden spurt of consumer spending, but would gather momentum gradually, with the full stimulus not being felt until next year.

We can, however, take a reading of the cumulative effects of our earlier actions, including the 1962 investment credit and depreciation reform. So far as our domestic economy is concerned, the current expansion is now in its fortieth month—the longest peacetime expansion in this century except for the half-hearted recovery from the depths of the great depression of the thirties. Gross national product in real terms has already increased by 17 percent since the beginning of recovery in March of 1961. This far exceeds the record of the two previous recoveries. And prospects are favorable for continued expansion for many more record-breaking months to come.

While still too high, the unemployment rate has begun to diminish perceptibly, moving down to 5.1 percent in May, compared with the 5.7 percent average of 1963. More striking has been the decline in the jobless rate for married men, which at 2.6 percent in May is now lower than at any time

since July of 1957—7 years ago. The comparatively large number of teenagers entering the labor force in recent years presents a special and very difficult problem, but even here, the jobless rate of 15.0 percent thus far in 1964 is nearly a full percentage point below the 1963 rate.

Recent gains in total employment have been impressive: In the year ending last month, jobs rose by about 2 million to 70.8 million—more than twice as much as the 800 million gain during the preceding 12-month period. Increased employment and better use of our productive facilities have been accompanied by better-than-average productivity gains, reflected both in higher personal incomes and higher profits. Indeed, the performance of profits has provided the best possible answer to talk of a long-term profits squeeze and lack of investment incentives. Corporate earnings before tax have risen sharply, reaching an annual rate of \$56 billion in the first quarter of this year, \$1.7 billion higher than the last quarter of 1963 and \$7.7 billion, or 16 percent, higher than during the first quarter of 1963. With tax liabilities in the first quarter already reflecting the new reduced corporate tax rates, corporate profits after taxes ran at the rate of \$31.1 billion—more than 20 percent higher than in the same quarter of last year and more than 60 percent higher than in the first quarter of 1961.

At the same time, the recovery has witnessed a large and steady rise in real take-home pay for labor—as evidenced by the fact that, after taxes and adjustment for price increases, the average weekly take-home pay for a wage earner with three dependents is today 10 percent larger than it was in early 1961.

It is highly significant that all of these economic gains have been accomplished in an environment of price stability. Average wholesale prices are no higher today than they were 6 years ago. This price stability has been of critical importance to our balance of payments, and is now beginning to pay off in terms of increased competitiveness in our export industries. Our trade balance has recently improved, instead of deteriorating, as many had feared, in response to the sustained gains in domestic production. For the past 9 months, our trade surplus has been running at an annual rate of \$6 billion, compared to a rate of less than \$4½ billion in the previous 18 months. While some of this improvement results from special and temporary factors, it also undoubtedly reflects real gains in American competitiveness.

Overall, our balance-of-payments deficit has declined sharply since the middle of last year. Since then, the annual rate of deficit on regular transactions, which averaged more than \$3½ billion for the past 6 years, and last year amounted to \$3.3 billion, has been cut in half. This has enabled us to stanch the heavy drains on our gold stock. The latest figures of our overall gold stock show that as of May 31 our holdings of gold were slightly above those at the end of last July—10 months with no net loss at all, compared with a loss of \$1.7 billion in the single year 1960.

Much of this improvement in our balance of payments stems from specific measures—the proposed interest equalization tax on purchases of foreign securities, the tying of larger proportions of our aid, and economies in our military spending abroad. Part of it is due to temporary factors. It is clear that we have no cause for complacency, for, while we expect our payments deficit to be significantly reduced this year, we cannot relax until it is ended entirely. But happily, evidence is accumulating that we have “turned the corner” in our balance of payments, which, like the domestic economy, is beginning to show the favorable effects of the more active fiscal and tax policies, complemented

by appropriate monetary policies, that have characterized the past 3 years.

These effects are quite apparent in investment spending—the key area in terms of both our domestic growth and our balance of payments. Plant and equipment outlays, you will recall, leveled off and even declined after mid-1962, following the break in stock prices and reflecting widespread business uncertainty. But, by the second quarter of last year, less than a year after the new depreciation rules and the tax credit became effective, they were rising strongly and are now running almost one-sixth higher than in the first quarter of 1963. Further sizable increases are in sight through the rest of this year. It seems clear that these successive increases in planned expenditures largely reflect the widening recognition of the new incentives implicit in the recent tax measures—including not only the 1962 measures, but this year's two-stage reduction in corporate tax rates to 48 percent.

For example, steel companies are planning a 1964 increase of 25 percent in their capital spending programs, as are the railroads; motor vehicle makers outlays will be 20 percent higher, and so on across the whole range of American industry.

For manufacturing as a whole, according to the latest Commerce-SEC survey, 1964 planned plant and equipment expenditures are expected to rise 13 percent above 1963 outlays, and the average rise for all industries will be a tenth higher than last year.

I should point out here that the 1964 act also restores the investment credit to the form originally recommended by the administration. The earlier requirement that the depreciation basis of new investment benefiting from the credit be reduced by the amount of that credit has now been eliminated. This change has almost doubled the value of the credit, while at the same time greatly simplifying the accounting problems raised by the 1962 provision.

A recent study by George Terborgh of the Machinery & Allied Products Institute emphasizes the importance of the investment credit and goes on to illustrate the extent to which the 1962 and 1964 acts, taken together, raise prospective after-tax returns and accelerate the recovery of capital investment. His study estimates that, in order to have achieved effects upon after-tax returns of capital comparable to those of the 1962 and 1964 measures, it would have been necessary to either: Cut corporate tax rates from 52 to 34 or 29 percent, depending upon the assumed proportion of equity to total capital, or to have allowed an initial depreciation of from 53 to 57 percent of asset cost, or to have reduced the cost of new capital equipment by 16 percent.

It is hardly surprising that investment activity is responding to incentives of this magnitude—even though it will be some time before the cumulative impact is fully realized—and that investment spending is now spearheading the recovery. The proportion of capital spending to real GNP—GNP in terms of constant 1954 prices—after dropping for so long, has at last been turned around and is once again rising, reaching 8.8 percent during the past 6 months—up from 8.4 percent in 1961 and 8.6 percent in 1962. We expect to continue at this higher level, thus helping our longrun growth and productivity and improving our payments balance by absorbing more of our savings here at home.

The ready availability of credit has also had a favorable influence on the growing strength of domestic investment, but we have found ways of making this credit available without driving short-term interest rates sharply lower. Instead, with the economy expanding vigorously at home, monetary policy has been able to discharge its full share of the task of defending the dollar. Our short-term rate structure has been

brought into better alinement with those prevailing overseas, and our monetary authorities are now in a flexible position, prepared to meet whatever further contingencies may arise in the balance of payments.

In the relatively short span, therefore, of less than 3½ years, both American economic policy and practice have taken new and dramatic turns for the better. Our economy is no longer on the wane—but surely and strongly on the rise. And we can now look forward, in all sober confidence, to the continuation of a peacetime economic recovery of greater durability and strength than in any comparable period in this century.

Equally important, the past 3½ years constitute a significant watershed in the development of American economic policy. For they have borne witness to the emergence, first of all, of a new national determination to use fiscal policy as a dynamic and affirmative agent in fostering economic growth. Those years have also demonstrated, not in theory, but in actual practice, how our different instruments of economic policy—expenditure, tax, debt management, and monetary policies—can be tuned in concert toward achieving different, even disparate, economic goals. In short, those years have encompassed perhaps our most significant advance in decades in the task of forging flexible economic policy techniques capable of meeting the needs of our rapidly changing economic scene.

Even so, much remains to be done. We dare not relax our efforts. Of all the challenges looming ahead, the major one, I believe, is to insure the continuation of cost-price stability. Our price record to date is a good one; but we must now sustain it, as more rapid growth absorbs the slack in our unused human and physical resources.

In a competitive world economy, linked by fixed rates of exchange, domestic costs and prices must be kept in reasonable alinement with those abroad. This is not a problem unique to the United States, for it is being faced, in one form or another, by virtually every free industrialized country. But, in our own case, with our payments in deficit, the range of tolerance is even narrower.

New ways of meeting this challenge are being developed, here and abroad, through so-called incomes policies. In practice, the methods vary widely. In basic concept, however, they all entail some expression of the public interest in the results of the wage-bargaining and price-making process, when large unions and large firms have a considerable degree of market power. In our own case, this approach is a purely voluntary one. It is embodied in the wage-price guideposts developed by the President's Council of Economic Advisers for appraising the consistency of pattern-setting wage and price decisions with overall price stability.

We have placed much emphasis on this approach because it seems to us to represent a natural and needed complement to the mixture of fiscal, tax, and monetary policies that we have fashioned. Certainly, appropriate use of the traditional policy instruments remains essential if we are to be successful in maintaining price stability. But unless prices remain stable and wages are kept within the bounds of productivity increases, conflicts in goals will inevitably arise. If that happens, monetary and fiscal policies, at times, will, in the quest for price stability, need to be more restrictive than is consistent with rapid and sustained growth.

The same general point can be put another way: Government has at its disposal a range of policy instruments that, used wisely and flexibly, can help immensely in steering our economy toward more rapid growth, toward balance-of-payments equilibrium, and toward price stability. But with-

out the cooperative efforts of business and labor in maintaining price stability our policies will be rendered incomplete and inadequate. With that cooperation I am confident that this Nation can fully capitalize on its enormous economic potential, and continue to lead the free world to greater prosperity for all.

ADDRESS BY THE U.S. COMMISSIONER OF EDUCATION

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] 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 Hawaii?

There was no objection.

Mr. FOGARTY. Mr. Speaker, I wish to place in the RECORD an outstanding address recently given by the U.S. Commissioner of Education, Mr. Francis Keppel. Speaking to a group of 315 educators from the New England States, Mr. Keppel outlined a course of action in the field of education that challenges not only our imagination, but our ability to create reality from ideals. It was my honor to introduce the Commissioner at this meeting held at Rhode Island College in Providence, and I stated on that occasion that he has been our most successful Commissioner of Education. I wish to repeat that comment here and to commend the Commissioner's remarks to all Members of Congress. Not only do his comments analyze the significance of recent legislative actions that have come about during his administration, but he has pointed to the major deficits in our national performance in the field of education for which the Federal Government now has a special responsibility. His words represent a call to action for all thoughtful Americans.

EDUCATION: OUR PROBLEMS AND PROMISE

(An address by Francis Keppel, U.S. Commissioner of Education, Department of Health, Education, and Welfare, before a regional meeting luncheon on new educational legislation, Rhode Island College, Providence, May 22, 1964)

Thank you, Mr. FOGARTY, for your kind words of introduction. One of the factors which makes my life in Washington both possible and interesting is the consistent and generous support which comes to me from the chairman of the House Appropriations Subcommittee. Mr. FOGARTY is not only a tower of strength in the Congress in behalf of the cause of education, he has been a true friend of the Office of Education and a leader in the true sense of the word in bringing about national progress in education. I could cite many examples of his leadership, but I need only mention his work, along with that of the late President Kennedy, on behalf of mentally retarded and other handicapped children to convey to you how important he is to the cause of education. Fellow educators, I cannot bear to think of the possibility of having to serve in my position without his presence in the Congress, and I trust that this possibility doesn't cross your mind either.

In our meetings this morning and again this afternoon, we are observing a new season for U.S. education and, hopefully, the start of a new era.

Looking back to 1963, we may reflect that never have the possibilities been brighter

for the house of education. In its 1st session, the 88th Congress passed more significant educational measures than perhaps any Congress in a century. Looking ahead in 1964, we have the opportunity to act without delay in using these new ways and means made available to us—and the opportunity to focus intensive public attention on the still unfinished business of education.

Let us turn to five major legislative acts which were passed last year by the Congress—in higher education, in vocational education, in the education of the Nation's handicapped and retarded children, in library services, and in cooperative research. These acts, as President Johnson has declared, are "new landmarks in educational progress." They are also a financial landmark in national educational support. Our measure of success, however, is not the Federal authorization of \$3 billion, as massive as it is. The real measure is how wisely and well we employ the funds that are appropriated.

First, let us consider the act directed to higher education. It provides for substantial and substantially needed funds. Under the Higher Education Facilities Act, \$1.2 billion is authorized over 3 years to help our colleges and universities build certain types of laboratories, classrooms, and libraries—to prepare these institutions for the surging enrollments in the years just ahead.

The forces of a generation ago which raised educational opportunity to include the high school now demand an opportunity for higher education for those who want it and can benefit by it. In every occupation, the level of educational competence is being constantly raised. The last decade brought a 64-percent increase in the number of jobs requiring 4 or more years of college, and young Americans are responding to this demand with a nice mixture of realism and enthusiasm.

Today 4.4 million students fill our colleges and universities. In 1965, just two Septembers hence, 5.2 million students will probably be enrolled. By 1970, we must prepare for 7 million college and university students—almost twice the number at the start of this decade.

The new legislation for higher education comes at a time when our colleges and universities face the requirement of doubling their physical capacity within a single decade. It comes none too soon. For administrators of these institutions, it can turn an outlook of profound concern into one of reasonable hope. And for hundreds of thousands of young Americans, it can open doors to the highest skills and training which will enrich our society for generations.

Second, we turn to another educational flank, to a major act to strengthen and expand vocational education. In funds for this purpose, the Federal contribution can be more than quadrupled—from some \$57 million annually to an additional \$731 million authorized over the next 4 years. The act also incorporates other programs, among them aid to school districts affected by Federal employment, and its total cost will be approximately \$1.87 billion during a 5-year period.

Through vocational education, we have a notable chance to focus our attention on economic reality, on the besetting fact that millions of young Americans today are unemployed because they lack the necessary skills for employment. Moreover, their ranks will surely increase tomorrow as our technology grows in complexity—unless we take these steps now.

Vocational education, in itself, is no novelty in the United States, although we would be wise to view it in fresh and novel ways. In the big cities of our country, the vocational school often stands as a monument to another time, a red-brick memorial which prepares students for jobs that are

becoming extinct and fails to prepare them for the new jobs our economy requires.

The present legislation will help if we employ it to establish new directions for vocational education, to bring job training for American youth into harmony with the economic and social realities of our time. Moreover, we need to recognize vocational training as a vital and related segment of our educational system, not as a poor relation.

This undertaking can succeed only with the able planning, the support, and the enterprise of the States and communities, recognizing the economic needs of their own regions. It cannot be manufactured in Washington alone. It will depend in greatest measure upon the leadership which you and your fellow citizens bring to it.

The third of these legislative supports is for the education of the mentally retarded and handicapped. Under the Mental Retardation Facilities Act, \$51.5 million in grants is authorized during the next 3 years for research and the training of teachers of some 5 to 6 million handicapped children, including those who are impaired in hearing, sight, speech, and the emotionally disturbed.

Today, only one-fourth of these handicapped children are given special educational opportunities. Three-fourths are struggling to keep up in regular school grades, or are not in school at all.

Needing special attention, these children require specially trained teachers. And here, as in so many other areas of education, there is a serious teacher shortage. The legislation we are now discussing can help us to remedy this shortage. It will enable us to train educators in specialized skills and research, helping them to transmit their learning through our universities and colleges to qualify teachers to serve the needs of the handicapped.

Here, again, our new legislation moves toward the principle of educational opportunity for all—to bring to the physically and mentally handicapped a maximum potential for useful, productive lives. To the extent that we succeed in fulfilling this principle, we will meet both the demands of our conscience and of our social well-being as a nation.

The fourth "landmark" is the Library Services and Construction Act of 1964 which authorizes Federal funds to help raise the level of library services throughout the Nation.

It extends the Library Services Act of 1956 to include urban areas of the United States. As of July 1, 1964, Federal funds can be used to develop public library services in urban as well as rural areas as soon as funds are made available.

This broadened bill will assist in providing libraries and library services for approximately 18.5 million Americans who had previously been deprived of such services and to bring about seriously needed improvements for 100 million others.

Our national investment in good public library service is a direct and highly productive contribution to the intellectual life of our Nation. Today's library is not only a place of study and research. It is also a busy marketplace of ideas, a reservoir of practical, factual information, and a source of continuing cultural and social enlightenment.

The American public library is now at the very center of the revolutionary changes in educational, information, and research requirements. This new legislation encourages the States to plan systematically on a statewide basis; provides funds for implementation of these plans; stimulates greater State and local effort; injects new life in public library construction. All these things will do much to preserve and promote the American public library as a vital instrument of freedom and democracy.

Now for the fifth and last of these educational landmarks—funds for research. Most of the legislation passed by the 88th Congress provides for research. The Office of Education's cooperative research program was allotted \$11.5 million during fiscal year 1964 and \$15 million for next year.

This support from Congress may be promising of better things to come. It could lead to substantial emphasis on good educational research. If we hope to see this promise fulfilled, however, we had better look not to Congress but to ourselves.

Today education is America's largest industry—with 125,000 schools, 47 million elementary and secondary pupils, 1,800,000 teachers, 100,000 administrators and supervisors, 144,000 local public school board members—and an annual expenditure for all levels of education of \$32 billion. In an enterprise of this magnitude, an enterprise which at heart is designed for the exploration of knowledge and the development of human talents, we now spend less than one-tenth of 1 percent of our educational funds for research.

If we hope to succeed through research, we will need school systems which dare to experiment, to try new ideas, to find out if there are better means of teaching. And, above all, we will need new research and development centers to test our ideas in detail before they are widely adopted.

At the outset of these remarks, I observed that the climate has never been better for the improvement of American education. We may enthusiastically greet this legislation which deals significantly with five major areas of need.

But we would woefully deceive ourselves if we regard these measures, however well we administer them, as more than steps along a difficult road. They are by no means cures for the ailments of American education, nor will they—or any legislation—help education to cure all the ills in our society. As hopeful solutions to parts of the problem, however, they should encourage us to move on to the rest of the unfinished business of our Nation's schools.

I, for one, see no limitation to the potential of education. I see it as the principal lever which can move our society forward. If this makes me a salesman of education, I have no apologies to offer, I am delighted to promote this product whenever and wherever I can before any group—and especially before this assembly of knowledgeable educators.

Now, in 1964, I suggest that it is high time for us to make a fresh start, a time to deal with the total needs of American education without further delay. It will not be enough for us to plan for the expansion of our universities and colleges—we will fail if our efforts stop here. Nor will it be enough to modernize and expand our facilities for vocational education—again, we will miss our ultimate chance if we do this alone.

If we mean to succeed, we must go to the heart of American education and here we will find two great tasks awaiting us. One is an old problem, which we have recognized for more than a generation. The second is rather new, even for us, and it might seem somewhat revolutionary for the public generally. But revolutions should not be too alarming in this country, which began with one.

Our first task, the first essential of our unfinished business, has to do with the state of our American elementary and secondary schools. Here are the neglected but basic foundations upon which every educational program depends. If our Nation is to achieve the intellectual, moral, and economic greatness we seek, we must improve the quality and quantity of these fundamental educational resources. To do so may not, by itself, insure the happy destiny we seek as a nation. But to fail in this effort will

assuredly destine our national failure to meet our ideals.

From the Halls of Congress to the gatherings of educators, these woes of basic education are already an old story. Here the fine edge of debate has long since been dulled by almost endless repetition. The needle has nearly worn out the grooves of the record. And yet the faint and gloomy melody lingers, a scratched mockery of our democratic ideals.

Through neglect of our elementary and secondary schools, we have inherited a chronic shortage of qualified teachers and of suitable classrooms. Indeed, there is only one essential to education that is not in short supply—and that is the students who enroll each year in growing numbers and with such large and often frustrated expectations. But these shortages of teachers and classrooms need not exist. If what we say in 1964 is clearly and firmly said, perhaps it may not need to be said again in 1965, or again and again through the remaining years of the decade.

Clearly, we must improve the quality of teaching, for our schools cannot be better than the teachers we employ. And we can hardly expect excellent teaching until we bring teacher salaries within shouting distance of salaries paid to other professional groups.

Across the Nation during 1962-63, the average annual salary of public schoolteachers was about \$6,000—and in many depressed areas, the averages were under \$3,000. Such salaries are from 50 to 100 percent lower than those paid to other professionals such as accountants and chemists, to auditors and lawyers. They are even a poor match for the wages we pay to plumbers and television repairmen and washing machine mechanics. And yet to these undervalued and underpaid teachers we entrust our most valued possession, our children.

Obviously we must make teacher salaries competitive with other professions if we hope to raise the level of education. We must increase beginning salaries if we mean to encourage able young people to become teachers, and we must raise maximum salaries if we want experienced adults to continue in teaching as a career. This is no mere statistical problem for the Federal Government and its Office of Education, or for the harried bookkeepers in your local boards of education. It is a problem for every responsible American family.

Our next shortage is in classrooms and here, too, we have neglected to balance our educational budget. An inventory of the Nation's school facilities made last year tells us that about one-sixth of all American classrooms were constructed before 1920, that more than 50,000 are built of combustible materials, and that 37,000 of the classrooms now in use are in such makeshift quarters as quonset huts and abandoned military barracks.

For more than 10 million American schoolchildren today, classrooms are seriously overcrowded, with 30 or more pupils in every room. To reduce this average to 30 or less will require more than 66,000 new classrooms—aside from the construction of schoolrooms needed to meet present hazards of health and safety. These additions to our national school plant, moreover, would merely remedy the deficiencies of the present. They would not prepare us for the future.

Our unmet need for better paid teachers and more classrooms can afford no further semesters of neglect. It has already become a national scandal. It needs to be dealt with and dealt with now.

No less important than meeting these chronic and evident flaws in American education is coming to grips with acute areas of trouble which recent understanding and awareness are bringing to our attention. Today we are accustomed to seeing a world

division between the developed and privileged nations and the underdeveloped and underprivileged. We have learned that this gap between the poor and the well off is intolerable if our world is to achieve stability and peace. But we have not yet accepted the fact that this division also characterizes our own country. Here at home we are also dangerously divided between the haves and the have nots.

The United States, on one hand, is an affluent society, shaped by a complex and expanding economy. More scientists are alive and working today than in the whole history of mankind. The mind of man is now unlocking the secrets of nature not merely on this third planet from the sun, but throughout our universe. We have come to an era in history in which almost every boundary of knowledge is yielding to the trained and exploring mind.

But in this day of unlimited possibility, we are also outdistancing millions of our fellow Americans, consigning them in growing numbers to a shadowland of ignorance and deprivation. We are falling dismally to bring to them an equality of educational opportunity, or even a hope for equality. I place this failure squarely before the house of education because it is here that the revolution in thinking and attitude is long overdue.

The revolutionary concept I would offer is simply this—that we resolve that no child within our society is either unteachable or unreachable—that whenever a child appears at the doors of our schools he presents a direct challenge to us and to all our abilities. These are not new words or ideas, of course—to carry them to reality, however, would be revolutionary.

I say this fully aware that children in our city slums and in our depressed rural areas are hard to teach; that their family and neighborhood environments are generally inhospitable to learning; that they bring to our schools, already beset with problems, a whole new range of serious problems. Their parents are frequently unemployed. Their homes are usually shabby and often dangerous, without space for a schoolchild's desk for the labors of homework. Their language abilities are often limited and monosyllabic.

When sociologists view these children—and they number about 30 percent of our school age population—sociological labels are customarily applied. They are, we are told, "culturally deprived and handicapped," "socially disadvantaged and limited." Among them are Puerto Ricans, Negroes and "poor whites" who have migrated to the big cities or the foreign-born who have emigrated hopefully to the big country.

I have no quarrel with the sociologists and their labels. As well as language and ability permit, they accurately describe the conditions of people within our society. My quarrel, instead, is with those who easily adopt these descriptions as excuses for neglect. For educators, the question is not the environment that children bring to the school from the outside, but the environment the school provides from the inside.

If our schools are generally weak from a poverty of teachers and classrooms, they are specifically weak for the children requiring the best of education and getting the worst of our efforts. If we fail these children who need education most, where shall we take pride for success?

COMMENCEMENT EXERCISES, NOTRE DAME UNIVERSITY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. FOGARTY] 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 Hawaii?

There was no objection.

Mr. FOGARTY. Mr. Speaker, last Sunday, June 7, 1964, I was awarded one of the highest honors it has ever been my privilege to receive, an honorary degree of doctor of laws from that great institution, Notre Dame University.

One of the highlights of the commencement exercises was the principal address delivered by the Honorable Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs. Under leave to extend my remarks, Mr. Speaker, I would like to include Mr. Mann's speech at this point in the RECORD.

THE DEMOCRATIC IDEAL IN OUR POLICY TOWARD LATIN AMERICA

Thirty years ago this month I received a law degree and started out as a young lawyer. Then we were in the throes of the great depression and preoccupied with our domestic economic problems. Students on campus were not greatly concerned about foreign affairs in those days.

Today the members of the graduating class of this great Christian university will start their careers at a time when our Nation marches forward to new horizons of economic opportunity, individual dignity, and social justice. Technological advances have, however, presented us with new challenges and new opportunities in our relations with other countries. We are caught up, as it were, in a shrinking, interdependent world in which we have great responsibilities and which has suddenly become complex. We can no longer afford to live apart from the rest of the world as if it did not vitally affect our national and individual well-being.

The problems which faced my graduating class 30 years ago, formidable as they seemed to us at the time, were certainly much more elementary, much more simple, and, by comparison, much less important than those which face what Latin Americans would call your generation of 1964.

Within this framework, I would like briefly to discuss with you today one of the problems of our Latin American foreign policy—the problem of what it is we can do to bring about a more effective exercise of representative democracy in the Western Hemisphere. There is no subject concerning our Latin American foreign policy which has, over the years, generated more debate or a debate which has generated so much heat and, it seems at times, so little light.

I

The first point I wish to make is that U.S. foreign policy is firmly and irrevocably committed to the principle that every individual, no matter in what part of the world he lives, has an inalienable right to his individual freedom and to his individual dignity.

For his day, as well as for ours, Benjamin Franklin spoke for the Nation when he expressed the hope that: "A thorough knowledge of the rights of man may pervade all nations of the earth, so that a philosopher may set his foot anywhere on its surface and say 'This is my country.'"

More recently, President Johnson, in speaking of the Charter of the Alliance for Progress, expressed somewhat the same thought in different words: "Our charter charges each American country to seek and to strengthen representative democracy. Without that democracy and without the freedom that it nourishes, material progress is an aimless enterprise, destroying the dignity of the spirit that it is really meant to liberate. So we will continue to join with you and encourage democracy until we build

a hemisphere of free nations from the Tierra del Fuego to the Arctic Circle."

II

The example of a vigorous representative democracy in the United States that assures equality and dignity to all of our citizens will provide strong support for our policy. A policy of consistent persuasion in discussions with our Latin American friends is another way to help promote democratic progress in the hemisphere.

It has long been, and continues to be, our firm policy to discourage any who conspire to overthrow constitutionally elected governments. But if governments are overthrown, it has long been our practice, in ways compatible with the sovereignty and the national dignity of others, to encourage the holding of free and fair elections—to encourage a return to constitutional procedures. Other American Republics make equally valuable contributions to building a Western Hemisphere tradition of democracy by their example, by the strength of their moral positions, and by expressions of their principles.

It is understandable that all of us sometimes become impatient with the rate of progress toward making this ideal a reality everywhere. We have not yet reached perfection in our own country. Many American Republics have made great progress in establishing a democratic tradition within the last few decades. In others, democracy seems at times to take two steps forward only to be temporarily pushed back a step. In Cuba, the light of democracy has temporarily been extinguished.

But we should not, I think, judge either the rate or degree of hemisphere progress toward democracy solely by the number of coups d'etat which take place. The degree of individual freedom which exists in the hemisphere, the average lifespan of de facto governments, the extent of political repression, the degree of freedom of the press and of peaceful assembly, and the growing number of people in the hemisphere who consistently support the principle of free and periodic elections, are also relevant yardsticks.

If one looks at the forest instead of the trees, he can see that these quiet, unpublicized efforts on the part of the United States and other American Republics have, along with many other factors, contributed to a wider and deeper observance of the forms of representative democracy in this hemisphere and, perhaps even more important, to a growing respect by governments, in deeds as well as words, for the dignity of man and for his basic human rights. I am confident that the general movement will continue to be forward; I hope it can be accelerated.

III

One way to bring about more rapid progress is by collective action of the community of American States.

As early as 1837, Pedro Vicuna, of Chile, urged the establishment of a general congress of American States to oppose tyranny.

In 1945 the Uruguayan Government proposed the doctrine that there is a parallelism between peace and democracy. The United States supported this thesis. Only eight American Republics including the United States, voted affirmatively for the Uruguayan proposal.

In 1960, at a meeting of Foreign Ministers in San José, the United States again supported collective action and introduced a new concept: Support of the ideal of representative democracy should not merely be negative in the sense of opposition to a particular dictatorial regime; it should positively insure, by collective action, that peoples have an opportunity, in free and fair elections, to express their will—so that a Batista will not again be followed by a Castro.

There was little support for this thesis at the time although the majority, including the United States, did vote for sanctions against the Trujillo regime.

More recently, Venezuela has taken the lead in proposing informally that the American States agree to consult together when unconstitutional changes of government occur in the hemisphere. We have long since assured the Venezuelan Government of our support.

I would hope that the Venezuelan initiative will be but a step in a future process of developing a new international procedure which, while safeguarding the essential sovereign rights of every nation, defines with care and precision the kinds of violations of basic human rights which are, to use the phrases of a former Secretary of State, of such a "flagrant and notorious character" that they have a "relationship to the maintenance of international peace and security" and hence justify such collective action as may be agreed upon. If this were done, tyranny of the kind we saw under Trujillo and which we still see under Castro today, could be effectively and legally dealt with.

IV

It is sometimes said that since the American community of nations has failed to take effective collective action to eliminate dictatorships in the hemisphere, the United States—unilaterally and alone—should undertake to force all Latin American governments to stay on the path of constitutionality. The United States has had a rather full experience in attempting, with the best of motives, to impose democracy on other countries. It is worthwhile to recall them.

Monroe's Declaration of 1823, in its original intent, was a shield for Latin America against European powers seeking to recover lost colonies and to expand their territories. In the three instances in which it was applied in the manner originally intended—in 1864, 1895, and 1902—it was of considerable help to the Latin American States directly involved.

But in 1904 Theodore Roosevelt presented his now famous corollary:

"Chronic wrongdoing—may in America—ultimately require intervention by some civilized nation—in the exercise of an international police power."

The philosophy underlying the Roosevelt corollary was not new; the Platt amendment which impaired Cuban sovereignty was already an accomplished fact. But it did open the way for a number of new adventures. In 1906 and 1909 the Marines were sent to Cuba, in 1909 and 1912 to Nicaragua, in 1912 to the Dominican Republic, in 1915 to Haiti.

In 1913, a new moral dimension was added to the Roosevelt corollary in an attempt to justify additional U.S. interventions. It was stated in these words: "Cooperation is possible only when supported at every turn by the orderly processes of just government based upon law, not upon arbitrary or irregular force."

Under this doctrine we engaged in a new series of interventions in Mexico. These led to the occupation of Veracruz and to Pershing's expedition. They brought us to the verge of war with our southern neighbor at the very time we were being drawn into the First World War.

Arthur Whitaker, in his book "The Western Hemisphere Idea," comes to this conclusion: "Protective imperialism (under the 1904 corollary) would intervene to correct situations of chronic wrongdoing and chaos only to the extent necessary to prevent European intervention and then withdraw. The civilizing mission (the 1913 policy), on the other hand, had no such ad hoc character or limited objective. The missionary's work is not done when the devils have been cast out; it has hardly begun. He must stay on until he has taught his charges how to

lead the good life, and that may take quite a long time." (Parenthetical matter added.)

And Howard Cline, in speaking of the 1913 doctrine, reminds us in his book, "The United States and Mexico": "Thus there were 'good' revolutions and 'bad' revolutions. The latter brought only venal, unidealistic people to power, while the former put the particular nation back on the constitutional track. As events in Mexico and elsewhere ultimately showed, the test of 'constitutional legitimacy' was unworkable, especially in Latin America. The United States—renounced it as a national policy in 1921."

The words of these two distinguished scholars may, from our point of view, seem rather harsh. Certainly our intentions were good. But few knowledgeable people will deny that they accurately reflect Latin America's bitter reaction to our interventionist activities under doctrines of 1904 and 1913.

Our interventions were, in the Latin American point of view, patronizing in the extreme. By making the United States the sole judge of Latin America's political morality, they were degrading to proud peoples who believed that, in their own wars of independence, they had earned the right to manage their own affairs—to be masters in their own houses. They produced schismatic tendencies in the inter-American family and brought our relations with Latin America to an alltime low.

These historical experiences suggest two things: Unilateral U.S. interventions in the hemisphere have never succeeded, in themselves, in restoring constitutional government for any appreciable period of time. And they have, in every case, left for our country a legacy of suspicion and resentment which has endured long after our interventions were abandoned as impracticable.

As Cline has observed: "The lengthy record of discord during the years 1913 and 1914 carries its own lessons. One is that international problems are more complex than sloganmakers sometimes assume. A worthy set of attitudes is no substitute for coherent policy."

Franklin Roosevelt surely had these lessons of history in mind when he not only pledged the United States to the policy of nonintervention but defined his policy of the "good neighbor" as: "the neighbor who resolutely respects himself, and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

Two wrongs do not make a right. We cannot achieve a peaceful world ruled by law if we do not live up to our own obligations.

As an answer to the U.S. interventionist doctrines, Latin Americans developed doctrines of their own. Let there be no mistake: these Latin American counterdoctrines were "tailor made" for the United States; their purpose was to bring an end to U.S. interventions. I shall mention only one.

By 1928, when the Sixth International Conference of American States met at Habana, a proposal was introduced which stated the simple proposition that "no state had the right to interfere in the internal affairs of another."

After a long and somewhat acrimonious debate the United States managed to prevent adoption of the resolution, but the handwriting was on the wall. In 1933, at the Seventh Conference in Montevideo, the United States accepted the doctrine of non-intervention with qualifications. In 1936, at Buenos Aires, we accepted it unconditionally.

This Latin American doctrine of nonintervention is now written into the Charter of the Organization of American States. It is a treaty obligation. Allow me to read to you articles 15 and 16 of the charter:

"Article 15. No state or group of states has the right to intervene, directly or indirectly, for any reason whatsoever, in the internal or external affairs of any other state. The foregoing prohibits not only armed force but also any other form of interference or attempted threat against the personality of the state or against its political, economic or cultural elements."

"Article 16. No state may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another state and obtain from it advantages of any kind."

As the Scholars Thomas point out in their study of nonintervention:

"The essence of intervention is the attempt to compel."

All of this does not mean that we will in the future recognize all governments which come into power in an unconstitutional manner. Each case must be looked at in the light of its own facts. Where the facts warrant it—where the circumstances are such, to use someone else's phrase, as to "outrage the conscience of America."—we reserve our freedom to register our indignation by refusing to recognize or to continue our economic cooperation.

It does mean that, consistent with our treaty obligations, we cannot put ourselves in a doctrinaire straitjacket of automatic application of sanctions to every unconstitutional regime in the hemisphere with the obvious intention of dictating internal political developments in other countries. As the facts amply demonstrate, this is no departure from the practice which has prevailed in the most recent years.

The third point to which I invite your attention is this: Unilateral intervention for the purpose of forcing constitutional changes in another country does not always serve either the cause of democracy or the national security interests of the United States.

To illustrate, not long ago a majority of the Guatemalan people voted in free elections for Arbenz, a candidate for President. Later the Guatemalan people discovered that Arbenz was a Marxist-Leninist; Colonel Castillo led a successful revolt and was widely acclaimed by his people when he marched into Guatemala City. Had we been unconditionally committed to the support of all constitutional governments under all circumstances, we would have been obliged to do everything within our power to bring about the overthrow of Castillo and to restore a Marxist-Leninist to power against the will of the Guatemalan people.

The question of our relationships with Communist regimes in this hemisphere is, of course, a separate subject and is beyond the scope of these remarks. It raises separate questions, such as our inherent right of self-defense and measures, under existing treaties, to deal with situations which threaten the peace and security of the hemisphere.

V

Against this background, what conclusions are to be drawn? What can we do to help make the democratic ideal a reality in this hemisphere? I offer the following suggestions:

First, we should continue, in our bilateral discussions with other governments, to encourage democracy in the quiet, unpublicized way and on the day-to-day basis that I have already referred to; and we should support parallel efforts of other American states. If there is no intent to force the will of a sovereign government this tactic is entirely compatible with our commitments and with the dignity and self-respect of others.

Second, we should support appropriate measures for broadening the scope of collective action with the aim of addressing ourselves first to those cases where repression, tyranny and brutality outrage the conscience of mankind. I can think of no way in which

the American community of states can better serve the cause of human dignity, individual and national freedom and representative democracy than to develop a set of procedures for dealing with this type of problem. The United States has never believed that collective action for such purposes is proscribed by the Charter of the Organization of American States; but if the majority of the member states are of a contrary opinion, then let us amend the charter.

Third, in each case where a government is overthrown by force there should be a careful, dispassionate assessment of each situation in the light of all the surrounding facts and circumstances so that decisions concerning recognition, trade, aid and other related matters can be made which are consistent with our ideals, with international law, and with our overall national interests.

In making this assessment, regard should also be paid to the fact that not only is each American Republic different from all the others but that each de facto government is likewise different in its aims, its motives, its policies, and in the kinds of problems it faces.

Fourth, if as a result of this appraisal, a decision is made not to recognize a regime—and this may well be the case in the future as it has been in the past—then it should be made clear that nonrecognition is based squarely on a failure on the part of another government to abide by the established rules of international conduct.

Fifth, when the decision is made to recognize a regime, it should be clear that there is no basis under international law for equating recognition with the U.S. approval of the internal political policies and practices of another government. Resolution 35 of the Ninth Inter-American Conference of American States makes this point very clear. It declares: "That the establishment or maintenance of diplomatic relations with a government does not imply any judgment upon the domestic policy of that government."

Sixth, we should continue our established practice of consulting with other American Republics whenever a question of recognition arises.

Finally, let there be no mistake about our consistent and complete devotion to the principles of human dignity and freedom of the individual. We believe that these principles can only be realized in a democratic political system in which governments are the servants of the people and responsive to their will. They are a central element in our foreign policy toward Latin America. We shall in every way, consistent with our obligations, continue our efforts to help make democracy a reality throughout the entire hemisphere.

As is often the case, there is more to be said than time allows for. I have already presumed on your courtesy by speaking so long. But if I am permitted one word of counsel, it would be this:

I hope you will feel a pride in your university, your church and your country and in the efforts they are all making to create a peaceful world, ruled by law and Christian charity which is devoted to both the material and spiritual progress of all mankind in freedom. And I hope that you will look to the future with confidence that freedom and not tyranny is the "wave of the future" in this hemisphere. I think you will see even greater progress toward freedom in your generation than the impressive gains I have seen in my time.

PANAMA VIOLENCE: U.N. AMBASSADOR AQUILINO BOYD ACCUSED OF ATTEMPTED MURDER

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman

from Pennsylvania [Mr. Flood] 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 Hawaii?

There was no objection.

Mr. FLOOD. Mr. Speaker, among the Panamanian characters to attract wide attention following the 1956 Suez Canal crisis was Aquilino Boyd, who, as Minister of Foreign Affairs, was the first official of Panama to advocate publicly the formal raising of that country's flag in the Canal Zone territory—Star and Herald, Panama, Republic of Panama, May 7, 1958. Later, he became a principal agitator for extreme, radical, and unrealistic demands for greater benefits from the Panama Canal for Panama and a leader of revolutionary forays into the Canal Zone to plant Panamanian flags.

On a number of occasions in addresses to the House, I severely criticized such activities by Boyd and others as evidence of emotional and political instability on the isthmus and full justification for our historic policy of full sovereign powers, rights, and authority in the Canal Zone as granted in perpetuity under treaty.

Was I too harsh in such castigations and in singling out the man who is now the permanent Ambassador of Panama to the United Nations and a Deputy in the Panamanian National Assembly? Far from it.

Following the Red led mob assaults on the Canal Zone, January 9 to 11, 1964, Ambassador Boyd made false accusations in the United Nations against the United States for aggressions against Panama, well calculated to inflame a world opinion hostile to our country.

The latest news about Ambassador Boyd is that, on May 21, 1964, in Panama City, with a .32-caliber pistol, he shot and injured Escolastico Calvo, editor of the Panamanian tabloid La Hora. Boyd shot three times—the first, while Calvo was in his car; a second, as he was getting out; and last, after Calvo fell to the ground.

Featured on the front page of the Panama American of Panama, Republic of Panama, in the afternoon of the same day, the news story was illustrated with pictures of both the attacker and his victim. Explanatory matter under the picture of Boyd describes him as an "armed aggressor" in a "murder attempt"; that under Calvo shows the editor as "bathed in blood."

Mr. Speaker, such murderous violence by Ambassador Boyd illustrates the mercurial and irresponsible type of leadership with which our citizens, charged with responsibility for the maintenance, operation, sanitation, and protection of the Panama Canal, have had to live. No wonder U.S. residents in the Canal Zone are appalled by the sheer naivete, timidity, and incompetence on the part of elements in our Government who will not stand up for the interests of the United States.

In order that the people of our country and the Congress, especially the members and staffs of its investigational committees, may have the facts about Ambassador Boyd's attempted murder

on May 21, 1964, I quote the previously mentioned news story, together with the descriptive matter under the pictures of Boyd and Calvo; also brief mention of the same incident in the May 29, 1964, issue of Time:

[From the Panama American, May 21, 1964]

BOYD ATTEMPTS TO MURDER EDITOR OF REPUBLIC OF PANAMA NEWSPAPER

Escolastico Calvo, president of the Panama Newsmen's Union and editor of the tabloid La Hora, was shot and injured this morning by Aquilino Boyd with a .32 pistol.

Calvo, who was shot at while sitting in his automobile at the 29th Street intersection of Peru Avenue, was hit in the left arm and side, but both bullets caused only superficial injuries.

Boyd, an Assemblyman, former Foreign Minister and Panama's Ambassador to the United Nations, attempted to kill Calvo when the latter fell to the floor but the gun failed to go off.

When a bystander took the gun away from Boyd, he used a blackjack to slug Calvo on the head.

The attempt against Calvo's life by Boyd apparently was the outcome of a report published in yesterday's edition of La Hora.

The report said that Boyd, who was up for reelection in the May 10 elections, would not be reelected because his party did not poll the required number of votes.

The report apparently displeased Boyd, who angrily replied through a letter published today in a morning paper.

Boyd is reported to have previously shot at other newsmen in the past. Several years ago he shot at Bonifacio (Johnny Bonny) Hernandez at the Finance Ministry. However, Boyd's gun failed to go off and he was beaten by Hernandez.

On another occasion he also shot at Columnist Jorge Prospero. Another report is that while serving as Foreign Minister, Boyd was involved in an incident with former Minister of Government and Justice Max Heurtematte.

He is said to have challenged Heurtematte to fight in the Presidencia and when the latter refused he waited for him to come outside.

After failing to kill Calvo this morning, Boyd got into his automobile and drove away fast, eyewitnesses said.

Armed aggressor—Panama Permanent U.N. Delegate Aquilino Boyd today twice shot Panama Newspapermen's Union President Escolastico Calvo in a murder attempt which took place at the 28th Street and Peru Avenue intersection. Eyewitnesses said Boyd first shot Calvo while the newsmen was driving his automobile and later fired another bullet into the left arm and side of Calvo as the newspaperman got out of his car. Boyd attempted to shoot the editor of La Hora a third time after he fell to the ground, but was spared further injury when the .32-caliber revolver failed to discharge. Boyd, who is a Deputy to the National Assembly and a former Foreign Minister, several years ago fired a shot at radio announcer Bonifacio (Johnny Bonny) Hernandez and once threatened newsmen Jorge Prospero and former Minister of Government and Justice Max Heurtematte.

Shooting victim—La Hora Editor Escolastico Calvo, bathed in blood as a result of a pistol whipping on the head, arrives at San Fernando Clinic after suffering two gunshot wounds from a .32-caliber pistol wielded by Aquilino Boyd, Permanent Panama Delegate to the United Nations and a Deputy to the National Assembly. The shooting took place today shortly before noon on Peru Avenue. Calvo, who is also president of the Panama Newspapermen's Union, was shot in the left side and left arm.

[From Time, May 29, 1964]

PANAMA: U.N. DIPLOMAT IN ACTION

As an up-and-coming Panamanian politician, Aquilino Boyd liked to make his position witheringly clear. He led a band of hooligans in the 1959 Canal Zone riots—they tore down an American flag and urinated on it. At the U.N. during last January's Panama crisis, he was all indignation, accusing the United States of "bloody aggression." Last week he was back home, being more aggressive still.

In the recent elections for President and the National Assembly, Boyd was among the losers, failing to retain the Deputy's seat that he had held in addition to his diplomat's job. Panama's daily *La Hora* ran an editorial taunting him on his poor showing, adding that even his effort to cheat his way in had flopped. When Boyd saw Escolastico Calvo, editor of *La Hora*, while driving along a Panama City street, he jammed on his brakes, cutting off Calvo's car, hopped out, and pumped two bullets into his surprised victim before his gun jammed. Then he pistol-whipped away at Calvo's head until he was finally subdued by bystanders.

The wounded editor, with .38-caliber holes in his left side and arm, drove himself to a hospital. U.N. diplomat Boyd went home to lunch. Even as a "lameduck" Deputy he had all sorts of immunity, and in Panama, where the macho approach clicks with voters, he might even have improved his flagging political popularity.

THE 18TH ANNIVERSARY OF THE INDEPENDENCE OF THE REPUBLIC OF ITALY

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROONEY] 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 Hawaii?

There was no objection.

Mr. ROONEY of New York. Mr. Speaker, today, June 10, marks the 18th year since the Italian Republic came into being. Not only to the people of Italy is this date one of great significance, but to freedom-loving people all over the world it is of equal importance. To the Italian-born American citizens and those of Italian descent in America, this historic date is second in importance only to the Fourth of July.

I take this occasion to congratulate the Italian people for the great accomplishments which they, as a nation, have made since the founding of their Republic. The economic growth has been almost miraculous. Their social and political developments have been unprecedented. Today, a country so recently weakened by severe ravages of war holds its head high among the nations of the world.

It is true that much of Italy's rapid return to economic stability is the direct result of American assistance, but it is equally true that the American food, supplies, equipment, and dollars given to Italy are but a token payment on the debt this country owes Italy for the contributions which the Italian-born American citizens and their descendants have made to America's own development. These sons, daughters, grandsons, and great-grandsons of Italian immigrants have made, and are still mak-

ing, a lasting impact upon the lives of every American. Their gifts to us of greatness in science, business, music, art, drama, and literature are priceless; consequently, we are ever conscious of their importance and value.

In congratulating the people of Italy upon their great achievements as they celebrate this, their Independence Day, I suggest that they and we alike rededicate ourselves to the cause of freedom in all its forms. May we and Italians everywhere be ever mindful of the kindred aims our Founding Fathers set for our Republics at their birth—and, being mindful of those democratic ideals, do all in our power to promote understanding, respect, and affection between the peoples of our two nations.

A COURAGEOUS LADY IN DEFIANCE OF THE LAW

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. LIBONATI] 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 Hawaii?

There was no objection.

Mr. LIBONATI. Mr. Speaker, the Krebiozen controversy continues on and on. It threatens to engulf the entire medical profession in unending repercussions. The common people are making demands for action upon the Congress.

Once public support makes itself assertive for a scientific test—those doubters who have resisted tests to determine its medicinal value will be driven to cover. The hundreds of victims of cancer who have received the remedial benefits of the drug are clamoring for a continuance of its distribution interstate. The thousands of terminal cases treated by hundreds of physicians have shown that pain was reduced in approximately 70 percent—even after the victim subject to narcotics without effect as to alleviating pain. Also the reduction and in some cases the disappearance of tumors and cancerous tissue. Krebiozen cannot be laughed off by the politico-physician leadership.

It is sad that Mrs. Brou must take this means of bringing to public attention her desperate plight in the procural of the drug under the 1962 Drug Act—limiting its distribution to Illinois. I suppose many more victims who are Krebiozen users will seek the same means to emphasize the desperation that besets them. HEW should make an exception of this drug in that it is nontoxic—and subject to scientific test. To deny them the drug when medical authorities have classified their condition as terminal without hope for the continuance of life borders upon the issuance of a certified death warrant. A more humane approach to these problems is dictated by the public conscience of fairplay—no one should be deprived of any nontoxic drug that even as a last chance may be remedial in effect, especially for one condemned to death by the very members of a noble profession

whose powerful membership opposes the distribution or testing of the only drug biologically active in cancer cases as a last hope.

Mrs. Gertrude Brou in her determination to stir up public opinion took a most difficult path to follow—to violate the law. But in her sincerity and conscientious interest in behalf of the problems of those of similar fate, she had made a terrific sacrifice, and as a good woman, became a law violator for a laudable purpose. The court was unable to do otherwise. But the Congress has made a grave error in cutting off the distribution of nontoxic drugs existent under the previous drug act. And the medical profession should be alerted to the growing dissatisfaction of the public in the transition of some members of this great and blessed profession, looking only for monetary gain and conducting a business enterprise.

The Evening Star carried the story of the arrest as follows:

PICKET FOR KREBIOZEN CHOOSES JAIL OVER FINE

A woman who has been picketing the White House for 35 days in protest of the ban on interstate shipment of the cancer drug krebiozen was sentenced today to a fine of \$10 or 10 days in jail in the Court of General Sessions.

Gertrude Brou, 51, of Miami, Fla., elected to spend 10 days in jail rather than pay the fine after pleading guilty to a disorderly conduct charge.

The short, thin woman appeared in court with a large sign draped over her shoulders and a poster in her hand. These explained her protest of the ban on interstate shipment of the drug and claimed that the drug had helped her in her battle against cancer.

Judge George D. Neilson tried to persuade the woman to pay her fine rather than go to jail, but she refused.

Police said the woman was arrested at the White House when she stationed herself in the driveway and would not continue walking as pickets are required to do.

The woman said, "I've been walking for 35 days in front of the White House and I get tired."

She said that marching in front of the White House was her right and the judge replied that no one in the courtroom would deny her freedom to such a demonstration as long as she obeyed the law.

The Government has banned interstate shipment of the drug claiming that it is of no positive value in combating cancer.

A MESSAGE FROM THE MEDICALLY CONDEMNED WHO PLEAD FOR A CHANCE TO LIVE

Mr. Speaker, a lone cancer survivor on Krebiozen invited arrest today after a 35-day picket of the White House in an attempt to get President Johnson to resolve the issue over the drug which she believes is helping to prolong her life.

Mrs. Gertrude Brou, of West Hollywood, Fla., moved 2 months ago from her home to Washington, D.C., "to spend the rest of my life, if necessary, to get the ban lifted on Krebiozen."

For 35 consecutive days, she has carried a sign in front of the White House which says on one side: "Mr. President, the FDA—Food and Drug Administration—Is Fighting Cancer Patients, Not Cancer." On the other side, it reads "Mr. President, Mercy for Cancer Patients on Krebiozen. Please Resolve the Issue.—Thank You."

A sandwich-type board strapped over her shoulders says on the front: "I am a Cancer Patient on Krebiozen," and on the back it says: "I Have Been Here 35 Days. During This Time 27,825 Cancer Patients Have Died."

One year ago Mrs. Brou refused amputation of her left breast after a positive biopsy report of cancer. Her mother had died in 1947, and her sister had died in 1960 of breast cancer. Both had undergone radical mastectomy—complete surgical removal of the breast—X-ray, and radium therapy.

Through friends, Mrs. Brou had learned of a woman in Chicago who 3 years before had been given 6 months to live and had regained her health after taking Krebiozen.

Mrs. Brou went to Chicago to get started on Krebiozen and had just returned to her home in Florida, after finding a doctor in Miami who would continue to give her Krebiozen, when the Food and Drug Administration banned the drug from interstate commerce last July.

She immediately went to the Miami Herald for help. The Herald printed her story on the front page. Armed with this, she came to Washington, D.C. and enlisted the support of Senators SMATHERS and HOLLAND, and Representatives DANTE B. FASCELL, PAUL ROGERS, and CLAUDE PEPPER, all of Florida. They, with 50 other Congressmen, cosponsored the Krebiozen resolution which would lift the ban and require the National Institutes of Health to test Krebiozen.

Mrs. Brou said that she has returned to Washington because she fears Congress may not have time to hold hearings unless they act at once and pass the Krebiozen resolution this election year.

She says that there are about 10 cancer victims in Florida whose lives are dependent on Krebiozen who cannot afford to travel back and forth to Illinois to get the drug in the only State where it isn't banned.

Mrs. Brou feels that the Kefauver-Harris law has been badly administered and perverted to harm cancer victims on Krebiozen. She says:

Senator Kefauver himself recognized this, for he joined as a cosponsor with Senators DOUGLAS, SMATHERS, HOLLAND and 13 other Senators on the Krebiozen resolution, as one of the last official acts of his life.

She states:

I don't believe that Congress ever intended the 1962 Kefauver-Harris drug law to be administered in such a way that a person could be deprived of a nontoxic drug given to her by the doctor of her choice which she has proved to her own satisfaction is effective and safe.

THE SUCCESSES OF THE ALLIANCE FOR PROGRESS DEMONSTRATE THE EFFECTIVENESS OF FOREIGN AID

Mr. MATSUNAGA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] 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 Hawaii?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, last weekend, June 6 and 7, the Honorable Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs, and the Honorable William D. Rogers, Deputy U.S. Coordinator, Alliance for Progress, delivered commencement addresses. These two speeches are particularly appropriate at this time while the Members of this House are debating and considering the Foreign Assistance Act of 1964. The speeches focus attention on some of the positive aspects of our assistance programs as they relate to the Alliance for Progress. Too often excesses and abuses are seized upon and magnified by those who would wreck a program, a dialectical device which has been in vogue for some time in connection with foreign aid.

The addresses of Mr. Mann and Mr. Rogers are appropriate for another reason: Because of their intrinsic merit. Anyone sincerely interested in understanding our policies in Latin America will gain instruction and enlightenment by reading them. And for those who seek to wreck our foreign aid program, who would cut off the hand of this vital arm of our foreign policy, let me further paraphrase Abraham Lincoln:

This world—and each country in the world—cannot continue half rich and half poor.

I ask the unanimous consent of the Members of this House that the speeches of Thomas Mann and William D. Rogers be inserted in the RECORD.

THE DEMOCRATIC IDEAL IN OUR POLICY TOWARD LATIN AMERICA

(Address by the Honorable Thomas C. Mann, Assistant Secretary of State for Inter-American Affairs)

Thirty years ago this month I received a law degree and started out as a young lawyer. Then we were in the throes of the great depression and preoccupied with our domestic economic problems. Students on campus were not greatly concerned about foreign affairs in those days.

Today the members of the graduating class of this great Christian university will start their careers at a time when our Nation marches forward to new horizons of economic opportunity, individual dignity and social justice. Technological advances have, however, presented us with new challenges and new opportunities in our relations with other countries. We are caught up, as it were, in a shrinking, interdependent world in which we have great responsibilities and which has suddenly become complex. We can no longer afford to live apart from the rest of the world as if it did not vitally affect our national and individual well-being.

The problems which faced my graduating class 30 years ago, formidable as they seemed to us at the time, were certainly much more elementary, much more simple, and by comparison much less important, than those which face what Latin Americans would call your "Generation of 1964."

Within this framework, I would like briefly to discuss with you today one of the problems of our Latin American foreign policy—the problem of what it is we can do to bring about a more effective exercise of representative democracy in the Western Hemisphere. There is no subject concerning our Latin American foreign policy which has over the years generated more debate or a debate which has generated so much heat and, it seems at times, so little light.

The first point I wish to make is that U.S. foreign policy is firmly and irrevocably committed to the principle that every individual, no matter in what part of the world he lives, has an inalienable right to his individual freedom and to his individual dignity.

For his day, as well as for ours, Benjamin Franklin spoke for the Nation when he expressed the hope that "a thorough knowledge of the rights of man may pervade all nations of the earth, so that a philosopher may set his foot anywhere on its surface and say 'This is my country'."

More recently, President Johnson, in speaking of the Charter of the Alliance for Progress, expressed somewhat the same thought in different words: "Our charter charges each American country to seek and to strengthen representative democracy. Without that democracy and without the freedom that it nourishes, material progress is an aimless enterprise, destroying the dignity of the spirit that it is really meant to liberate. So we will continue to join with you and encourage democracy until we build a hemisphere of free nations from the Tierra del Fuego to the Arctic Circle."

II

The example of a vigorous representative democracy in the United States that assures equality and dignity to all of our citizens will provide strong support for our policy. A policy of consistent persuasion in discussions with our Latin American friends is another way to help promote democratic progress in the hemisphere.

It has long been, and continues to be, our firm policy to discourage any who conspire to overthrow constitutionally elected governments. But if governments are overthrown, it has long been our practice, in ways compatible with the sovereignty and the national dignity of others, to encourage the holding of free and fair elections—to encourage a return to constitutional procedures. Other American republics make equally valuable contributions to building a Western Hemisphere tradition of democracy by their example, by the strength of their moral positions, and by expressions of their principles.

It is understandable that all of us sometimes become impatient with the rate of progress toward making this ideal a reality everywhere. We have not yet reached perfection in our own country. Many American Republics have made great progress in establishing a democratic tradition within the last few decades. In others, democracy seems at times to take two steps forward only to be temporarily pushed back a step. In Cuba, the light of democracy has temporarily been extinguished.

But we should not, I think, judge either the rate or degree of hemisphere progress toward democracy solely by the number of coups d'etat which take place. The degree of individual freedom which exists in the hemisphere, the average lifespan of de facto governments, the extent of political repression, the degree of freedom of the press and of peaceful assembly, and the growing number of people in the hemisphere who consistently support the principle of free and periodic elections, are also relevant yardsticks.

If one looks at the forest instead of the trees, he can see that these quiet, unpublicized efforts on the part of the United States and other American republics have, along with many other factors, contributed to a wider and deeper observance of the forms of representative democracy in this hemisphere and, perhaps even more important, to a growing respect by governments, in deeds as well as words, for the dignity of man and for his basic human rights. I am confident that the general movement will continue to be forward; I hope it can be accelerated.

III

One way to bring about more rapid progress is by collective action of the Community of American States.

As early as 1837, Pedro Vicuna of Chile urged the establishment of a General Congress of American States to oppose tyranny.

In 1945 the Uruguayan Government proposed the doctrine that there is a "parallelism" between peace and democracy. The United States supported this thesis. Only eight American republics including the United States voted affirmatively for the Uruguayan proposal.

In 1960, at a meeting for Foreign Ministers in San José, the United States again supported collective action and introduced a new concept: Support of the ideal of representative democracy should not merely be negative in the sense of opposition to a particular dictatorial regime; it should positively insure, by collective action, that peoples have an opportunity, in free and fair elections, to express their will—so that a Batista will not again be followed by a Castro. There was little support for this thesis at the time although the majority, including the United States, did vote for sanctions against the Trujillo regime.

More recently, Venezuela has taken the lead in proposing informally that the American States agree to consult together when unconstitutional changes of government occur in the hemisphere. We have long since assured the Venezuelan Government of our support.

I would hope that the Venezuelan initiative will be but a step in a future process of developing a new international procedure which, while safeguarding the essential sovereign rights of every nation, defines with care and precision the kinds of violations of basic human rights which are, to use the phrases of a former Secretary of State, of such a "flagrant and notorious character" that they have a "relationship to the maintenance of international peace and security" and hence justify such collective action as may be agreed upon. If this were done, tyranny of the kind we saw under Trujillo and which we still see under Castro today, could be effectively and legally dealt with.

IV

It is sometimes said that since the American community of nations has failed to take effective collective action to eliminate dictatorships in the hemisphere, the United States—unilaterally and alone—should undertake to force all Latin American governments to stay on the path of constitutionality. The United States has had a rather full experience in attempting, with the best of motives, to impose democracy on other countries. It is worth while to recall them.

Monroe's Declaration of 1823, in its original intent, was a shield for Latin America against European powers seeking to recover lost colonies and to expand their territories. In the three instances in which it was applied in the manner originally intended—in 1864, 1895, and 1902—it was of considerable help to the Latin American states directly involved.

But in 1904 Theodore Roosevelt presented his now famous corollary: "Chronic wrongdoing—may in America—ultimately require intervention by some civilized nation—in the exercise of an international police power."

The philosophy underlying the Roosevelt corollary was not new; the Platt amendment which impaired Cuban sovereignty was already an accomplished fact. But it did open the way for a number of new adventures. In 1906 and 1909 the Marines were sent to Cuba, in 1909 and 1912, to Nicaragua, in 1912 to the Dominican Republic, in 1915 to Haiti.

In 1913, a new moral dimension was added to the Roosevelt corollary in an attempt to justify additional U.S. interventions. It was stated in these words: "Cooperation is possible only when supported at every turn by

the orderly processes of just government based upon law, not upon arbitrary or irregular force."

Under this doctrine we engaged in a new series of interventions in Mexico. These led to the occupation of Veracruz and to Pershing's expedition. They brought us to the verge of war with our southern neighbor at the very time we were being drawn into the First World War.

Arthur Whitaker in his book "The Western Hemisphere Idea," comes to this conclusion: "Protective imperialism (under the 1904 corollary) would intervene to correct situations of chronic wrongdoing and chaos only to the extent necessary to prevent European intervention and then withdraw. The civilizing mission (the 1913 policy), on the other hand, had no such ad hoc character or limited objective. The missionary's work is not done when the devils have been cast out; it has hardly begun. He must stay on until he has taught his charges how to lead the good life, and that may take quite a long time."

And Howard Cline, in speaking of the 1913 doctrine, reminds us in his book, "The United States and Mexico": "Thus there were 'good' revolutions and 'bad' revolutions. The latter brought only venal, idealistic people to power, while the former put the particular nation back on the constitutional track. As events in Mexico and elsewhere ultimately showed, the test of 'constitutional legitimacy' was unworkable, especially in Latin America. The United States—renounced it as a national policy in 1921."

The words of these two distinguished scholars may, from our point of view, seem rather harsh. Certainly our intentions were good. But few knowledgeable people will deny that they accurately reflect Latin America's bitter reaction to our interventionist activities under doctrines of 1904 and 1913.

Our interventions were, in the Latin American point of view, patronizing in the extreme. By making the United States the sole judge of Latin America's political morality, they were degrading to proud peoples who believed that, in their own wars of independence, they had earned the right to manage their own affairs—to be masters in their own houses. They produced schismatic tendencies in the inter-American family and brought our relations with Latin America to an alltime low.

These historical experiences suggest two things: Unilateral U.S. interventions in the hemisphere have never succeeded, in themselves, in restoring constitutional government for any appreciable period of time. And they have, in every case, left for our country a legacy of suspicion and resentment which has endured long after our interventions were abandoned as impracticable.

As Cline has observed: "The lengthy record of discord during the years 1913 and 1914 carries its own lessons. One is that international problems are more complex than sloganmakers sometimes assume. A worthy set of attitudes is no substitute for coherent policy."

Franklin Roosevelt surely had these lessons of history in mind when he not only pledged the United States to the policy of nonintervention but defined his policy of the "good neighbor" as: "the neighbor who resolutely respects himself and, because he does so, respects the rights of others—the neighbor who respects his obligations and respects the sanctity of his agreements in and with a world of neighbors."

Two wrongs do not make a right. We cannot achieve a peaceful world ruled by law if we do not live up to our own obligations.

As an answer to the U.S. interventionist doctrines, Latin Americans developed doctrines of their own. Let there be no mistake:

these Latin American counter-doctrines were tailored for the United States; their purpose was to bring an end to U.S. interventions. I shall mention only one:

By 1928, when the Sixth International Conference of American States met at Havana, a proposal was introduced which stated the simple proposition that "No state has the right to interfere in the internal affairs of another."

After a long and somewhat acrimonious debate the United States managed to prevent adoption of the resolution, but the handwriting was on the wall. In 1933, at the Seventh Conference in Montevideo, the United States accepted the doctrine of nonintervention with qualifications. In 1936, at Buenos Aires, we accepted it unconditionally.

This Latin American doctrine of nonintervention is now written into the Charter of the Organization of American States. It is a treaty obligation. Allow me to read to you articles 15 and 16 of the Charter:

"Article 15. No state or group of states has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other state. The foregoing prohibits not only armed force but also any other form of interference or attempted threat against the personality of the state or against its political, economic or cultural elements."

"Article 16. No State may use or encourage the use of coercive measures of an economic or political character in order to force the sovereign will of another state and obtain from it advantages of any kind."

As the scholars Thomas point out in their study of nonintervention: "The essence of intervention is the attempt to compel."

All of this does not mean that we will in the future recognize all governments which come into power in an unconstitutional manner. Each case must be looked at in the light of its own facts. Where the facts warrant it—where the circumstances are such, to use someone else's phrase, as to "outrage the conscience of America"—we reserve our freedom to register our indignation by refusing to recognize or to continue our economic cooperation.

It does not mean that, consistent with our treaty obligations, we cannot put ourselves in a doctrinaire straightjacket of automatic application of sanctions to every unconstitutional regime in the hemisphere with the obvious intention of dictating internal political developments in other countries. As the facts amply demonstrate, this is no departure from the practice which has prevailed in the most recent years.

The third point to which I invite your attention is this: Unilateral intervention for the purpose of forcing constitutional changes in another country does not always serve either the cause of democracy or the national security interests of the United States.

To illustrate, not long ago a majority of the Guatemalan people voted in free elections for Arbenz, a candidate for President. Later the Guatemalan people discovered that Arbenz was a Marxist-Leninist. Colonel Castillo led a successful revolt and was widely acclaimed by his people when he marched into Guatemala City. Had we been unconditionally committed to the support of all constitutional governments under all circumstances, we would have been obliged to do everything within our power to bring about the overthrow of Castillo and to restore a Marxist-Leninist to power against the will of the Guatemalan people.

The question of our relationships with Communist regimes in this hemisphere is, of course, a separate subject and is beyond the scope of these remarks. It raises separate questions, such as our inherent right of self-defense and measures, under existing treaties, to deal with situations which threaten the peace and security of the hemisphere.

v

Against this background, what conclusions are to be drawn? What can we do to help make the democratic ideal a reality in this hemisphere? I offer the following suggestions:

First, we should continue, in our bilateral discussions with other governments, to encourage democracy in the quiet, unpublished way and on the day-to-day basis that I have already referred to; and we should support parallel efforts of other American states. If there is no intent to force the will of a sovereign government this tactic is entirely compatible with our commitments and with the dignity and self-respect of others.

Second, we should support appropriate measures for broadening the scope of collective action with the aim of addressing ourselves first to those cases where repression, tyranny, and brutality outrage the conscience of mankind. I can think of no way in which the American community of States can better serve the cause of human dignity, individual and national freedom, and representative democracy than to develop a set of procedures for dealing with this type of problem. The United States has never believed that collective action for such purposes is proscribed by the Charter of the Organization of American States; but if the majority of the member States are of a contrary opinion, then let us amend the Charter.

Third, in each case where a government is overthrown by force there should be a careful, dispassionate assessment of each situation in the light of all the surrounding facts and circumstances so that decisions concerning recognition, trade, aid, and other related matters can be made which are consistent with our ideals, with international law, and with our overall national interests.

In making this assessment, regard should also be paid to the fact that not only is each American Republic different from all the others but that each de facto government is likewise different in its aims, its motives, its policies, and in the kinds of problems it faces.

Fourth, if as a result of this appraisal, a decision is made not to recognize a regime—and this may well be the case in the future as it has been in the past—then it should be made clear that nonrecognition is based squarely on a failure on the part of another government to abide by the established rules of international conduct.

Fifth, when the decision is made to recognize a regime, it should be clear that there is no basis under international law for equating recognition with U.S. approval of the internal political policies and practices of another government. Resolution 35 of the Ninth Inter-American Conference of American States makes this point very clear. It declares: "That the establishment or maintenance of diplomatic relations with a government does not imply any judgment upon the domestic policy of that government."

Sixth, we should continue our established practice of consulting with other American Republics whenever a question of recognition arises.

Finally, let there be no mistake about our consistent and complete devotion to the principles of human dignity and freedom of the individual. We believe that these principles can only be realized in a democratic political system in which governments are the servants of the people and responsive to their will. They are a central element in our foreign policy toward Latin America. We shall in every way consistent with our obligations continue our efforts to help make democracy a reality throughout the entire hemisphere.

As is often the case, there is more to be said than time allows for. I have already presumed on your courtesy by speaking so long. But if I am permitted one word of counsel, it would be this:

I hope you will feel a pride in your university, your church, and your country and in the efforts they are all making to create a peaceful world, ruled by law and Christian charity which is devoted to both the material and spiritual progress of all mankind in freedom. And I hope that you will look to the future with confidence that freedom and not tyranny is the "wave of the future" in this hemisphere. I think you will see even greater progress toward freedom in your generation than the impressive gains I have seen in my time.

THE TWILIGHT STRUGGLE

(Address of the Honorable William D. Rogers, Deputy U.S. Coordinator, Alliance for Progress, at the commencement exercise, Illinois State University, June 6, 1964)

We meet at a time of commencement, of beginning. For you in this graduating class—and for all graduating classes today—it is the beginning of a new time. For all of us who greet you, it is a vantage point on which we can pause to reflect on the changing world you are about to enter.

A century ago there were 2 or 3 dozen nations that mattered for much; today, there are over a hundred. A century ago, the world's people numbered something like a billion and a half. Today, we add that many every 15 years.

Most of these countries, and the vast majority of those people, have been and are being born to poverty.

While we in the developed countries in the brief span of a century have learned to accumulate wealth—and leisure—in ways which would have astounded our ancestors, the bulk of the world's people still live at income levels which have not changed much in 10 centuries.

We have reached a high plateau. We can think for the first time in our history of wiping out the remaining vestiges of poverty and civil injustice from our entire society, our whole Nation.

But at this moment we are discovering a new challenge—the challenge of the underdeveloped world. Suddenly and without much to guide us in our own tangled experience we are called upon to bear the burdens of what President John F. Kennedy called the long twilight struggle, a year in and year out * * * struggle against the common enemies of man: tyranny, poverty, disease, and war itself.

Affairs in Asia, Africa, and Latin America have become as consequential for the advance of our Western civilization as what happens in Berlin. Our fate is intimately connected not only with the people of Japan, Germany, and France—the developed world—but as well with those of the Congo, of Vietnam, and of Venezuela and Brazil—the developing world.

We must help. In our own hemisphere we have come to learn that the aspirations of the campesino in the highlands of the Andes and of the slum dweller in Caracas, can be as fateful for our national future as what happens in our own land. Our hopes for ourselves and for our children are intimately woven in with theirs. Their just aspirations for a decent life we cannot ignore.

Picture this hemisphere, if you will, as a small town, a single community. Half the people live decently. Each family has a house or an apartment with running water. The father has a job. The children can go to a free school and, frequently, to college. They can call a doctor on the phone. Their average incomes are around \$2,800. They can expect to live a rich and fruitful 70 years or more.

The other half of the population of the town lives, for the most part, in poverty. They get by on a few hundred dollars. For many, medical service is unheard of, and starvation is an always threatening possibility. They not only have little hope of

higher education for their children, but, frequently, little hope for a pair of shoes.

Enlarge this picture manifold, add the fact that in Latin America, though most people live in poverty, there is a thin veneer of privilege and wealth, and you have a fairly concise idea of the Western Hemisphere community in which we live.

A community of old, established, free nations, most of them independent for 150 years—but who somehow missed out on the great processes of economic democracy and social justice during the 19th century, who failed somehow to arrive at the point where they could provide for their own citizens the decent life which we have come to accept as commonplace.

We now know that this hemisphere—and each country in the hemisphere—cannot continue half rich and half poor. We now know that our destiny in the years and centuries to come is related to that of our neighbors. We now know that we cannot expect full security and happiness for our own people if it continues to be denied to those south of our own border. It is for this reason that we have committed ourselves to the Alliance for Progress. We have pledged our helping hand to the coordinated, comprehensive development efforts of the people of Latin America, to analyze the realities of development and to guide the riches and vitalities of the hemisphere in ways which build up the chances for a decent life for all its people. This is our response to the new challenge of the hemisphere.

We are, let us admit, new to the business—but then all mankind is new to the development business. The notion that we, the richest nation in all history, should ally itself with its hemispheric neighbors in a coordinated attack on poverty, ignorance, and disease, has no precedent. But ours is a challenge, an opportunity and a crisis which also is new; and our response by the same token must be new.

To change the harsh facts and centuries-old rigors of life in our hemisphere—and indeed throughout the underdeveloped world—is hardly easy. Development—social and economic change—is a far more complicated process than the mounting of a military campaign, of the assembling of soldiers, of the construction of weapons. The dynamics of development—of this twilight struggle—are far more subtle, far less amenable to quick solutions or easy answers.

Dollars are important. We can supply, and indeed are supplying, material resource—generators, roadbuilding equipment, port facilities, credit to small farmers—which can provide a vital supplement to the savings and investment of Latin America itself. Our share in this process is on the approximate level of \$1 billion a year—a staggering sum to be sure, but less by a third than the \$1.5 billion the United States spends on its lawns and its crabgrass. We can scarcely excuse our failure to meet the challenge of the Hemisphere with the theory that we are straining ourselves. Our aid represents less than one-third of one-hundredth of our income each year. Just the yearly increase in our wealth is 15 times what we invest in Latin American development.

But dollars are not all. Essential to the development of Latin America is fundamental change—change in centuries-old institutions, ways of doing things, in taxes and tax collections, changes in public education, changes in farming and land tenure, changes in private business. And dollars, no matter how generously provided, cannot of themselves engineer that change.

Latin America is hungry for change. As President Lyndon B. Johnson said a few weeks ago, "if a peaceful revolution is impossible, a violent revolution is inevitable." And we can help that peaceful revolution. We can export into the process of develop-

ment under the Alliance for Progress not just our material wealth but something far more valuable, and at the same time far more difficult to define—something of the learning, the know-how, and the experience which we have accumulated in building the institutions of democracy, of economic strength and of social justice in our own land. The transference is not a simple process. Latin America's culture and ways of doing things are vastly different from ours. What works here will not always work there. Careful adaptation and selection are essential. Nonetheless, it is in this process of institutional change that we have most to give. It is in this field where the challenge is greatest, the problems most subtle, the opportunities most promising.

Essential to the transference of ideas are people. And it is in this effort that we are beginning to learn the great excitement, the great adventure of participating directly in the development efforts of the people of Latin America. In this area of challenge, we are finding our great response.

It is here that we can do some of the really exciting work of renovation within our hemisphere, by playing a part—a restrained part—in the fundamental reforms; the great institutional changes which must be carried out in Latin America is to enter fully into the richness of 20th century life—the changes in land tenure, the transformation of the private sector of industry and commerce, the upgrading of the processes and integrity of government and public administration, the improvement of tax justice and tax collection methods, the building of local centers of democratic action such as savings and loan associations, cooperatives, free labor unions. Here, I submit to you is a great challenge for our age.

But this is no easy task; a rich partner's role is never easy. We must maintain a constant balance. On the one hand, we cannot impose our own views with a heavy hand. The fundamental responsibility for development rests with Latin America. We cannot develop people. They must develop themselves. But on the other hand, we cannot help by adopting the role of a passive lender who has no creative part to play in the development game. We are active partners.

We must constantly make clear our devotion to democracy and freedom, and our belief that political and economic progress go hand in hand. And we must always remind ourselves that this program is a human program. Its success will be measured not in dollars, not in statistics, but by the extent to which the Alliance for Progress can enhance the dignity and richness of individual life.

The frustrations of this new role of development partner are manifold. As we misunderstand our Latin American allies—and we sometimes do—so we are misunderstood. We are criticized for tying too many strings to our aid, and thus slowing down the improvement of the life of the people; at the same time we are criticized for failing to tie that aid strongly enough, for failing to insist before we provide assistance on the reforms and changes which are in the long run essential to real growth. We are often misunderstood when we discuss the threat of Communist subversion. There are those who say that we are mounting this great effort only because of our fear of Castro. And we are, according to others, solely to further our own strict national economic interests.

But these frustrations are, I think, inherent in the challenge we face. If there were no problems, if the task were easy, we would not be here. Our response will be the response of understanding, patience, and efforts.

Patience and effort now, by all means, because after 2 years of the Alliance we are beginning to see results. Half the nations of Latin America have completed their development plans; half are beginning to meet the target of 2½ percent per capita increase. With U.S. aid, over 2,000 pure water systems have been built, 36,400 classrooms constructed, 11 million textbooks printed, nearly 300,000 agricultural credit loans made, 735 hospitals and health centers opened, and 326,600 homes erected. This is achievement. And we can take an even greater satisfaction in the growing sense of pride and responsibility in Latin America itself, a growing courage, a growing commitment to development and a growing willingness, as reflected in the recent establishment of the Inter-American Alliance for Progress Committee, to make this a truly multilateral program—a true partnership.

We have also joined as partners in this Alliance for Progress for reasons which are palpable and just.

Our economic interest in Latin America is immense. The United States has large investments there. We would be severely hurt if we were suddenly cut off from the oil and minerals and coffee which we import from Latin America. But it is more than this.

We are a generous people. Helping the poor, in our own land and in other lands, is a part of our blood. But it is more than this, too.

We now recognize both the dangers and the opportunities of continued sharp divisions between the rich and poor of the hemisphere. Our sense of history and of the future is being tested now in a way which it has never been tested before.

The possibility of total disruption of the social, economic, and political fabric of the hemisphere is real, for the first time in history. And the consequences in this shrinking world of a disintegration of the hemispheric society are more serious today than they have ever been. We could not tolerate, nor long survive, in such an environment. Our fundamental national interest compels us to assist in the creation in this hemisphere—and indeed throughout the whole world—of free nations, self-reliant, self-respecting, capable of engineering through the process of orderly but rapid change a new opportunity for their own people and for themselves a new place in the world community. No civilization has a free ride to posterity. Here, in this struggle, is I think the challenge for our age.

We gain no national advantages from oppression, from war, from the poverty of our neighbors. Our society and our way of life can thrive best—and perhaps at all—only in such a world order united by the common bonds of economic self-interest in which each is enriched by its trade and business with the others, in which each has the opportunity to work out its own national greatness and through which the citizens of all have a decent chance for the decent life. If we fail now, in the Alliance for Progress, in this decade of development, we will have failed in what could be our last chance to create such a community.

Thus, at the same time that we are transforming our own society to insure full and equal rights, political and economic, to all our own citizens, we must work to insure a greater freedom, a greater justice to all the people of the world, so that by using our resources in ways which are sensible and wise, but which recognize the limitations of our own wisdom, we can 100 years from now say we played our part.

ETHICS IN AN UNETHICAL WORLD

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. LINDSAY] is recognized for 30 minutes.

Mr. LINDSAY. Mr. Speaker, on May 24 of this year, Mr. Sidney Scheuer, president of Scheuer & Co., delivered a thoughtful and pertinent address before the Society of Ethical Culture in New York City on the subject, "Ethics in an Unethical World." Mr. Scheuer is treasurer of the International Humanist and Ethical Union and is former president of the Ethical Society of New York. He is internationally known in the fields of economics and business and has had a long record of public service. During the war years he served as Director of the Foreign Economic Administration. Mr. Scheuer's private philosophy and personal conduct in his long and illustrious career clearly reflect the high ethics of which he speaks.

In these changing times when standards are inched lower and lower to make way for practicality and material success, Mr. Scheuer's strong case in favor of the highest possible code of ethics deserves the closest attention. Although I do not agree with all of his conclusions—I believe stricter codes of ethics can and should be written in order to provide proper guidelines—I think everyone in public life can benefit from this fine discussion. I commend Mr. Scheuer's address to my colleagues and I am pleased to include it in the RECORD:

ETHICS IN AN UNETHICAL WORLD

(By Sidney H. Scheuer)

In the short span that each of us is privileged to be on this earth, we should want to count and to count we should use our faculties and gifts to the full. These may lie in personal relationships, in technical skills, in the sciences and professions, in teaching or business, in government or in social service, but in whatever activities we are engaged and wherever we use ourselves, there is a right way and a wrong way. I submit that the right way, or the way which ennobles and enriches, is to base accomplishment on the constructive radiations we are able to generate in our environments, and on the impact we bring into our contacts and to our responsibilities.

New problems, changing conditions, new insights, research, invention, and the ongoing evolution of society require that ethical people advance and grow ethically. Therefore, one should make a practice of testing one's relationships and actions for their ethical validity. This should become a conscious consideration of each of us. It is a good habit and one which yields great satisfactions.

How would each of you within hearing of my voice answer such questions as: Have I by example influenced others? Have I been an educator? Have I enriched the lives of those whose lives touched mine? Such constructive self-examination is invaluable. Too many people are unwilling or unable to undertake the continuing task of facing themselves; to the degree one can accomplish this and evaluate his own actions, to that degree he becomes effective. The growth of an individual can be measured by his ability to translate such self-examination into constructive purposes.

Does this sound idealistic, impractical, unreal? I am afraid it might to many who feel that ethical conduct prevents tangible accomplishment in a world of hard realities. I can testify to the contrary. I have found that such conduct develops one's resources and strengths in ways which are not otherwise accomplishable. Those of you who have also found this to be the best way to conduct your lives will have had the same experience. I suggest that those who have

not yet adopted this more self-respecting pattern of conduct should give thought to the fulfillment they are missing.

Man pays an enormous price for ethical indifference. Many such become mere money machines as distinguished from being successful businessmen, using their energies almost exclusively in predatory pursuits; others are power hungry; still others are insatiable in their ego hungers. All such extremists do violence to ethical concerns.

Such men in large measure live for themselves alone and this is a lonesome and corrupting way of life. Frequently people of the type described are talented and could be much more useful and happy if they were able to discipline their appetites and face the insecurity within themselves which these drives evidence. Such people are often so absorbed in the willful accomplishment of their goals that they fail to recognize the damage which their activities sometimes generate. They lose themselves in business, in causes or in "doing good" and in the process never stop to examine their methods, their values and their purposes. Each of us in his various activities is making a life, a fact which we recognize but frequently overlook. Success in all endeavors can be accomplished ethically.

Throughout history, human frailty as expressed in unethical conduct stemming from undisciplined drives has been an impediment to the advancement of society. The world has both suffered and profited from people's drives; yet we have learned very little about channeling and disciplining them. Could we gain competence in directing these powerful human forces, there would be no limit to man's accomplishments in this 20th century of new and expanding technology. Hitler and Mussolini are outstanding examples of misapplied and undisciplined drives; Gandhi and Schweitzer, examples of effective application of powerful concern with worthy accomplishment. Each of us knows admirable people who lack balance in using their gifts and who thereby impede their potentialities and sometimes do great harm.

Self-interest to the exclusion of mutuality of interest is no longer accepted as a principle of conduct or as an adequate approach to life. Man has begun to understand that these instinctive attitudes are not as productive and enduring as they were thought to be or may have been in the past. He has come to understand that the world is a society, and that the country, the State, the community, or the environment in which he lives and works cannot be preyed upon with impunity. He has learned that the price paid for such conduct is frequently the loss of self-respect and the sacrifice of esteem. Mutuality has come to be a necessary element to worthy accomplishment. The catastrophic events which my generation has experienced (two World Wars and the upheavals which have followed them) have resulted in profound questioning of many of man's past assumptions.

Bribery is accepted as a necessity in some areas of the world. This has been known and is countenanced. The economic injustices which persist in many countries put a premium on such practices. We cannot ignore such realities; we must recognize them for what they are and deal with them accordingly. Unless the necessity for such dishonesty ultimately is eradicated, the spiritual and economic well-being of nations cannot be solidly established. Our Alliance for Progress, now operating with South American countries, is attempting to change some of these attitudes and is addressing itself to such fundamentals. While this represents but a meager beginning, we should take heart that this subject is being recognized as a matter of international moral concern.

The advances of science, communication, travel, and education, too, have served to challenge man in all his capacities and tend

to increasingly influence him toward more seemly conduct. In the United Nations and in the chancelleries of the world, statesmen are forced to conduct themselves with a higher degree of consistency and a greater consciousness of world opinion. This reflects some ethical progress. While force still controls in many parts of the world, it cannot be used with the shamelessness and cruelty which might have been risked even 5 or 10 years ago. Respect for a nation's rights is now of greater international concern than heretofore. I doubt, for instance, that the Russians today would handle a Hungarian uprising with the indifference and cruelty they exhibited a few years ago. New restraints upon statesmen of all nations are evidenced in the conduct of both their domestic and international policies. Isolation is passé. None of this may be motivated by purely ethical concerns but all of it produces more ethical results; the trend, therefore, is in the right direction even if perhaps for the wrong reasons.

I do not believe that ethically sensitive people require prescribed codes to motivate their actions, nor do I think codes of conduct make people ethical any more than laws in themselves make people honest; indeed, they frequently put a premium on evasion. Ethical living is a process which the limits of a predetermined or final code cannot accomplish.

My views on this subject are reflected in a statement I prepared in July 1951 for the Labor and Public Welfare Committee of Congress which at that time was examining the subject of ethics in government. I then suggested that we did not need more laws or codes but that perhaps more simple and direct measures might accomplish the objectives. I recommended the installation in the office of every Government official of a framed poster on which would be printed a series of questions, such as:

Have I arrived at my decisions today solely in the public interest?

Would I be willing to reveal the actions I have taken today publicly?

Would I be willing to describe the motivations and purposes of each policy determination I have made to my wife, children, friends, and associates?

Did I weakly succumb to influence, flattery, or personal preference in arriving at this decision?

Have I been accommodating at the public expense?

Did I judge the issue before me today with a view to my personal advantage or future?

Am I postponing or avoiding a decision for reasons of convenience or to avoid unpleasantness?

If such a poster were installed in all Government offices, officials and their visitors would face this tangible reminder of what proper Government standards should be; therefore, anyone violating such standards would be conscious of the likelihood that his official actions could be subjected to these tests.

I believe such a daily reminder would be more effective than written codes which are usually composed in moments of crisis and then filed away. I believe such questions should be the conscious concern of all good men because they bespeak self-respect, answerability and self-examination.

Regulatory agencies have been established by our Congress for the purpose of advancing the standards of conduct in many types of activities. Amendments of the laws creating these agencies have been devised from time to time which are calculated to limit unethical and inequitable practices and to improve the functioning of our country's affairs and the activities of its citizens. This process may seem slow and cumbersome and it is, but it is an essential part of our way of life. Those who have a will to evade and avoid regulations will continue to do so; but the

very existence and improvement of such laws clearly put the unethical practitioners at an increasing disadvantage. The areas in which they can pursue their arts are thereby increasingly being narrowed.

To establish greater confidence in our country's foreign policies, self-questioning similar to that which I suggested to Congress in 1951 is desirable. A comparable group of questions can be devised against which our international statements and policies might be tested. If we work at our international relations with such a spirit, we will contribute a higher degree of consistency and increasing moral emphasis and, most important, accomplish the greatness we talk about. Our example then would more likely become the beacon of influence throughout the world, which it should be; unhappily, most politicians and many statesmen underestimate the moral potentials of mankind. One day, moral leadership and all it implies will be recognized by government leaders as the most powerful weapon available to them.

The troubled societies in the Middle and Far East and in South America which are demanding the world's attention reflect the cumulative fruits of injustice and neglect. The great nations must assume chief responsibility for their improvement. Unless the more fortunate nations ultimately move with some degree of cooperation in these areas, unrest will persist and the potentialities of full and rewarding living everywhere will be impaired. While competition for influence appears to be a dominant motivation in foreign aid programs, this should not in itself discourage the ultimate possibility of more enlightened and cooperative policies and programs. We should strive to attain this goal. If by the 1970's some such cooperation is accomplished, we will have contributed a monumental service to all mankind. The cynic will be unable to tolerate such a possibility but the cynic usually underestimates the potentialities of statesmanship.

We have learned from two World Wars that the sickness of mankind anywhere is the sickness of man everywhere. I think we should be patiently impatient but I do not think we should despair regarding any of these besetting concerns. The increasing number of international conferences evidence interdependence, concern and progress. They are not held because of indifference; quite the contrary. Ground will be lost at times but one can be assured that the world is moving in the right direction. Time is forcing the pace of betterment upon all nations. There will be no overall turning back.

It is a sad fact that critics and reformers are often people who are not builders; they never could have developed the advanced societies in which we live. Such people are useful and their intentions usually are of the best but they lack the functional and operational abilities which are indispensable to the advancement of society. The "doers" of the world are few and far between; they are overwhelmingly outnumbered by those who are preoccupied with the imperfections in the world around us. Were we able to combine the gifts of constitutional dissenters and/or critics with the gifts of "doers," we might more closely approach a just society and perhaps a sane world order. Such activities as the operation of government, industry or educational institutions are not theoretical; they call for great organizational and leadership talents. The "doer" is usually able to overcome whatever besetting difficulties may arise in such undertakings. Unfortunately, the habitual critics and theoretical analysts seldom are equal to such responsibilities.

Felix Adler, the founder of the ethical movement, was one of those rare men who combined the talents of the "doer" with those of the reformer. He was gifted with the insights of a prophet and the wisdom of

the organizer. Tangibility of accomplishment was the test he applied to all his activities. As a result, his powerful influence was felt by people of all types and in all walks of life; indeed, it is still being felt throughout the world of ideas and ideals.

The critical approach is usually negative and is rarely creative. Many of our fellow members indulge themselves in this. An instance was evidenced at the American Ethical Union assembly, held in Washington, D.C. last month, when all the resolutions presented were critical and called for changes. I agreed with some of these but I was disturbed when I found none which praised accomplishment or initiated new concepts. Surely our Government has recorded some such; to mention but a few, the test ban treaty, the cutback in production of fissionable materials and the recent railroad settlement. Many other gains have been made which might have warranted commendation.

I suspect that many of our children will see the world in clearer perspective and with greater vision. They will come to appreciate increasingly the needlessness of limitless aggrandizement—personal, national, or international. They will, I hope, measure success for what it is and what it does to people and for people. They will realize with new clarity that the resources available to man are sufficient to meet his needs and they will do more about making this availability universal. They will contribute inventiveness to the business of living which the dominant forces in society have not done to the extent necessary. They will see the importance of preserving opportunities, incentives, and rewards for the gifted, for men who can manage and lead. The world will never have enough such individuals and the world cannot function effectively unless such men are encouraged and permitted to make their contribution. They will likewise see the necessity for creating conditions which encourage useful and worthy living for men of lesser capacities.

The doubtful credo that man should obtain more and more material rewards for doing less and less must be reexamined. This applies to capitalists, workers, governments, and nations. It is a central moral issue. If this credo continues to go unchallenged, our way of life will be impaired. The sense of service and responsibility which has been the cornerstone of the development of democratic societies has been and is being tarnished by this thesis. Indifference, routinized relationships, rigid and limiting rules are not the values of a great people. We can do much better than this and must find the way to do so. The labor movement, too, would be well advised to address itself to this subject as a matter of basic concern.

But as to the here and now, we must make work and career prouder. We must broaden the meaning of citizenship. We must involve greater responsibility for all. We must practice less indifference to the world outside of self. We must be ever conscious of the injustices which are present in the world and we must come to appreciate that they are ignored at our peril.

How do we relate these vast considerations to our personal lives? What changes should we make in our attitudes and relationships? Are we satisfied with everything we have done personally in our ethical determinations and in our human relationships? To what extent should we adopt more consciously ethical motivations and evaluations? Are you proud of your life and, if not, what can you do about it now?

I think you can do much and your presence here suggests that you want to do much. I say to you: "It is a happier and more productive way of life to set your standards high regardless of what the standards of others may be." We are in a high, not a low, com-

mon denominator society. This is or should be the distinctive characteristic of a free democratic society. The joys of an ethical life are unknown to those who have failed to consider its satisfactions. The day-to-day situations you deal with, the manner of your speech, your reactions, the quality of your personal relationships and the respect and admiration you earn are not to be underestimated. You must care; you must want to make the world a better place in which to live; not by criticism and objection alone, not by financial gifts alone, desirable as they may be; but by constructive concern, affirmative and generous participation and some sacrifice. This is living worthily. Wealth is not the keystone of happiness; it can and does afford some opportunities not available to those who lack financial resources but it does not insure successful living. Each of us has experienced nobility and ethical sensitivity in the most unexpected places; indeed, amidst poverty and suffering.

In any discussion of ethics, one should include the Communist world which knows so little about us and about which we, too, really know so little. I have had considerable experience in working with and observing Communist governments and people, Communist industry and institutes, and Communist planning agencies and their functioning. As a result, I am convinced that no theory of government in itself creates or maintains ideal conditions.

I regard the totally planned society as a theoretician's dream. I believe that its seeming successes have been accomplished at enormous cost in economic and personal terms. While the Communist hierarchy, largely for ideological reasons, condemns policies which deviate from Marxist-Leninism, in practice they are constantly changing their methods and policies. I am confident radical changes in the functioning of Communist countries will continue to be necessary.

The Western World can help speed this process—a consideration which I fear has been overlooked by our Government and our people. Domestic political biases have been allowed to exert dominant influence upon policy. Anticommunism has been permitted to become the "sure fire" tool of the demagog in all walks of life. It has been a foolproof political weapon which is equally effective in attracting the ill equipped and ill informed. The net result has been to unfit many of our citizens to make the objective judgments which the times demand.

Our Government needs the support and encouragement of an informed citizenry if its leadership is to initiate the services it is obligated to contribute. We begin to see increasing evidence of a better balanced and more mature view of our role in East-West relations. This must become an affirmative and creative one. It is a moral necessity.

The Communists have greater problems than we have, both within individual countries and within their bloc but this does not reduce our responsibility. As people, we must learn to relate to the billion or more humans who presently live under that form of government. You and I must and can do this. Only by so doing, will it be possible for us to influence them and the world in which both we and they live. We must reach them on all levels of life and in functioning relationships and the sooner this can be brought about, the better for mankind. This is an ethical necessity.

Returning to my main theme, it seems to me that the central task of mankind is the development of man in the free world, man in the Communist world and man in the emerging world. The ethical emphasis is applicable in all environments. There are ethical answers to man's difficulties and each of us in his small way is, or should be, engaged in the vineyards of ethical clarification.

THE UNITED STEELWORKERS OF AMERICA COMMENDED FOR EXCELLENT PAMPHLET ON CITIZEN ACTION FOR HOUSING AND URBAN RENEWAL

The SPEAKER. Under previous order of the House, the gentleman from Delaware [Mr. McDowell] is recognized for 30 minutes.

Mr. McDOWELL. Mr. Speaker, the national housing policy, set forth in the Housing Act of 1949, calls for providing as soon as feasible, decent, safe, and sanitary housing for every American family.

One of the important concerns of the United Steelworkers of America is the provision of such housing for the members of this great union and their families. In his cogent foreword to an excellent pamphlet issued by the United Steelworkers of America on the subject of "Citizen Action for Housing and Urban Renewal," David J. McDonald, president, writing about "What Urban Renewal Needs," declares:

Citizen participation is a vital element that must be present if our communities are to succeed with urban renewal programs. To be meaningful, citizen participation should begin with the earliest planning stages and continue until the programs are finally accomplished.

To be genuine and effective, citizen participation must represent the whole community—especially the population groups that will be most affected by the inevitable hardships of eviction and relocation.

The local redevelopment agency has the responsibility of seeing that citizen involvement is truly representative. If this responsibility is not fulfilled, individual citizens and citizen groups—particularly labor unions—must take the initiative.

I include excerpts from this excellent pamphlet on how to obtain better housing, and the shortcomings of the present housing programs, for the information of my colleagues with the hope that they will demand better housing, and at prices that low-income, and middle-income, families can afford to pay. Most families in these income categories now pay high rental for very poor housing. The Federal urban renewal program at present has been concerned with urban areas, but has not provided housing for the families which need it most. In fact, a recent conference at Harvard University found that the Federal urban renewal program has been a complete failure in providing low-income housing.

Mr. Speaker, President Johnson has called on Congress to wage war on poverty, and has called attention to the central cause and effect of poverty: the ill-housed conditions of literally millions of our fellow citizens. The President is right in saying that the war on poverty must rehouse our fellow citizens who are living in homes of such poor condition that their health and safety is endangered.

I have recently introduced a bill to amend the National Housing Act to provide special assistance for low- and middle-income families. My bill, H.R. 10251, amends section 305 of the National Housing Act to provide that the Federal National Mortgage Association

shall exercise its special assistance functions by purchasing mortgages on single-family dwellings for low-income families insured under section 221(d) (2) of such act in order to provide housing for slum dwellers who are not being provided decent, safe, and sanitary housing under the present Federal urban renewal program. That program has provided luxury apartments, and prime office space, but has done little to provide housing for low- and middle-income families, either in our major cities or our small towns and rural areas.

I said on March 11, in the CONGRESSIONAL RECORD, pages 4953 and 4954 in explanation of my bill, and I repeat here, that I am convinced that my bill, H.R. 10251, will, if adopted, make a major contribution to providing decent, safe, and sanitary housing for our low- and moderate-income families under private enterprise, and that it is long overdue.

I hope the House Special Housing Subcommittee will approve it since it meets a critical need recognized by the Congress in the Housing Act Amendments of 1961, but which the Congress did not adequately provide for.

We would all agree with President Johnson that the perpetuation of poverty in our rich Nation is disgraceful and subversive of our great ideals.

In his testimony before the House Special Housing Subcommittee, FHA Commissioner Philip N. Brownstein justified the provision of vacation houses in the Housing and Community Development Act of 1964 on the grounds that there is a heavy demand for such housing, that we are already a two-automobile-per-family economy, and we are rapidly becoming a two-home-family economy, and, further, that the provision of vacation homes "will stimulate the economy as well as provide a mechanism for the more affluent of our society to get some of the better things that are available."

A housing act which provides vacation homes for the more affluent of our society and does not provide clean, safe, and sanitary housing for low- and modest-income families cannot be justified.

The effect of my amendment would be to authorize the Federal National Mortgage Association to purchase mortgages insured under the FHA section 221(d) (2) program to the extent of \$220 million after the date of the enactment of the Housing and Community Development Act of 1964. The total amount of purchases and commitments authorized would not exceed \$220 million outstanding at any one time.

The 1961 amendment to the National Housing Act provided that the liberal provisions of FHA Mortgage Insurance would apply to low- and moderate-income purchasers as well as families faced with forced relocation due to urban renewal or other governmental action. Previous to the adoption of these amendments, FHA section 221(d) (2) provisions applied only to displaced families, as I have already noted.

At the present time families other than displacees can, indeed, qualify for single family homes under the FHA section 221(d) (2) program, while two-, three-,

and four-family properties under this section are limited to displaced family purchasers.

Single family low-and-moderate income home purchasers can, indeed, qualify for liberal FHA mortgage insurance provisions but with a significant handicap. For example, on a \$10,000 single home property a 3-percent or \$300 downpayment and a 97-percent mortgage is required of qualified purchasers who are not displacees.

On the other hand, a displaced family may receive a 100-percent mortgage with minimum equity of \$200 which may be deferred under agreement with the mortgagee.

The significant difference and handicap facing the nondisplacee purchaser is that he must, in addition, obtain the required permanent mortgage through the builder or seller within the 1-percent financing charge allowed by FHA as part of the closing cost.

In many areas such FHA mortgages require that the builder or seller pay a finance charge of additional points or percentages of the mortgage varying from 3 to as high as 8 points.

Obviously, the builder or seller must absorb this charge, and one way or another add it to the cost of the property—the smaller the mortgage, the higher the finance charge by many lending institutions.

Therefore, thousands of low- and moderate-income families not qualifying for the "displaced family" eligibility find that they cannot afford to take advantage of the National Housing Act provisions of the FHA section 221(d) (2) program.

This finance charge problem is not faced by the eligible displaced family purchasers. Their home property permanent mortgages under the present National Housing Act provisions will be purchased from the private mortgagee for a nominal fee by the Federal National Mortgage Association. This Federal National Mortgage Association support, therefore, provides readily available financing in any locality where the property is under commitment by the Federal Housing Administration.

I include at this point in my remarks the text of my bill, and excerpts from the commendable housing pamphlet published by the United Steelworkers of America:

H.R. 10251

A bill to amend section 305 of the National Housing Act to provide that the Federal National Mortgage Association shall exercise its special assistance functions by purchasing mortgages on single-family dwellings for low-income families insured under section 221(d) (2) of such Act in order to provide housing for slum dwellers who are not being provided decent, safe, and sanitary housing under the present Federal urban renewal program

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby finds and declares that the national housing policy, set forth in the Housing Act of 1949, calling for (1) the elimination of substandard and other inadequate housing, and (2) the realization as soon as feasible of the goal of a decent home and a suitable living environment for every Ameri-

can family is not being achieved by the present Federal urban renewal program.

Sec. 2. Section 305 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(1) Notwithstanding any other provision of this Act, the Association is authorized to make commitments to purchase, and to purchase, service, or sell, any mortgage covering a single-family dwelling for occupancy by a low-income family which is insured under the provisions of section 221(d) (2) of this Act on or after the date of enactment of the Housing and Community Development Act of 1964. The total amount of purchases and commitments authorized by this subsection shall not exceed \$220,000,000 outstanding at any one time."

CITIZEN ACTION FOR HOUSING AND RENEWAL

This is the third pamphlet in a series about housing problems for the United Steelworkers of America. Comments and questions may be sent to Roland M. Sawyer, housing consultant, United Steelworkers of America, 1500 Commonwealth Building, Pittsburgh 22, Pa.

DON'T JUST STAND THERE

As you read this, decisions that will affect your way of living and the future of your town are being made. Any decisions in a democracy take a lot of time. But decisions in housing and urban renewal are apt to be slower than others, for they involve vast sums of money, large numbers of people and—generally—three levels of government: local, State, and Federal.

Still, the decisionmaking machinery keeps moving, day after day. Surveys are being made. Reports are being written. Various plans are being discussed by housing and urban renewal administrators. City officials, bankers, manufacturers, merchants, lawyers, and other influential citizens are being consulted. All too often, labor leaders are ignored. Approvals are being sought from the local government. Financial aid is being requested from the Federal Government and from the municipality.

Finally, 1 year or 2 years or 3 years after the first survey, the newspapers announce that a certain blighted area will be cleared and rebuilt. Let's say it is a 20-acre tract with 500 dwellings. Most of the houses are in pretty bad shape. The newspapers publish pictures of the worst examples, and the average citizen concludes it will be wonderful to get rid of these eyesores. The land will be sold to builders of high-rise apartment houses and a shopping center. This is progress.

Or is it?

The other side of the coin

Most of the 500 families facing eviction won't rejoice. Those who qualify for public housing will be offered low-rent apartments—if the town has enough public housing. But some people don't want to live in a project, especially if it's 10 or 15 stories high. Their only course is to look for private housing they can afford, and the only place they can find it will be another slum.

Many families in blighted areas are homeowners. Some of these owner-occupied houses are well maintained. In most urban renewal operations, however, the minority of good houses are torn down with the rest. The owner can expect fair compensation. Yet \$6,000 or \$8,000 or even \$10,000 will rarely cover the price of a good standard house elsewhere.

The members of minority groups have the toughest problems. Some live in slums even though they could pay the price of dwellings in good neighborhoods. Racial prejudice denies them the chance to buy or rent outside of the slums.

Slum clearance inevitably means worse overcrowding in the remaining slums, unless

there is an ample supply of new low-rent and moderate-rent housing. Hardly a city has enough low-rent housing to shelter all of the people displaced by urban renewal. Many of these families simply disappear as completely as if they had been bulldozed into kingdom come.

This doesn't mean that urban renewal is an invention of the Devil. Properly used, urban renewal can be a blessing for cities suffering from senility, shabbiness, and straitened circumstances. The important thing is to make sure that urban renewal serves people, instead of merely kicking them out of their houses.

The way to minimize the hardships of demolition is through citizen participation in the process of making decisions. It isn't enough for a housing authority or urban renewal agency to consult city officials and businessmen. There must be consultation with the people who live in the affected neighborhood—the people whose houses are to be razed. If these citizens don't have strong organizations to represent them, organizations should be formed. Labor union members have a rare opportunity to help in organizing. Experienced unionists know how to form an organization, how to apply pressure where it is needed.

Citizen participation is required

Now it happens that the Housing and Home Finance Agency, the top Federal outfit in housing and urban renewal, has told the cities: There must be citizen participation, or the Federal Government won't put any money into your programs. HHFA requires every community seeking Federal aid to have what it calls a "workable program." The workable program has seven elements:

1. Effective codes for building, plumbing, electrical work and housing.
2. A comprehensive plan for land use, thoroughfares and community facilities, put into effect with a zoning ordinance, subdivision regulations, and a capital improvements program.
3. Neighborhood analyses, covering commercial and industrial areas as well as residential areas, with schedules of improvements needed.
4. Tightening of the municipal government setup so that the goals of the workable program can be carried out.
5. Prudent financing, with a long-range budget for public improvements.
6. Rehousing of displaced families in "decent housing in a suitable living environment."
7. Citizen participation.

Let us take a closer look at what the Federal Government means by "citizen participation." This is the explanation given in the HHFA fact sheet, "The Workable Program for Community Improvement," published in June 1963:

Citizen participation is the keystone of a community's workable program. It is the means by which citizens, through an officially designated Citizens Advisory Committee, can contribute by—

Informing themselves of goals and progress.

Assisting in formulating programs and goals.

Serving as the medium for bringing private resources into the program.

The Citizens Advisory Committee must be communitywide and representative in scope. It can use subcommittees as its work force to deal with special problems such as public information, community planning, neighborhood improvement, codes adoption and enforcement, home financing, relocation housing, and housing for minority groups.

A subcommittee or special committee on minority group housing is required in any community in which all housing resources, public and private, are not available on a basis of full equality to minority group fam-

ilies. The purpose of this committee is to study and formulate a program of community action in this field. Minority groups should be represented on the Citizens Advisory Committee as well as on the subcommittee or special committee.

In order to do its job effectively, the advisory committee and its subcommittee or special committees should—

Have a definite work program.

Meet on a regular schedule.

Have staff assistance.

A citizens advisory committee operating under those rules could do a beautiful job. It might also accomplish nothing at all.

Note that the committee is "officially designated." It would be perfectly natural for the committee members to be trusted friends and associates of the urban renewal commissioners or the top city officials. Such a committee would usually go along with any program recommended by the officials. It would not be inclined to say: "Hold on there. We don't see any decent housing available for the 500 families you plan to evict. Let's build low-rent housing before clearing any more slums."

The only reliable watchdog is a committee created by the citizens themselves, not one appointed by public officials.

ORGANIZING

One good way to start a citizens housing association is to invite half a dozen people to your house on a Friday evening. This puts you to the expense of serving coffee and cake or other refreshments, but it is cheaper than hiring a hall.

Be sure to have a good, clear reason for organizing. There are plenty of reasons for setting up a housing association in every city of the Nation. It is essential for the organizers to understand the problems in their own town so they can answer the person who asks, "What do we need another committee for, anyway?"

Checklist of housing problems

Here is a basic list of the housing problems found in most communities:

Shortage of reasonably priced good housing, excess of bad housing.

Too much slum clearance, too little construction of low-rent public housing.

Public housing that is too institutional, too tall.

Discrimination against minority groups.

Scarcity of open spaces for parks and playgrounds.

Shortage of housing for the elderly.

Spread of blight.

Ugly, poorly planned subdivisions that will soon become slums if they aren't already.

Out-of-date building code.

Inadequate enforcement of housing code.

Decide which one or two of those problems are the most urgent in your town. Don't try to tackle half a dozen at the beginning. You can always add to your agenda when the association gets bigger and stronger. Besides, a single crucial issue makes a better rallying point than a list of objectives. The revolutionaries of yesteryear made more progress by shouting "Down with the king," than they would have by demanding "Down with the king, the queen, the crown prince, the princess, the ministers of the council and all other agents of the crown."

You will need some basic facts on the urgent problem you select. Sources of information include:

The local housing authority and urban renewal agency.

The municipal government.

The Housing and Home Finance Agency, Washington, D.C., 20410.

Newspaper stories and advertisements.

The public library (don't overlook the Housing Census of 1960, with figures for your city).

Real estate men and other experts.

Minority organizations.

People who live in bad housing.¹

Gather your facts thoroughly. The success or failure of the new association may be decided by the kind of digging done before the first meeting. (The digging may be done by just one person, but it would be better to recruit two or three other investigators.)

Many of the facts and figures you want will be found in annual reports, census data and other documents. But some will be elusive. The executive director of the Housing Authority may say, "We have no exact figure on the number of substandard houses in the city today." Or the executive director of the urban renewal agency may explain, "It is simply impossible to tell what became of all the 500 families displaced by our urban renewal project." If precise figures are not available, get estimates. Don't let anybody give you the brushoff. You are a sovereign citizen. Your employees in government are obligated to heed your requests for information.

Remember the story of the grocery clerk who boarded a battleship on visitors' day and asked to see the admiral? A junior officer said politely, "Whom shall I say is calling?" The clerk replied, "Just tell him one of the owners is on board."

When you have assembled your facts, prepare a one-page fact sheet. This will be a dozen or so short, fact-filled sentences. Such as:

The city's first urban renewal project embraced 20 acres and evicted 500 families (380 nonwhite, 120 white).

Sixty-three percent of the displaced families were tenants, 37 percent owners. The median rent was \$40 a month, excluding utilities.

Rents in Ivory Towers, the 600-unit private apartment project built on the site, begin at \$90 and go to \$195. None of the 500 original families has become a tenant.

Real estate men and newspaper advertisements indicate that the minimum rent for a standard house in this city is \$75. Vacancies at this figure are rare.

Sixty-one percent of the evicted families were eligible for low-rent public housing. Nineteen percent moved into low-rent apartments. Forty percent moved to private housing elsewhere in the city, 8 percent moved out of town and 33 percent are unaccounted for.

Facts of this kind are more persuasive than arguments. An up-to-date fact sheet will be one of the new association's most useful tools during its entire life.

Your first fact sheet should be mimeographed for the initial meeting. Make enough copies for later use.

Choosing the founding fathers

Pick your fellow organizers thoughtfully. Try to get representatives from most of these fields: Labor, business, education, social welfare, health, religion, minority organizations,

¹ Most residents of slums are cooperative, articulate and well informed. In Newport News, Va., I talked to a number of families in 1962 so I could estimate some typical profits of slum ownership. One prize example was a two-story duplex with four apartments and two single rooms, all rented by the week for a total of \$73—\$3,796 a year. The full value of the property, from tax records, was \$5,300, and the annual tax was \$63.50 (the same rentals in public housing would return \$379 to the local government in lieu of taxes). There was no evidence that the owner was spending anything on repairs and maintenance—indeed, he did not even provide hot water. So, after paying taxes, he enjoyed an annual return of 70 percent on his investment. Every 17 months the property paid for itself and then started to pay for itself all over again. Case histories of this kind, complete with full names and addresses, are tremendously effective.

women's organizations, civic organizations, veterans' organizations and the slums themselves. These men and women should not come as official delegates from their organizations but as individuals. A delegate often lacks power to act on crucial issues until he has consulted his own board. But an individual can act immediately, and then solicit the support of his organization.

Your first meeting will be informal. The six or eight organizers should:

1. Discuss and tentatively agree on the first objective of the new association.
2. Choose a provisional president.
3. Choose a place and time for the first public meeting, and plan the agenda.
4. Make lists of people to be invited (each organizer should be responsible for telephoning or seeing about 10 persons).
5. Make a long list of organizations to be invited to send unofficial representatives.
6. Choose an information director who will notify the newspapers and radio stations of the first public meeting and provide them with fact sheets.

The public meeting will be enlivened by a speaker. One good bet would be the executive of a citizens housing association in another city. The hitch is that very few cities have active housing associations. Another possibility would be the executive director of the local housing authority or urban renewal agency. He should describe accomplishments and objectives of the local program and answer questions from the floor.

Start the meeting with the speaker and finish with the business session. Four committees should be authorized, and appointed in the next few days by the provisional president: (1) organizing, to draft bylaws; (2) nominating, to present a slate for officers and board members, subject to additional nominations from the floor; (3) ways and means, to recommend a dues scale, other sources of money and a plan for office space; (4) program, to propose initial activities.

Two important things to keep in mind for the first public meeting: First, start exactly on time. Don't set the miserable precedent of penalizing the early birds by making them wait for late arrivals. If members see that meetings begin on the dot, they won't come half an hour late.

Second, get names, addresses and identifications of all those present by handing them cards as they enter and collecting the cards when the business session begins.

At the second public meeting, perhaps a month later, permanent officers will be elected, bylaws will be adopted and the initial program will be decided. The association will be in business.

A final reminder: The task of collecting information and filing it for use as needed should never end. Mrs. Dorothy S. Montgomery, managing director of the Philadelphia Housing Association, was asked what she considered the key to her organization's outstanding performance.

"Getting the facts," she answered. "Our programs have always been based on a comprehensive analysis of conditions. It's the hard way, of course—but we avoid mistakes and we win popular support."

A few years ago hundreds of Philadelphia families were getting a raw deal. They were being evicted to make way for highways and other municipal improvements, but the city was not contributing a nickel toward their moving expenses. The Philadelphia Housing Association gathered and publicized the facts. The association pointed out that families displaced by Federal-local urban renewal projects did get compensation—why shouldn't the others? The result was that the city is now spending some \$300,000 a year to help these families relocate.

LABOR'S ROLE

The most valuable element that organized labor can contribute to a housing association

is militancy. The second most valuable element is money.

Nobody knows better than a union man that the best things in life aren't free. They have to be fought for, and even when they are won you have to keep on fighting to make the victory permanent.

Paradoxically enough, good housing is a controversial issue. Some of the country's fattest and most influential cats are bitterly opposed to it—unless they can get their share of cream. But, except for construction, there isn't any cream in low-rent housing or in true middle-income housing. Any profit added to the rent requires a higher income family—or a Government subsidy—to cover it.

If a Government subsidy is paid to a local housing authority so the housing authority can shelter low-income families, that's socialism—or so the real estate lobby says.

If a Government subsidy is paid to real estate men so they can shelter middle-income families, that's supporting the private enterprise system—or so the real estate lobby says.

Low-rent housing is also opposed by bigots. Although projects in the South are still segregated, mixed occupancy is the rule in most northern cities. A chief reason why there hasn't been more construction on vacant land—as commonsense demanded—is that vacant land is found in the fringe areas of cities. The fringe areas are mainly white. Any proposal for integrated housing in all-white sections has made the racial bigots yowl with anguish. Local housing authorities usually prefer to avoid conflicts with this noisy white minority. Union members, schooled in democratic practices, are not afraid to speak out when prejudice shows its dirty face.

Housing is a grievance

Labor's militancy is effective because it is firmly based on experience, not mere theory. Most union men know what housing is—from the inside. They have learned all the techniques of publicizing a grievance and fighting for a just settlement. They take pride in their collective strength and in their concern for the welfare of the entire community. No housing association will ever amount to much without the participation of labor.

Labor unions are the best source of money, too. Indeed, the financial support of labor can determine whether the housing association will limp along with volunteer help and no office, or become a community force with a paid staff of two or more persons. Individual membership dues, even when scaled up to \$100 for the more affluent, will cover only a small part of a minimum budget. Large contributions from corporations are more often dreamed of than deposited. But every sizable city has enough labor unions to provide a yearly total of \$15,000 to \$50,000 for a housing association.

No such sums will materialize unless representatives of the various unions sit down and decide what they want to do. Best plan is to set up a rough scale (say, from \$250 to \$2,500) of contributions, based on the number of union members.

Some unionists might suggest that board memberships in the housing association should reflect the sources of financial support.

If labor unions contribute 75 percent of the budget, shouldn't 75 percent of the directors be unionists? Arithmetic is a poor guide in this delicate situation. In order to be effective, a housing association must have two things—money and community support. If the association becomes primarily a labor organization, with only token representation for other sections of the community, there will be little point in its separate existence. The same work might as well be done, less expensively but less effectively, by the labor

unions themselves. It is important for the association to be known as the spokesman not only for labor but also for housewives, teachers, social workers, clergymen, businessmen, and civic leaders.

A balanced board

The National Housing Conference, the oldest nationwide housing association, has thoughtfully balanced labor representation on its large board of directors against labor's financial support. Although labor unions provide roughly 40 percent of the NHC budget (the proportion varies from year to year), only 15 percent of the directors are unionists. NHC is recognized as a spokesman for citizens generally rather than labor in particular.

Labor has amply demonstrated its ability to achieve housing goals even when acting alone. Consider what happened in Springfield, Ill. In April 1960, the Springfield Trade & Labor Council heard a recommendation from Ross Loughmiller, the AFL-CIO man on the Springfield Housing Authority, that housing for the aged be built on the city's first urban renewal tract. The council's executive board liked the proposal and took it to the city council—but the councilmen were not enthusiastic. Further, the planning commission was strongly opposed. Chairman Richard Putting said public funds should not be used to house the elderly. That would have ended the matter if the union men hadn't acted like union men. They came right back with a demand for 100 dwellings on an alternate site if the urban renewal area could not be used. The planning commission thought some more and decided a month later that the project could be in the renewal tract after all. By the spring of 1963, just 3 years after the trades and labor council had begun its campaign, construction of the 100 units was well underway.

Why the Youngstown realtors lost

The Springfield story is a typical illustration of union labor's concern for the general welfare. Ever since public housing was launched by the Housing Act of 1937, the program has been under attack in Congress, in the States, and in the municipalities. Again and again it has survived because labor gave timely support. One of the classic battles was fought in Youngstown in 1954. Using a dummy taxpayers association as a front, local realtors undertook a costly campaign for an ordinance that would have stopped the housing authority from building a sorely needed project on vacant land. Union members and other citizens set up a special committee to fight the realtors. The ordinance was defeated, 27,241 to 19,079.

Eight years later P. L. Strait, who was executive director of the housing authority at the time of the referendum, wrote a long letter to Director James P. Griffin of the Steelworkers' District 26. The union men had made victory possible in "one of the bitterest conflicts in the history of the city," he said. "Had it not been for their organizing skill, contribution of funds, and wide experience in such conflicts, the public housing program would have come to an end," he concluded.

Not every city reports the Youngstown brand of labor activity. The executive director of one citizens' housing association commented: "We have five or six labor officials on our board but they never show up at meetings. It would be much better if we could get some younger and more interested union people. We look to our board members for some real work, not just the privilege of using their names on our letterhead."

GOVERNMENT'S ROLE

The Federal Government is the chief source of funds for local public housing (since 1937) and for urban renewal (since 1949). It also provides assistance in plan-

ning, mass transportation, and construction of private housing for the aged and for members of cooperatives. Detailed information about these programs may be had from the Housing and Home Finance Agency, Washington, D.C.

Low-rent public housing is financed by bond issues, like major highways and schools. The bonds are paid off out of rentals. The deficit between income and expense is covered by a Federal cash subsidy and by local tax exemption (every local housing authority, however, pays the municipality 10 percent of its net rentals in lieu of taxes).

How urban renewal works

Urban renewal is a method for clearing blighted areas and putting them to better use—private or public. The local urban renewal agency, which is often the local housing authority, acquires a tract by purchase or condemnation. It prepares a plan for redevelopment: private apartments, commercial or industrial buildings, highways, parks, public buildings or public housing. The cleared land is then sold for market value, which is considerably less than purchase price plus cost of demolition. The loss is covered two-thirds by the Federal Government, one-third by the municipality. Another phase of urban renewal provides for rehabilitation of areas that are going downhill.

Urban renewal has been generally popular with private builders and investors. The dissenting opinions of evicted low-income families are seldom publicized. Low-rent public housing has stirred up so much hostility (mostly from prosperous citizens and racial bigots) that even the Housing and Home Finance Agency is chary about using the term "low-rent public housing" in print. Discussing the relocation of evicted families in its fact sheet, "The Workable Program for Community Improvement," HHFA says that builders, lenders, and real estate firms should be encouraged to participate "in programs for the construction of relocation housing." This won't work, of course, since private enterprise cannot afford to build for most middle-income families, let alone the low-income group. So HHFA then mentions "the initiation of appropriate steps to obtain the use of Federal aids intended to facilitate construction, rehabilitation and financing of housing needed by displaced families." That apparently means low-rent public housing.

We know what's best

Note that although the public housing and urban renewal laws—and funds—originate in Washington, both programs are locally administered by local agencies. In theory, these agencies exist to create better lives for citizens and for communities. For the most part they have succeeded. Yet public housing and urban renewal have been too often characterized by the bureaucratic attitude of "We know what's best for the public." The fact is that sometimes the public is wiser than the administrators.

Certainly the legislators and the administrators have made little more than token efforts to find out what low-income tenants or evictees want. People from the slums don't travel to Washington to testify at public hearings along with representatives of the Mortgage Bankers Association and the U.S. Conference of Mayors. They hardly ever appear at meetings of local housing authority boards.

Upper income thinking

Although the boards of housing authorities and urban renewal agencies commonly have a union member or two, most commissioners represent the upper income brackets. They have established a remarkable record for integrity and for civic spirit (no commissioner gets paid).

But when they make decisions affecting thousands of lives, these men and women tend to think in terms of what's good for the town, and many of them are persuaded that what's good for private business is very good for the town.

For example, the largest corporation in one city needed more space. The plant was wedged between a river and a slightly blighted residential section. It happened that an officer of the corporation was chairman of the local redevelopment authority. Result: A five-block area was turned into a \$1,400,000 urban renewal project, and the corporation got the section it needed for about one-fifth of the actual cost. It was a perfectly clean transaction. Both the corporation and the community stood to gain. The only losers were the families who got evicted.

One forthright official of a redevelopment agency made this private comment:

"You get into public service, and after a few years you start acting like it's your own private business. You tend to lean on the advice of advisory committees which think the same way you do. You don't feel obligated to explain a specific project to the people living in the area. Some of these people have been living there for 20 or 30 years or longer. Yet nobody considers it important to tell them exactly why their houses are going to be torn down, and precisely when they should move.

Not unless they organize

"Imagine, if you can, an urban renewal agency run by people from blighted areas. So one day a big shot banker reads in the morning paper that his estate has been included in an urban renewal park project. You know what would happen—he would call the mayor and raise hell, and the mayor would say it must have been a mistake and he would personally see to it that the plans were changed. And they would be. Now the janitor's 25-foot lot may be just as important to him as the 10 acres are to the banker, but is the mayor going to listen to Mike Murphy or Jesus Gonzales or any other poor devil from the slums? Not unless they organize and march on city hall."

The building of low-rent housing and the clearance of blighted acres have become new roles of government in the United States. But the old responsibility of government remains: To heed the petitions of citizens. The responsibility of citizens is to speak out so clearly that every government official can hear them.

The citizens have not always done so. The problem of middle-income housing is a pertinent example. Millions of families have too much income to qualify for low-rent public housing—but not enough to afford good private dwellings. Congress knows this. The Housing and Home Finance Agency knows it. Everybody knows it, especially the real estate industry, which doesn't want the Government to enter the middle-income field. So, for a quarter of a century, Congress has shut its eyes to the need for middle-income housing. A few concessions have been made, but there is still nothing that could be called a real program. And there won't be—until the citizens resolutely demand it.

CITIZENS IN ACTION

Nothing redevelops a governmental bureaucracy more effectively than a rebellion of the citizens.

In New York City, the dictator of urban renewal for many years was Robert Moses. A local saying was "Man proposes, Moses disposes." Block after block of housing was leveled as the bulldozers kept rolling along. Protests were muffled and protestants were muted by the collapsing walls.

One of the choicest sections of Greenwich Village caught Moses' eye. This was an area just south of Washington Square, where old

tenements and a few modern apartment houses backed up on a green strip extending for the full length of a long city block. It was like a hidden park. Nearby on Macdougall Street were the coffee houses, shops, and restaurants that have attracted hundreds of thousands of tourists. Moses decided that all of these old-fashioned buildings should be demolished and something more sanitary erected.

Farewell to Moses

The old structures are still standing, but Moses is no longer redeveloping. What happened was that the people revolted. They didn't know that you can't fight city hall, so they went ahead and fought and won. The urban renewal scheme was junked.

Something entirely different happened in Philadelphia. The redevelopment authority and the planning commission wanted to save a neighborhood that was going downhill fast. There were 1,050 dwellings in the 67-acre Morton project on Germantown Avenue. For decades the neighborhood had been racially integrated, with Italians and Negroes predominating. The Italians had no wish to abandon the fig trees, the grape vines, and the flowers they had tended for years. The Negroes knew there were few good neighborhoods where they would be welcome.

So, instead of leveling the whole area, the redevelopment authority carefully selected the worst structures—about one-fifth of the total. After they were demolished, the housing authority built small clusters of two-story, low-rent dwellings, designed to harmonize with the neighborhood. The existing industries were allowed to remain, since they employed many of the residents.

Louis Sauer, an architect who could see values in old things as well as new ones, was hired by the redevelopment authority to help the residents improve their shabby properties.

"I met with 10 owners at first and asked them what they wanted," he recalls. "We discussed the front of the houses and the backyards. The rear was a mess of junk and trash on a steep upward slope. I had hoped to get rid of the fences dividing the narrow lots and have a clear sweep, but the owners didn't want that. The fences remained. If you ask people to give you a mandate, you have to accept it."

The people are still there

The Morton project isn't finished yet. Blight hasn't been eradicated. But people haven't been eradicated, either. The families who have felt comfortable in the neighborhood for many years are feeling a bit more comfortable today. If there is any better test of the value of urban renewal, the people in Philadelphia haven't heard of it.

All over the Nation today thousands upon thousands of houses are being demolished because an urban renewal agency thinks it would be better to have high-rise and high-rent apartments, or because a highway engineer wants to let more people drive downtown to hunt for parking space. Almost any proposed new use is considered more important than the ancient function of sheltering a family. And so people are evicted to make way for supermarkets and speedways. When citizens organize to assert their equality with automobiles and apartment houses, urban life will become sweeter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ASPINALL, from 5 p.m. June 11 to June 13, 1964, on account of official business.

Mr. TAYLOR (at the request of Mr. FOUNTAIN), on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to the following Members (at the request of Mr. MARTIN of Nebraska):

Mr. LINDSAY, for 30 minutes, June 10, 1964, to revise and extend his remarks and include extraneous matter.

Mr. BROMWELL, for 15 minutes, June 11, 1964, to revise and extend his remarks and include extraneous matter.

Mr. McDOWELL (at the request of Mr. MATSUNAGA), for 30 minutes, today; to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. WILLIAMS and to include a speech.

Mr. ROGERS of Florida in his remarks during the Committee of the Whole on H.R. 11380 and to include a letter from the Agency for International Development.

Mr. RYAN of New York and to include certain extraneous material in his remarks during general debate on H.R. 11380.

(The following Members (at the request of Mr. MARTIN of Nebraska) and to include extraneous matter:)

Mr. BEERMANN.

Mr. FULTON of Pennsylvania.

Mr. WYMAN

(The following Members (at the request of Mr. MATSUNAGA) and to include extraneous matter:)

Mr. CELLER.

Mr. MURPHY of Illinois.

Mr. EDWARDS.

Mr. PUCINSKI.

ADJOURNMENT

Mr. MATSUNAGA. 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 tomorrow, Thursday, June 11, 1964, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2156. A letter from the Comptroller General of the United States, transmitting a report on the review of the contract target price negotiated in September 1960 for Department of the Air Force fixed-price incentive contract AF-04(647)-684 with American Bosch Arma Corp., Arma Division, Garden City, N.Y., disclosed that the negotiated target cost was overstated by \$216,153. Unless adjusted, this overstatement will result in increased costs to the Government in the form of unwarranted profits to the contractor of \$52,958; to the Committee on Government Operations.

2157. A letter from the Comptroller General of the United States, transmitting a report relating to the audit of the U.S. Study

Commission, Southeast River Basins, for the period August 28, 1958, and was terminated December 23, 1963; to the Committee on Government Operations.

2158. A letter from the Administrator, National Aeronautics and Space Administration, transmitting a report to the Committee on Science and Astronautics of the House of Representatives on the use of \$1,350,000 of funds of the National Aeronautics and Space Administration for the construction of research facilities at Cornell University, Ithaca, N.Y., pursuant to 77 Stat. 141, 142 and 77 Stat. 425, 439; to the Committee on Science and Astronautics.

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. DELANEY: Committee on Rules. House Resolution 747. A resolution providing for the consideration of H.R. 1835. A bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; without amendment (Rept. No. 171). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHMORE:

H.R. 11546. A bill to validate certain payments made to employees of the Forest Service, U.S. Department of Agriculture; to the Committee on the Judiciary.

By Mr. LIPSCOMB:

H.R. 11547. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. NELSEN:

H.R. 11548. A bill to amend section 7701 of the Internal Revenue Code of 1954 to clarify the tax status of certain professional associations and corporations formed under State law; to the Committee on Ways and Means.

By Mr. PUCINSKI:

H.R. 11549. A bill to amend chapter 57 of title 39, United States Code, so as to authorize the free use of the mails in making reports required by law of certain payments to others; to the Committee on Post Office and Civil Service.

By Mr. QUIE:

H.R. 11550. A bill to amend title II of the Social Security Act to increase all survivors' benefits, to permit the payment of child's insurance benefits beyond age 18 for children attending school, and to increase the amount of outside earnings permitted without deductions from benefits; to the Committee on Ways and Means.

By Mr. RIEHLMAN:

H.R. 11551. A bill to authorize the sale of certain coins at their numismatic value, and for other purposes; to the Committee on Banking and Currency.

By Mr. SNYDER (by request):

H.R. 11552. A bill to amend the Federal Aviation Act of 1958 to require the Civil Aeronautics Board to enforce the duty imposed on each carrier to provide adequate service in connection with the transportation authorized by its certificate of public convenience and necessity; to the Committee on Interstate and Foreign Commerce.

By Mr. TALCOTT:

H.R. 11553. A bill to amend the Internal Revenue Code of 1954 to allow a taxpayer an additional income tax exemption for a dependent who has attained age 65 or is blind; to the Committee on Ways and Means.

By Mr. LIBONATI:

H.R. 11554. A bill to establish the "I Will" National Monument Commission, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORSE:

H.R. 11555. A bill to amend title II of the Social Security Act to provide a 10-percent across-the-board increase in benefits thereunder, and for other purposes; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 11556. A bill to authorize the coordinated development of the water resources of the Pacific Southwest, and for other purposes; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H.R. 11557. A bill for the relief of Jan Onnik Bahadir; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 11558. A bill for the relief of Louis Discenza; to the Committee on the Judiciary.

By Mr. DOWNING:

H.R. 11559. A bill to incorporate the Holland Society of America; to the Committee on the District of Columbia.

By Mr. GUBSER:

H.R. 11560. A bill for the relief of Mrs. Antonia Farina Avenger; to the Committee on the Judiciary.

By Mr. GURNEY:

H.R. 11561. A bill for the relief of Mrs. Maria Mercedes Porter; to the Committee on the Judiciary.

By Mr. JOHNSON of California:

H.R. 11562. A bill to authorize the Secretary of the Interior to sell Enterprise Rancheria No. 2 to the State of California, and to distribute the proceeds of the sale to Henry B. Martin, Stanley Martin, Ralph G. Martin, and Vera Martin Kiras; to the Committee on Interior and Insular Affairs.

By Mrs. KELLY:

H.R. 11563. A bill for the relief of Dan and Sarah Gwily; to the Committee on the Judiciary.

By Mr. KILBURN:

H.R. 11564. A bill for the relief of Charles and Claude Pomerat and children, Jean Marie and Silvain Mirsamadzadeh, and Charles Hadrien Pomerat; to the Committee on the Judiciary.

By Mr. LESINSKI:

H.R. 11565. A bill for the relief of Weronika Plawecki; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 11566. A bill for the relief of Anastasios Alexander Holdas; to the Committee on the Judiciary.

By Mr. SENNER:

H.R. 11567. A bill for the relief of Fay Lun Mar; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

922. The SPEAKER presented a petition of Henry Stoner, Avon Park, Fla., relative to requiring the Committee on the Judiciary to put some serious thought to the getting of writs of habeas corpus by epileptics after said epileptics have "come to"; to the Committee on the Judiciary.