By Mr. ROYBAL:
H.R. 16412. A bill for the relief of Hae Ung Kyang; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JULY 20, 1966

The Senate met at 12 o'clock meridian, and was called to order by the Acting President pro tempore (Mr. METCALF).

Rev. Donald O. Wilson, rector, St. James Protestant Episcopal Church, Baltimore, Md., offered the following prayer:

Lord God of earth and sky, who in Thy power rulest our universe, we are grateful that humble mortals may come to Thee and call upon Thee to be our aid as we attend to the affairs of men. So we who are assembled here address ourselves to Thee and petition Thy presence and guidance in all we think and say and do.

Make us humble: in our humility make us hard to the dictates of selfish wills and the dictates of mortal minds, but establish within us a deep sensitivity to the leading of the divine will that is always concerned about the good of our country and people.

Make us wise: in our deliberations, help us to value our intellectual pursuits of objective truth that decisions may be based on revelation coming from divergent points of view so that we spend little time in conflict about nonessentials. Help us to be so intent on serving our country and our fellow men that we receive with joy such decisions that, while they may not be pleasing to an individual point of view, are, to our knowledge and faith, pleasing to Thee.

Make us courageous: we pray Thee, direct the course of our Government through these persons entrusted with the task of governing. Fill them with courage to decide and lead not only for the short time of the present, but for the enduring future. We lay before Thee the complex problems of our time, that, directed by Thee, we may be led to their proper solutions, not for reason of pride or vainglory, but that mankind may enjoy the proper fulfillment of their human potential as they live in Thy world, with their fellow men in freedom, prosperity, love, and happiness.

Grant that we may labor so diligently that we have joy in full measure, knowing that in serving, we are instruments of Thy will.

Bless the President of these United States, and all those in authority. Grant them Thy gifts of health, wisdom, and courage and make them ever mindful of their calling to serve Thee by serving all, through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 19, 1966, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Geisler, one of his secretaries, and he announced that on July 18, 1966, the President had approved and signed the act (S. 2266) to authorize the Attorney General to transfer to the Smithsonian Institution title to certain objects of art.

EXECUTIVE MESSAGE REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate a message from the President of the United States withdrawing the nomination of Bruce L. Moore to be postmaster at Bear Lake, Pa.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 3034) to authorize the Secretary of the Interior to engage in feasibility investigations of certain water resource development proposals, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 1336. An act for the relief of Rene Hugo Heismann;

H.R. 1822. An act for the relief of Won Loy Jung;

H.R. 10633. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes; and

H.R. 10846. An act for the relief of Katherine Nabokoff and Emil Homoceanu.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 822) to authorize the Secretary of the Interior to convey certain public land in Wyoming to Clara Dozier Wire.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 1336. An act for the relief of Rene Hugo Heismann;

H.R. 1822. An act for the relief of Won Loy Jung; and

H.R. 10846. An act for the relief of Katherine Nabokoff and Emil Homoceanu; to the Committee on the Judiciary.

H.R. 10633. An act to provide for the disposition of funds appropriated to pay a judgment in favor of the Quileute Tribe of Indians, including the Hoh Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

DELETION OF INTEREST RATE LIMITATION ON DEBENTURES ISSUED BY FEDERAL INTERMEDIATE CREDIT BANKS

A letter from the Governor, Farm Credit Administration, Washington, D.C., transmitting a draft of proposed legislation to delete the interest rate limitation on debentures issued by Federal intermediate credit banks (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON APPROVAL OF LOAN TO MINNKOTA POWER COOPERATIVE, INC., GRAND FORKS, NORTH DAKOTA

A letter from the Administrator, Rural Electrification Administration, Department of Agriculture, Washington, D.C., transmitting, pursuant to law, a report on the approval of a loan to the Minnkota Power Cooperative, Inc., of Grand Forks, N. Dak. (with an accompanying report); to the Committee on Appropriations.

LIBERALIZATION OF PROVISIONS RELATING TO REINSTATEMENT AND RENEWAL OF TERM POLICIES OF NATIONAL SERVICE AND U.S. GOVERNMENT LIFE INSURANCE

A letter from the Administrator of Veterans' Affairs, Veterans' Administration, Washington, D.C., transmitting a draft of proposed legislation to liberalize the provisions of title 38, United States Code, relating to the reinstatement and renewal of term policies of national service and U.S. Government life insurance (with an accompanying paper); to the Committee on Finance.

REPORT OF CIA UNDER PUBLIC LAW 85-934

A letter from the Director, Central Intelligence Agency, Washington, D.C., reporting, pursuant to law, that, during fiscal year 1966, that Agency made no grants under the authority of Public Law 85-934; to the Committee on Government Operations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on significant problems in the administration of right-of-way acquisition activities for the Federal-aid highway program in the State of Utah, Bureau of Public Roads, Department of Commerce, dated July 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of procurement of equipment for implementing automation of water data records, Geological Survey, Department of the Interior, dated July 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential savings through greater use of available Government gasoline outlets, Department of Defense, dated July 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on savings available by use of conventionally designed airport traffic control towers at low-activity airports, Federal Aviation Agency, dated June 1966 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on survey of internal audits and inspections relating to United States activities in Vietnam, Department of State, Agency for International Development, Department of Defense, dated July 1966 (with an accompanying report); to the Committee on Government Operations.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

PROPOSED CONCESSION CONTRACT AT GLEN CANYON DAM SITE, ARIZONA

A letter from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed concession contract at the Glen Canyon Dam site in Glen Canyon National Recreation Area, Ariz. (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT UNDER SUBVERSIVE ACTIVITIES CONTROL ACT OF 1950

A letter from the Attorney General, transmitting, pursuant to law, a report on activities under the Subversive Activities Control Act of 1950, for the year ended May 31, 1966 (with an accompanying report); to the Committee on the Judiciary.

REPORTS ON PETITIONS OF CERTAIN ALIENS ACCORDING THIRD PREFERENCE AND SIXTH PREFERENCE CLASSIFICATIONS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports on the petitions of certain aliens according third preference and sixth preference classifications to said aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

A resolution adopted by the Executive Committee of the Citizens' Action Committee, Inc., Erie, Pa., praying for the enactment of legislation to appropriate sufficient moneys to enable antipoverty efforts to continue; to the Committee on Appropriations.

The petition of John L. Horn, assistant professor of psychology, University of Denver, Denver, Colo., remonstrating against any plan to expand conscripton; to the Committee on Armed Services.

A resolution adopted by the City Council of the City of Chicago, Ill., praying for the enactment of legislation to remove the prohibition ordered by the Federal Aviation Administration against the landing of flights at National Airport, Washington, D.C., originating at points outside a radius of 500 miles of the Capital; to the Committee on Commerce.

A resolution adopted by the Metropolitan Airports Commission, St. Paul, Minn., praying for the enactment of legislation to establish and promulgate a maximum standard of aircraft noise; to the Committee on Commerce.

A resolution adopted by the British Honduran Freedom Committee of New York, N.Y., remonstrating against the claim of Guatemala to British Honduras; to the Committee on Foreign Relations.

A resolution adopted by the Minnesota Council of State Parks, St. Paul, Minn., praying for the enactment of legislation to establish the Voyageurs National Park in the Rainy Lake-Kabetogama Peninsula area; to the Committee on Interior and Insular Affairs.

A resolution adopted by the North Dakota Pharmaceutical Association, Bismarck, N. Dak., praying for the enactment of legislation to grant commissions to pharmacists entering the armed services; to the Committee on Labor and Public Welfare.

DESIGNATION OF FLAG DAY AS A NATIONAL HOLIDAY—RESOLUTION OF SENATE OF STATE OF PENNSYLVANIA

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD, Senate Resolution No. 24 of the Senate of the State of Pennsylvania, together with a letter of transmittal, signed by the Secretary of the Senate of Pennsylvania, Mark Gruell, Jr.

There being no objection, the letter and resolution were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

SENATE OF PENNSYLVANIA,
July 13, 1966.

Hon. HUGH SCOTT,
Senate Office Building,
Washington, D.C.

GOOD MORNING SENATOR SCOTT: At its session on July 11, 1966, the Senate of Pennsylvania unanimously adopted Resolution, Serial No. 24.

In accordance with the directions contained therein, I am forwarding a certified copy to you.

With kindest regards,
Sincerely,

MARK GRUELL, Jr.

SENATE OF PENNSYLVANIA RESOLUTION

"Pennsylvania is the only State to observe Flag Day as a legal holiday, yet the symbol of American freedom should be honored by all the states through appropriate ceremonies.

"Presently before the United States Congress is H.R. 1675 which makes Flag Day a national holiday. This bill, which was sponsored by the Honorable WILLARD S. CURTIN, a member of Congress from our own State of Pennsylvania, is worthy of support; therefore be it

"*Resolved,* That the Senate of the Commonwealth of Pennsylvania memorializes the United States Congress to enact H.R. 1675 which will make Flag Day a national holiday; and be it further

"*Resolved,* That a copy of this resolution be forwarded to each member of Congress from Pennsylvania and to our two United States Senators."

I certify that the foregoing is a true and correct copy of Senate Resolution, Serial No. 24, introduced by Senator John T. Van Sant and adopted by the Senate of Pennsylvania the eleventh day of July, one thousand nine hundred and sixty-six.

MARK GRUELL, Jr.,
Secretary, Senate of Pennsylvania.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MUSKIE, from the Committee on Government Operations, with amendments:

S. 1681. A bill to provide for uniform, fair, and equitable treatment of persons, businesses, or farms displaced by Federal and federally assisted programs (Rept. No. 1378).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

Frank C. Di Luzio, of New Mexico, to be an Assistant Secretary of the Interior.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BYRD of West Virginia:

S. 3628. A bill for the relief of Dr. Jacques Charbonniez; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 3629. A bill to make certain expenditures by the city of Hartford, Conn., eligible as local grants-in-aid for purposes of title I of the Housing Act of 1949; to the Committee on Banking and Currency.

By Mr. GRIFFIN:

S. 3630. A bill to mesh the combined efforts of government at all levels with private endeavors to provide jobs and dignity for the poor; to the Committee on Labor and Public Welfare.

S. 3631. A bill to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the U.S. Labor Court, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. GRIFFIN when he introduced the above bills, which appear under separate headings.)

By Mr. RANDOLPH:

S.J. Res. 177. Joint resolution proposing an amendment to the Constitution of the United States, extending the right to vote to citizens 18 years of age or older; to the Committee on the Judiciary.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committee and subcommittees were authorized to meet during the session of the Senate today:

The Committee on Public Works.

The Subcommittee on Government Research of the Committee on Government Operations.

The Subcommittee on Constitutional Rights of the Committee on the Judiciary.

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Judiciary Committee and the Finance Committee be authorized to meet during the session of the Senate tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

THE OPPORTUNITY CRUSADE

Mr. GRIFFIN. Mr. President, when the Johnson administration first proposed its so-called war on poverty program, it was with great reluctance that I was forced to oppose the hastily contrived proposals. I felt that the poverty program, though completely laudatory in principle, was unacceptable on a number of grounds: it bypassed State and local governments, it was subject to political manipulation, and it relied too

heavily on Government handout-type programs instead of genuine self-help, opportunity-generating programs.

Plenty of evidence has been produced to indicate that my concerns were well founded. In the past 3 years we have seen a gigantic program waddle from one mistake to another while dollar bills escaped in every direction—landing here in a politician's pocket, there in a public relations budget, but providing genuine opportunity for few people.

After 3 years of experience with the so-called war on poverty, we have seen evidence of mutiny in the ranks and dissatisfaction among the lieutenants. There is no doubt in my mind that the time is long overdue for the serious and thoughtful look at the poverty program which the Nation was denied when the program was so hastily presented and rubberstamped by Congress in 1963.

Therefore, I am today introducing a bill entitled "The Opportunity Crusade of 1966." I believe, and I think a majority of Americans agree, that our duty and responsibility is to provide opportunity to the extent possible for those Americans who are economically or socially disadvantaged.

The opportunity crusade would mesh the combined efforts of government at all levels with private endeavors to provide a complete substitute for the President's lagging war on poverty. It would begin the imperative task of coordinating thousands of activities that today account for well over $100 billion annually in the poverty war. The bill would enlist State and local governments as partners in the opportunity crusade. It would infuse new vitality and new realism into programs for training, educating, and motivating the tired, the cynical, and the hopeless in our midst.

Following are the main features of the opportunity crusade:

1. JOB CORPS

A revised and redirected type of Job Corps program would be established in the Department of Labor to be administered under the Manpower Development and Training Act. The new Job Corps would select those qualified youths who require a change of family or community environment to respond to training and for whom no other feasible program is available. Three distinct types of training centers would be available to meet the needs of enrollees:

First. Skill centers operating in cooperation with industry to provide vocational training for more advanced enrollees.

Second. Conservation centers providing training in basic education and "conservation" vocations.

Third. Military career centers giving those enrollees who volunteer the kind of training that will equip them for a career in military service for which they would not otherwise be qualified.

Standards of conduct would be established and the Job Corps director would be empowered to dismiss and discipline enrollees who breach standards of conduct.

Counseling and placement services would be available to assist in the transition from the Job Corps to employment.

2. NEIGHBORHOOD YOUTH CORPS

A Neighborhood Youth Corps program would be established in the Department of Labor to be administered under the manpower, development, and training programs. Enrollees in the programs would be limited to those youths whose family incomes meet a fixed standard of poverty or whose families are on welfare. Two types of programs would be available to meet the special needs of this group:

First. An in-school program designed to provide employment for those youths who are in need of employment in order to resume or continue their education.

Second. An Industry Youth Corps established for those youths who would not profit from further regular academic training. Enrollees in this program would be employed by private, profit-making enterprises while receiving personally oriented vocational training. Two-thirds of the wages of the enrollee would be paid by the employer and one-third would be paid by the Labor Department.

3. COMMUNITY ACTION PROGRAM

The community action program should have great potential in the commitment to combat poverty. The opportunity crusade sets out basic criteria for the selection and qualification of community action boards. The criteria would eliminate much of the conflict that has marked community action programs in the past. The unique and distinctive needs of rural areas would be met by special provisions for the establishment of community action programs in those areas. Recognizing the present inequity in the distribution of community action funds, which has resulted in underfunding for the rural areas, the bill would earmark separate funds for rural areas. Fiscal controls would be established by requiring preaudits, audit controls, and salary limitations.

4. STATE BONUS PLAN

Present poverty programs have almost completely ignored the important contribution that can and should be made by the States. Under the opportunity crusade, the States would join as partners with the Federal Government in community action programs.

5. HEADSTART

As the original sponsors of a preschool program, Republicans in Congress have been disturbed to see this important program become entangled in bureaucratic confusion and deprived of necessary funds. My bill would transfer the Headstart program to the Office of Education to be administered under the Elementary and Secondary Education Act.

6. ADULT BASIC EDUCATION

This program would be transferred under my bill to the Office of Education. The emphasis would be directed to programs of functional education in the basic subjects of the English language and mathematics. Neighborhood programs specifically adapted to the customs and practices of the residents would be encouraged.

7. RURAL LOANS AND MIGRANT PROGRAMS

Authority for the loan and migrant programs would be granted to the Secretary of Agriculture to be administered by the Farmer's Home Administration. Loan provisions for low-income rural families would be liberalized.

Special programs would be operated for migrant laborers to develop their skills for permanent employment, and to provide minimum standards of housing, transportation, and other conditions.

8. SMALL BUSINESS LOANS AND INCENTIVES

This program would be under the authority of, and operated by, the Small Business Administration. Funds are provided specifically for this title to prevent a repetition of the starvation of small business during the past year when the program was brought to a disappointing halt by a lack of funds.

9. WORK EXPERIENCE

The Department of Health, Education, and Welfare would have authority and responsibility for the work experience program. HEW is particularly equipped to administer this program which is designed to train adults caught in the cycle of public assistance and welfare.

10. JOB SURVEY

Under my bill, the Labor Department would institute a long-overdue national skill survey to pinpoint the thousands of skilled job categories for which qualified applicants cannot be found.

11. EMPLOYMENT SERVICE AUTOMATION

The employment service would be automated to provide high speed, reliable joining of individuals with jobs.

By involving private enterprise as well as State and local governments, $2.4 billion would be committed to fight poverty under the opportunity crusade—only $1.4 billion of which would be Federal funds. This is contrasted to the $1.75 program, all Federal funds, now proposed by the administration.

Comparative proposed expenditures of opportunity crusade and the war on poverty

[In millions of dollars]

Program	Opportunity crusade commitment [1]	Opportunity crusade authorization	Administration proposal
Total	2,434	1,462	1,745
Job Corps	170	170	228
(Skill)	----------	(80)	----------
(Conservation)	----------	(40)	----------
(Military career)	----------	(50)	----------
Neighborhood Youth Corps	382	225	300
(Industry Youth Corps)	(150)	(50)	----------
(Summer Youth Corps)	(106)	(80)	----------
(In-school)	(80)	(60)	----------
(Out-of-school)	(46)	(35)	----------
Community action	867	700	466
(Urban CAP)	(360)	(324)	----------
(Bonus)	(108)	(54)	----------
(Rural CAP)	(307)	(276)	----------
(Bonus)	(92)	(46)	----------
Earmarked community action programs	----------	----------	121
Employment service	25	25	----------
(Skill surveys)	(5)	(5)	----------
(Automation)	(20)	(20)	----------

See footnotes at end of table.

Comparative proposed expenditures of opportunity crusade and the war on poverty—Continued

[In millions of dollars]

Program	Opportunity crusade commitment [1]	Opportunity crusade authorization	Administration proposal
VISTA	25	25	26
Headstart	644		327
(Regular)	(444)		
(Bonus)	(200)		
Adult basic education	44	40	30
Rural loans and migrants	55	55	65
Small business incentives	12	12	5
Work experience	200	200	160
Administration	10	10	17

[1] Federal, State, local, and private funds.

The opportunity crusade would require involvement of the poor in community action programs. No one knows the problems of the poor better than the poor themselves. If we do not give them the opportunity to help in the solution of their own problems, we are not likely to find real solutions. The poor should be involved in the first stages of policymaking at the local level. This approach is not new. It was the approach written into the first poverty bill. The 1964 act provides that community action programs are to be formulated with the "maximum feasible participation of the poor." However, Mr. Shriver and the Office of Economic Opportunity have refused to give effect to this language. In fact, when the guidelines were first established, they did not even mention representation of the poor.

Why is it important that the poor be involved? Involvement generates motivation. And, motivation is a serious problem with many of those who are poor.

Involvement also means responsibility. When a person is given no say in decisions that affect him, it is likely that he will feel no responsibility with respect to the implementation of those decisions.

By involving the poor in the war on poverty, there is hope that they will become motivated to improve their own situation. As its name implies, the opportunity crusade provides opportunity for the poor to participate in programs to help themselves.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3630) to mesh the combined efforts of government at all levels with private endeavors to provide jobs and dignity for the poor, introduced by Mr. GRIFFIN, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 3630

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Opportunity Crusade Act of 1966".

Findings and Declaration of Purpose

SEC. 2. It is the finding of Congress that, in spite of the impressive historical record of this Nation in offering unrivaled opportunities for advancement to our citizens, much remains to be done. Artificial barriers and indigenous backgrounds too often inhibit the full development of individual potential. It is not enough, however, simply to launch a program with compelling and persuasive objectives. A realistic program to help restore dignity and hope to those who are unable to sustain themselves in modern society is our urgent imperative. A program which merely raises expectations and administrative salaries without meaningful results fails to meet the dynamic requirements of our society. Those citizens who are to be served by government programs must have a significant role in helping themselves. Expenditures by government to do things to beneficiaries, rather than in partnership with beneficiaries, is a miscarriage of the true congressional purpose of dignifying human lives.

It is therefore the policy of the United States to provide these individuals at low levels of income and education with the power and hope necessary to raise themselves above the levels of poverty.

To accomplish this objective it is the intent of Congress that the needs of the very young be given first priority. Sensible and diverse programs emphasizing education, health, strengthening of the family and productive jobs must have maximum local and individual participation. Community action, involving the poor at policymaking levels with officials and citizens of talent and experience, is the indispensible ingredient of success. Permanent, productive jobs, with personal dignity and independence must be provided primarily by private enterprise. It is the role of government to stimulate, educate and provide incentives. All levels of government must participate in a meaningful way. It is the intent of Congress that this Act shall launch an opportunity crusade for the isolated Americans imprisoned by poverty.

TITLE I—JOB CORPS

Part A—General

Statement of Purpose

SEC. 101. The purpose of this title is to provide residential centers to assist young men and women who are unable to cope with their present family or community environments to prepare for the responsibilities of citizenship, to increase their skills for employment, to enhance their ability to respond to programs of education, training, and work experience, and to prepare themselves for jobs in a free enterprise economy.

Job Corps

SEC. 102. In order to carry out the purposes of this title there is hereby established a Job Corps in the Department of Labor to be administered, in coordination with programs carried out under the Manpower Development and Training Act of 1962, by the Secretary of Labor (hereinafter in this title referred to as the "Secretary").

Composition of the Job Corps

SEC. 103. (a) The Job Corps shall be composed of young men and women who—

(1) have, at the time of enrollment, attained age sixteen but not attained age twenty-two,

(2) are permanent residents of the United States or are natives and citizens of Cuba who arrived in the United States from Cuba as nonimmigrants or as parolees under section 214(a) or 212(d)(5), respectively, of the Immigration and Nationality Act,

(3) meet such other standards of enrollment as may be prescribed by the Secretary, and

(4) have agreed to comply with rules and regulations prescribed by the Secretary.

(b) No person may be an enrollee in the Job Corps for more than two years, except as the Secretary may determine in special cases.

Allowance and Maintenance

SEC. 104. (a) Enrollees may be provided with such living, travel, and leave allowances, and such quarters, subsistence, transportation, equipment, clothing, recreational services, medical, dental, hospital, and other health services, and other expenses as the Secretary may deem necessary or appropriate for their needs. Transportation and travel allowances may also be provided, in such circumstances as the Secretary may determine, for applicants for enrollment to or from places of enrollment, and for former enrollees from places of termination to their homes.

(b) Upon termination of his or her enrollment in the Corps, each enrollee shall be entitled to receive a readjustment allowance at a rate not to exceed $50 for each month of satisfactory participation therein as determined by the Secretary: *Provided, however,* That under such circumstances as the Secretary may determine a portion of the readjustment allowance of an enrollee not exceeding $25 for each month of satisfactory service may be paid during the period of service of the enrollee directly to a member of his or her family and any sum so paid shall be supplemented by the payment of an equal amount by the Secretary. In the event of the enrollee's death during the period of his or her service, the amount of any unpaid readjustment allowance shall be paid in accordance with the provisions of section 1 of the Act of August 3, 1950 (5 U.S.C. 61f).

Application of Provisions of Federal Law

SEC. 105. (a) Except as otherwise specifically provided in this part, an enrollee shall be deemed not to be a Federal employee and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(b) Enrollees shall be deemed to be employees of the United States for the purpose of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.), and of title II of the Social Security Act (42 U.S.C. 401 et seq.), and any service performed by an individual as an enrollee shall be deemed for such purposes to be performed in the employ of the United States.

(c)(1) Enrollees under this part shall, for the purposes of the administration of the Federal Employees' Compensation Act (5 U.S.C. 751 et seq.), be deemed to be civil employees of the United States within the meaning of the term "employee" as defined in section 40 of such Act (5 U.S.C. 790) and the provisions thereof shall apply except as hereinafter provided.

(2) For purposes of this subsection:

(A) The term "performance of duty" in the Federal Employees' Compensation Act shall not include any act of an enrollee while absent from his or her assigned post of duty, except while participating in an activity (including an activity while on pass or during travel to or from such post of duty) authorized by or under the direction or supervision of the Corps.

(B) In computing compensation benefits for disability or death under the Federal Employees' Compensation Act, the monthly pay of an enrollee shall be deemed to be $150, except that with respect to compensation for disability accruing after the individual concerned reaches the age of twenty-one, such

monthly pay shall be deemed to be that received under the entrance salary for GS–2 under the Classification Act of 1949 (5 U.S.C. 1071 et seq.), and section 6(d)(1) of the former Act (5 U.S.C. 756(d)(1)) shall apply to enrollees.

(C) Compensation for disability shall not begin to accrue until the day following the date on which the enrollment of the injured enrollee is terminated.

(d) An enrollee shall be deemed to be an employee of the Government for the purposes of the Federal tort claims provisions of title 28, United States Code.

(e) Personnel of the uniformed services who are detailed or assigned to duty in the performance of agreements made by the Secretary for the support of the Corps shall not be counted in computing strength under any law limiting the strength of such services or in computing the percentage authorized by law for any grade therein.

Part B—Skill centers

Establishment of Centers

Sec. 111. The Secretary shall provide for the establishment and operation of skill centers at which enrollees assigned thereto will be provided, wherever possible, under simulated or actual employment conditions, education, training, and other activities designed to develop the motivation, work discipline, and the skills necessary for the successful pursuit of a vocation after leaving the Jobs Corps.

Operation of Centers

Sec. 112. (a) To the extent possible, the Secretary shall establish and operate skill centers provided for in this part through contracts with private industry.

(b) Contracts entered into under this section shall contain such provisions as may be necessary to insure that the profits accruing thereunder are reasonable and subject to renegotiation in the event they are excessive for any reason, as determined under standards which shall be established by the Secretary.

Part C—Conservation centers

Establishment of Centers

Sec. 121. The Secretary shall provide for the establishment and operation of conservation centers in rural areas at which the Secretary shall provide, in coordination with other manpower development and training programs under his jurisdiction, for basic education, training, motivation, and work discipline of youths who (1) are so deficient in education, skills and work habits, that they are unable to qualify for acceptance in skill centers or other applicable manpower development and training programs, or (2) indicate a special interest in conservation or outdoor recreational activities as a continuing pursuit and are unable to qualify for other programs because of educational deficiencies.

Operation of Centers

Sec. 122. The Secretary shall establish and operate conservation centers through agreements with Federal, State, and local agencies charged with the responsibility of conserving, developing, and managing the public natural resources of the Nation and of developing, managing, and protecting public recreational areas. Enrollees in conservation centers shall be utilized by such agencies in carrying out, under the immediate supervision of such agencies, programs planned and designed by such agencies to fulfill such responsibility, and including agreements for a botanical survey program involving surveys and maps of existing vegetation and investigations of the plants, soils, and environments of natural and disturbed plant communities.

Part D—Military career centers

Establishment of Centers

Sec. 131. The Secretary shall provide, through agreement with the Secretary of Defense, for the establishment and operation by the Secretary of Defense of military career centers at which enrollees assigned thereto will be provided education, training, and other activities to prepare them for military service. Such centers shall be so operated as to equip the enrollees for a successful military career.

Enrollment in Centers

Sec. 132. Enrollees in military career centers shall be persons who (1) have evidenced an interest in the possibility of qualifying for a military career or have expressed a special preference to become an enrollee in the military career center and (2) are not qualified for military service, but who show promise of becoming qualified for such service through preparation received in a military career center.

Operation of Centers

Sec. 133. The Secretary of Defense shall have full and complete authority to design, program, and administer the military career centers and shall have complete authority over enrollees in said center. The Secretary of Labor's sole responsibility in connection with the military career centers shall be the screening and referral of applicants.

Part E—Administration

Selection and Assignment of Enrollees

Sec. 141. (a) The Secretary shall provide for the selection of persons for service in the Job Corps. He shall select for enrollment only persons he believes are unlikely to be able to benefit from education or training in any other facility or program and require a change of family or community environment in order to respond adequately to such education or training.

(b) The Secretary shall make no payments to any individual or to any organization solely as compensation for the service of referring the names of candidates for enrollment in the Job Corps.

(c) Each applicant for the Job Corps shall undergo physical and mental examinations under standards prescribed by the Secretary. Inquiries shall be made of appropriate State bureaus of identification to determine any parole or probationary restrictions that may apply to individual applicants. Applicants shall be finger printed in accordance with procedures followed for military inductees, and inquiry shall be directed to the Federal Bureau of Investigation or other appropriate agencies to determine criminal violations by said applicant, criminal charges pending against said applicant, or other similar information. Criminal violations by said applicant shall not disqualify the applicant from the Job Corps but special evaluation of the distinctive nature of said applicant's problems shall be made and provision made for suitable treatment and handling.

(d) The Secretary shall report to the Congress any time a Job Corps center established more than six months has more staff personnel than it has enrollees.

(e) Job Corps officials shall, wherever possible, stimulate formation of indigenous community activity in areas surrounding Job Corps centers to provide a friendly and adequate reception of enrollees into community life.

Community Advisory Groups

Sec. 142. The Secretary shall promote the formation of community advisory groups to develop community programs which will provide appropriate job opportunities or further training for graduates of Job Corps programs. Wherever possible, such advisory groups shall be formed by and coordinated under the local community action board.

Job Counseling and Placement

Sec. 143. The Secretary shall provide testing and counseling for each enrollee at appropriate intervals and at least three months prior to the enrollee's scheduled termination date. Data derived from such counseling and testing shall be sent to the agency of the Department of Labor situated in the area in which the enrollee proposes to reside, as well as to the community advisory group provided for under section 142, for that community. Upon the termination of an enrollee's service in the Job Corps, all records pertaining to such enrollee (including data derived from his counseling and testing) shall be made available immediately to the officials of the Department of Labor administering the program nationally. Such agency shall develop suitable job opportunities for the enrollee or, where appropriate, shall make arrangements for further education or training for the enrollee.

Regulations: Standards of Conduct

Sec. 144. (a) The Secretary shall prescribe such rules and regulations as he deems necessary to govern the conduct of enrollees in the Job Corps, subject to the limitations and special provisions in this title. The Secretary shall also establish standards of safety and health for enrollees, and furnish or arrange for the furnishing of health services.

(b) In the case of Job Corps enrollees charged with violation of State criminal statutes, the Job Corps shall provide the cost of attorney and other legal services only in circumstances where adequate provision for such representation of indigent defendants is not provided under applicable State law.

(c) Any enrollee in the Job Corps who is convicted of a felony committed during his enrollment shall be immediately dismissed from the Job Corps.

(d) Within Job Corps centers, standards of conduct and deportment shall be provided and stringently enforced. In the case of violations committed by enrollees, dismissal from the Corps or transfers to other locations should be made in every instance where it is determined that retention in the Corps, or in the particular Job Corps center, will jeopardize the enforcement of such standards of conduct and deportment or diminish the opportunity of other enrollees.

(e) In order to promote the proper moral and disciplinary conditions in Job Corps centers, the individual directors of Job Corps centers shall be given full authority to take appropriate disciplinary measures against enrollees including, but not limited to, dismissal from the Job Corps, subject to expeditious appeal procedures to higher authority as provided under regulation set by the Secretary.

Relationships With State

Sec. 145. (a) No center shall be established under this title within a State unless a plan setting forth such proposed establishment has been submitted to the Governor of the State and such plan has not been disapproved by him within thirty days of such submission.

(b) The Secretary is authorized to enter into agreements with States to assist in the operation or administration of State-operated programs which carry out the purpose of this title. The Secretary may, pursuant to such regulations as he may adopt, pay part or all of the operative or administrative costs of such programs.

(c) The Director shall establish appropriate procedures to insure that the transfer of Job Corps enrollees from State or local jurisdiction shall in no way violate parole or probationary procedures of the State. In the event procedures have been established under which the enrollment of the youth subject to parole or probationary jurisdiction is acceptable to appropriate State authorities, the Director shall make provisions for regular supervision of the enrollee and for reports to such State authorities to conform with the appropriate parole and probationary requirements in such State.

Use of Local Public and Private Education and Training Agencies

SEC. 146. Wherever practicable education and vocational training for enrollees in the Job Corps shall be provided through local public or private educational agencies or by vocational institutions or technical institutes where such institutions or institutes can provide substantially equivalent training unless such education or training can be provided within the Job Corps more effectively or with reduced Federal expenditures.

Discrimination Prohibited

SEC. 147. In the selection of enrollees or staff in the Job Corps, and in the administration of the Job Corps program, no discrimination shall be permitted on the basis of a person's race, color, religion, sex, or national origin.

Oath of Allegiance

SEC. 148. Each enrollee (other than an enrollee who is a native and citizen of Cuba described in section 103(a)(2) of this Act) must take and subscribe to an oath or affirmation in the following form: "I do solemnly swear (or affirm) that I bear true faith and allegiance to the United States of America and will support and defend the Constitution and laws of the United States against all its enemies foreign and domestic." The provisions of section 1001 of title 18, United States Code, shall be applicable to the oath or affirmation required by this section.

Limitation on Administrative Costs

SEC. 149. The Director shall take such action as may be necessary to insure that for any fiscal year the cost of operating Job Corps centers (exclusive of capital costs including costs of construction and renovation) shall not exceed $5,000 per enrollee in such centers.

Authorizations of Appropriations

SEC. 150. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $170,000,000 for the fiscal year ending June 30, 1967, and the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE II—NEIGHBORHOOD YOUTH CORPS

Part A—General provisions

Statement of Purpose

SEC. 201. It is the purpose of this title (1) to enable needy young men and women to continue their education at the secondary school level through in-school programs, carried on by public and other nonprofit agencies, which contribute to an undertaking or service in the public interest that would not otherwise be provided, or contribute to the conservation and development of natural resources and recreational areas, and (2) to provide programs of out-of-school on-the-job training for needy, unemployed young men and women to enable them to return to school or assist them to become self-sustaining while obtaining the training necessary for a successful career in a vocation.

Establishment of Neighborhood Youth Corps

SEC. 202. In order to carry out the purpose of this title there is hereby established a Neighborhood Youth Corps in the Department of Labor, to be administered in coordination with programs carried out under the Manpower Development and Training Act of 1962, by the Secretary of Labor (hereinafter referred to in this title as the "Secretary").

Development of Programs

SEC. 203. The Secretary shall encourage and assist qualified community action boards (as defined in section 328) in the development, through contracts, of in-school programs and out-of-school programs which will qualify for assistance under this title. In the absence of a qualified local community action board, the Secretary shall, where appropriate, develop such programs through direct contracts with qualified applicants.

Selection of Enrollees

SEC. 204. (a) Selection for enrollment in programs assisted under this title shall be made by qualified community action boards or other qualified applicants, in accordance with agreements with the Secretary.

(b) No person may participate as an enrollee in programs under this title unless—

(1) he has attained age sixteen but has not attained age twenty-two;

(2) his income and his family's income does not exceed the standard of poverty established by the Secretary that takes due account of the number of children, dependents, and other special circumstances substantially affecting the ability of individuals and families to be self-sustaining;

(3) in the case of in-school programs he is in need of remunerative employment to resume or continue his education;

(4) in the case of out-of-school programs, he is unemployed and in need of interim remunerative employment;

(5) in the case of out-of-school programs, he has not regularly attended school for a period of at least six months, and the local authorities after pursuing all appropriate procedures, including guidance and counseling; and have concluded that further school attendance by him in any regular academic or vocational programs is no longer practicable under the circumstances.

(c) Enrollees shall be deemed not to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, leave, unemployment compensation, and Federal employee benefits.

(d) Where appropriate to carry out the purposes of this Act, the Secretary may provide for testing, counseling, job development, and referral services to youths through public agencies or private nonprofit organizations.

Payments

SEC. 205. The Secretary shall establish criteria designed to achieve an equitable distribution of assistance under this title among the States. In developing such criteria, he shall consider among other relevant factors the ratios of population, unemployment, and family income levels. Not more than 12½ per centum of the sums appropriated or allocated for any fiscal year to carry out purposes of this title shall be used within any one State.

Oath of Allegiance

SEC. 206. The provisions of section 149 shall apply with respect to enrollees in programs assisted under this title and to all officers and employees any part of whose salaries are paid from sums made available under this title.

Part B—In-school programs

SEC. 211. (a) Any qualified community action board, or in any community in which there is no such board, any public or private nonprofit agency which the Director determines to be qualified, desiring assistance for an in-school program shall submit an application to the Secretary which shall contain such information as the Secretary may require.

(b) The Secretary shall approve an application under this section only if he finds that—

(1) Enrollees in the program will be employed under a contract or agreement between either a qualified community action board or the Secretary and a public agency or a private nonprofit organization (other than a political party) either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(2) The program will enable student enrollees to resume or to maintain school attendance;

(3) The program will permit or contribute to an undertaking or service in the public interest that would not otherwise be provided, or will contribute to the conservation, development, or management of the natural resources of the State or community or to the development, management, or protection of State or community recreational areas;

(4) The program will not result in the displacement of employed workers, jeopardize the potential employment of workers not aided under this title, or impair existing contracts for services;

(5) The rates of pay and other conditions of employment will be appropriate and reasonable in the light of such factors as the type of work performed, geographical area, and proficiency of the employee, and in no event shall exceed the rate of pay for regular employees performing similar services;

(6) The program will be coordinated to the maximum extent feasible, with vocational training and educational services adapted to the special needs of enrollees in such program and sponsored by State or local public educational agencies: *Provided, however,* That where such services are inadequate or unavailable, the program may make provision for the enlargement, improvement, development, and coordination of such services with the cooperation of, or, where appropriate, pursuant to agreement with, the Secretary of Health, Education, and Welfare; and

(7) The employer shall pay at least 10 per centum of the enrollee's wage during the fiscal year ending June 30, 1967, and shall pay at least 25 per centum of his wage during each succeeding fiscal year.

(c) In approving applications under this section, the Secretary shall give priority to applications for projects with high training potential.

Part C—Out-of-school programs

Applications

SEC. 221. Any qualified community action board, or in any community in which there is no such board, any public or private nonprofit agency which the Director determines to be qualified, desiring assistance for an out-of-school training program shall submit an application to the Secretary which shall contain such information as the Secretary may require.

Industry Youth Corps

SEC. 222. (a) There is hereby established under the Neighborhood Youth Corps a program to provide employment of youths between the ages of sixteen and twenty-two in private, profitmaking enterprises. The Secretary is empowered to make such regulations as he shall deem necessary to insure that private employment of such youths shall be under such conditions and terms as to meet all requirements of public and private non-profit programs, and to insure that participating youths benefit from their employment without exploitation or unreasonable profits by the employer.

(b) Programs to provide employment for youths under this section shall only be approved if they are implemented through contracts between a qualified community action board and employers under conditions of supervision and regulation by such said qualified community action board.

Approval of Applications

SEC. 223. The Secretary shall approve an application under this part only if he finds that—

(a) Enrollees in the program will be employed under a contract or agreement between either a qualified community action

board or the Secretary and a public agency or a private nonprofit organization (other than a political party) either—

(1) on publicly owned and operated facilities or projects, or

(2) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship, or

(3) on local projects provided under section 222 of this part by contract between the qualified community action board and the employer.

(b) Enrollees in the program will be employed under a contract or agreement between either the qualified community action board or the Secretary and an employer under which the enrollees will be provided on-the-job training that meets the following requirements:

(1) The training content of the program is adequate, involves reasonable progression, and holds promise that it will result in the qualification of trainees for suitable employment.

(2) The training period is reasonable and consistent with periods customarily required for comparable training.

(3) Adequate and safe facilities and adequate personnel and records of attendance and progress will be provided.

(4) The enrollee will be compensated at such rates, including periodic increases, as may be deemed reasonable under regulations of the Secretary, considering such factors as the type of work performed, geographical region, proficiency of the employee, and in no event shall exceed the rate of pay for regular employees performing similar services.

(5) No enrollee will be permitted to participate in the program for more than a year, except that an enrollee may be permitted to participate for one additional year if it is ascertained that (A) he will benefit from an additional year under the program, (B) his employer is making adequate provision for his possible long-term employment, (C) he is unable to qualify for suitable employment without part of his wages being paid from sources other than his employer or for other training suitable to his needs, and (D) consideration has been given to the feasibility of the employer paying a larger portion of his wages in view of his experience and training.

(6) Adequate provision is made for supplementary classroom instruction where appropriate.

(7) The training will increase the employability of the enrollee in occupational skills or pursuits in which the Secretary finds there is a reasonable expectation of his permanent employment.

(8) The employment of the enrollee must not displace employed workers or impair existing contracts for services.

(9) In the event the employer is a private, profitmaking concern, the employer shall pay at least 66⅔ per centum of the enrollee's wage.

(10) In the event the employer is a public or nonprofit agency, the employer shall pay at least 10 per centum of the enrollee's wage during the fiscal year ending June 30, 1967, and at least 25 per centum of his wages during each succeeding fiscal year.

Part D—Authorization of appropriations

SEC. 231. The Secretary shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the two succeeding fiscal years. For the purposes of carrying out this title, there is hereby authorized to be appropriated the sum of $225,000,000 for the fiscal year ending June 30, 1967, of which $50,000,000 shall be reserved to administer and conduct the program provided under section 222, and for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE III—URBAN AND RURAL COMMUNITY ACTION PROGRAMS

Part A—Urban community action programs

Statement of Purpose

SEC. 301. The purpose of this part is to provide stimulation and incentive for new and imaginative programs for urban communities to mobilize and coordinate their resources to combat poverty through total involvement of individuals and groups concerned and meaningful communication, planning, and implementation at the local community level.

Qualified Urban Community Action Boards

SEC. 302. A community action board shall be qualified to conduct, administer, or coordinate programs under this Act, or any other provision of law, only if—

(a) the membership of the board contains representatives of local government, social welfare and public service agencies, local school systems, the general public, and representatives of the poor comprising at least one-third of the membership of the board;

(b) the representatives of the poor are selected by the residents in areas of concentration of poverty, with special emphasis on participation by the residents of the area who are poor; and

(c) in communities where substantial numbers of the poor reside outside of areas of concentration of poverty, provision is made for selection of representatives of such poor through a process, such as neighborhood meetings, in which the poor participate to the greatest possible degree.

Approval of Community Action Programs

SEC. 303. (a) Subject to the provisions of subsection (b), the Director may approve a community action program for support under this part if he determines such program—

(1) includes component programs all of which are focused upon the needs of low-income individuals and families and which provide expanded and improved services, assistance, and other activities, and facilities necessary in connection therewith;

(2) has, if policy is determined by smaller constituent groups of the community action board, such as an executive committee, true representation of the poor proportionate to that attained on the community action board itself;

(3) provides that any component board which exercises jurisdiction only in a single impoverished area or neighborhood of the community, is representative primarily of and selected by the residents of such area, and is given power to initiate and disapprove programs for that area;

(4) includes provisions for reasonable access of the public to information including, but not limited to, reasonable opportunity for public hearings at the request of appropriate local community groups, and reasonable public access to books and records of the board engaged in the development, conduct, and administration of the program, in accordance with regulations of the Director;

(5) is organized and designed to coordinate, to the extent feasible, all programs at the community level primarily affecting the poor, and to eliminate duplication, conflict, and waste in such programs as well as to assist in altering or eliminating ineffectual programs;

(6) includes arrangements with a reputable private, and independent auditing firm to preaudit all grants and programs under this title to insure that adequate records are kept and fiscal control enforced; and

(7) includes provision for a complete audit of the books six months after the initiation of a program and annually thereafter.

(b) The Director shall not approve a community action program to be carried out without the approval of a qualified community action board already serving an area unless he determines that—

(1) the proposed program is of a demonstration or experimental nature and does not conflict with any component program being carried on by the community action board,

(2) the program is of such a nature as to be unsuitable for inclusion in the overall community action program, or

(3) the program is required to meet an urgent and temporary emergency need of the poor.

(c) The Director may approve a community action program to be carried out by a public or private nonprofit agency which is not a qualified community action board in any area which is not served by a qualified community action board (or, if served by such a board, the program meets the requirements of subsection (b)) and the proposed program would qualify as a component of a community action program.

Definition

SEC. 304. For the purposes of this part, the term "urban community" means an area determined by the Director, on the basis of the latest information available from the Bureau of the Census, to have a population of more than seventy-five thousand, except where the Director, under authority of section 314, designates an area having a population of more than seventy-five thousand and less than one hundred and fifty thousand as a rural area.

Part B—Rural community action programs

Statement of Purpose

SEC. 311. The purpose of this part is to provide stimulation and incentive for new and imaginative separate programs to meet the unique and distinctive problems of the rural areas in mobilizing and coordinating their resources to combat poverty through total involvement of individuals and groups concerned and meaningful communication, planning, and implementation at the community level.

Qualified Rural Community Action Boards

SEC. 312. A community action board shall be qualified to conduct, administer, or coordinate programs under this Act, or any other provision of law, only if—

(a) the membership of the board contains representatives of local government, social welfare and public service agencies, local school systems, the general public, cooperative extension service, technical action panels under rural community development, and representatives of the poor comprising at least one-third of the membership of the board;

(b) the representatives of the poor are selected by a process such as neighborhood meetings in areas of concentration of poverty in which the poor participate to the greatest degree possible in light of the special problem of separation, isolation, and communication which prevail in rural areas.

Approval of Community Action Programs

SEC. 313. Subject to the provisions of subsection (b), the Director may approve a community action program for support under this part if he determines such program—

(a) meets the requirements set forth in paragraphs (1), (2), (4), (5), (6), and (7) of section 303(a), and 303(b).

(b) provides that any community action board operating within established county or municipal borders under a qualified overall board with broader geographical jurisdiction shall meet the requirements of section 312 and is given power to initiate and disapprove programs for that area.

Definition

SEC. 314. For purposes of this part, the term "rural areas" means any area determined by the Director, on the basis of the latest information available from the Bureau of the Census, to have a population of seventy-five thousand or less, except that in exceptional circumstances he may designate as a rural area any area having a population of less than one hundred and fifty thousand.

Part C—Administration

Allotments to States

SEC. 321. (a) From the sums appropriated to carry out this title for a fiscal year, the Director shall reserve the amount needed for carrying out sections 322 and 323. Not to exceed 2 per centum of the amount so reserved shall be allotted by the Director among Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands according to their respective needs for assistance under this title. Twenty per centum of the amount so reserved shall be allotted among the States as the Director shall determine. The remainder of the sums so reserved shall be allotted among the States as provided in subsection (b).

(b) Of the sums being allotted under this subsection—

(1) one-third shall be allotted by the Director among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of public assistance recipients in such State bears to the total number of public assistance recipients in all the States;

(2) one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the annual average number of persons unemployed in such State bears to the annual average number of persons unemployed in all the States; and

(3) the remaining one-third shall be allotted by him among the States so that the allotment to each State under this clause will be an amount which bears the same ratio to such one-third as the number of related children under eighteen years of age living in families with incomes of less than $1,000 in such State bears to the number of related children under eighteen years of age living in families with incomes of less than $1,000 in all the States.

(c) The Director shall divide each State's allotment under subsection (b) into two parts, one of which may be used only for urban community action programs, and one of which may be used only for rural community action programs. Each such part shall bear the same ratio to the amount allotted as the urban population or rural population, as the case may be, of the State bears to the population of the State, as determined on the basis of the best data available from the Bureau of the Census.

(d) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this title shall be available for reallotment from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this title; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced: *Provided,* That any amount originally included in that part of the State's allotment reserved for use for urban community action programs may be used only for such programs when reallotted, and any amount originally included in that part of the State's allotment originally reserved for rural community action programs may be used only for such programs when reallotted. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

(e) For the purposes of this section, the term "State" does not include Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Virgin Islands.

Financial Assistance for Development of Community Action Programs

SEC. 322. The Director is authorized to make grants to, or to contract with appropriate public or private nonprofit agencies, or combinations thereof, to pay part or all of the costs of development of community action programs.

Financial Assistance for Conduct and Administration of Community Action Programs

SEC. 323. (a) The Director is authorized to make grants to, or to contract with qualified community action boards to pay part or all of the costs of community action programs which have been approved by him pursuant to this title, including the cost of carrying out programs which are components of a community action program and which are designed to achieve the purposes of this title except that where the Director approves a program under section 303(c) he may make grants to, or contract with, public or private nonprofit agencies to pay part or all of such programs.

(b) No grant or contract authorized under this title may provide for general aid to elementary or secondary education in any school or school system, or provide for any preschool or early-school program, whether or not designed to prepare educationally deprived children.

(c) In determining whether to extend assistance under this section the Director shall consider among other relevant factors the incidence of poverty within the community and within the areas or groups to be affected by the specific program or programs, and the extent to which the applicant is in a position to utilize efficiently and expeditiously the assistance for which application is made. In determining the incidence of poverty the Director shall consider information available with respect to such factors as: the concentration of low-income families, particularly those with children; the extent of persistent unemployment and underemployment; the number and proportion of persons receiving cash or other assistance on a needs basis from public agencies or private organizations; the number of migrant or transient low-income families; school dropout rates, military service rejection rates, and other evidences of low educational attainment; the incidence of disease, disability, and infant mortality; housing conditions; adequacy of community facilities and services; and the incidence of crime and juvenile delinquency.

Technical Assistance

SEC. 324. The Director is authorized to provide, (1) technical assistance to communities in developing, conducting, and administering community action programs, and (2) training for specialized personnel needed to develop, conduct, or administer such programs or to provide services or other assistance thereunder through grants to, or contracts with qualified community action boards, or, in communities not served by such a board, through grants to or contracts with public or private nonprofit agencies.

Research, Training, and Demonstrations

SEC. 325. The Director is authorized to conduct, or to make grants to or enter into contracts with institutions of higher education or other appropriate public agencies or private organizations for the conduct of research, training, and demonstrations pertaining to the purposes of this title: *Provided,* That no such program shall conflict in any way, in any area, with any existing community action program. Expenditures under this section in any fiscal year shall not exceed $30,000,000.

Limitations on Federal Assistance

SEC. 326. (a) Assistance pursuant to sections 322 and 323 for the fiscal year ending June 30, 1967, shall not exceed 90 per centum of the costs referred to in those sections, respectively, and for each fiscal year thereafter shall not exceed 80 per centum of such costs, unless the Director determines, pursuant to regulations adopted and promulgated by him establishing objective criteria for such determinations, that assistance in excess of such percentages is required in furtherance of the purposes of this title. Non-Federal contributions may be in cash or in kind, fairly evaluated, including but not limited to plant, equipment, and services.

(b) The expenditures or contributions made from non-Federal sources for a community action program or component thereof shall be in addition to the aggregate expenditures or contributions from non-Federal sources which were being made for similar purposes prior to the extension of Federal assistance. The requirement imposed by the preceding sentence shall be subject to such regulations as the Director may adopt and promulgate establishing objective criteria for determinations covering situations where a literal application of such requirement would result in unnecessary hardship or otherwise be inconsistent with the purposes sought to be achieved.

Participation of State Agencies

SEC. 327. (a) The Director shall establish procedures which will facilitate effective participation of the States in community action programs including, but not limited to, consultation with appropriate State agencies on the development, conduct, and administration of such programs.

(b) The Director is authorized to make grants to, or to contract with, appropriate State agencies for the payment of the expenses of such agencies in providing technical assistance to communities in developing, conducting, and administering community action programs.

(c) In carrying out the provisions of this title, no contract, agreement, grant, loan, or other assistance shall be made with, or provided to, any State or local public agency or any private institution or organization for the purpose of carrying out any program, project, or other activity within a State unless a plan setting forth such proposed contract, agreement, grant, loan, or other assistance has been submitted to the Governor of the State, and such plan has not been disapproved by the Governor within thirty days of such submission, or, if so disapproved, has been reconsidered by the Director and found by him to be fully consistent with the provisions and in furtherance of the purposes of this title.

Qualified Community Action Boards

SEC. 328. The Director shall certify the name, and area served, by each board which is a community action board as defined in section 302 and which he finds to be competent to carry out the functions assigned qualified community action boards by any provision of this Act.

Part D—Volunteers in service to America

SEC. 331. (a) The Director is authorized to recruit, select, train and—

(1) upon request of State or local agencies or private nonprofit organizations, refer volunteers to perform duties in furtherance of programs combating poverty at a State or local level; and

(2) in cooperation with other Federal, State, or local agencies involved, assign volunteers to work (A) in meeting the health, education, welfare, or related needs of Indians living on reservations, of migratory workers and their families, or of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, or the Trust Territory of the Pacific Islands; (B) in the care and rehabilitation of the mentally ill or mentally retarded under treatment at nonprofit mental health or mental retardation facilities assisted in their construction or operation by Federal funds; and (C) in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act.

(b) The referral or assignment of volunteers shall be on such terms and conditions as the Director may determine, but volunteers shall not be referred or assigned to duties or work in any State without the consent of the Governor.

(c) The Director is authorized to provide to all volunteers during training and to volunteers assigned pursuant to subsection (a)(2) such stipend, not to exceed $50 per month, such living, travel, and leave allowances, and such housing, transportation (including travel to and from the place of training), supplies, equipment, subsistence, clothing, and health and dental care as the Director may deem necessary or appropriate for their needs.

(d)(1) Each volunteer shall take and subscribe to an oath or affirmation in the form prescribed by section 149 of this Act, and the provisions of section 1001 of title 18, United States Code, shall be applicable with respect to such oath or affirmation; but, except as provided in paragraph (2) of this subsection, volunteers shall not be deemed to be Federal employees and shall not be subject to the provisions of laws relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employee benefits.

(2) All volunteers during training and such volunteers as are assigned pursuant to paragraph (2) of subsection (a) shall be deemed Federal employees to the same extent as enrollees of the Job Corps under section 105 (b), (c), and (d) of this Act, except that for purposes of the computation described in paragraph (2)(B) of section 105 (c) the monthly pay of a volunteer shall be deemed to be received under the entrance salary for GS–7 under the Classification Act of 1949.

Part E—Voluntary assistance program for needy children

Statement of Purpose

SEC. 341. The purpose of this part is to allow individual Americans to participate in a personal way in the war on poverty, by voluntarily assisting in the support of one or more needy children, in a program coordinated with city or county social welfare agencies.

Authority To Establish Information Center

SEC. 342. (a) In order to carry out the purposes of this part, the Director is authorized to establish a section within the Office of Economic Opportunity to act as an information and coordination center to encourage voluntary assistance for deserving and needy children.

(b) The Director shall appoint an administrator whose full-time duty shall be to give effect to this program.

(c) It is the intent of the Congress that the section established pursuant to this part shall act solely as an information and coordination center and that nothing in this part shall be construed as interfering with the jurisdiction of State and local welfare agencies with respect to programs for needy children.

Part F—Office of economic opportunity

Establishment of Office

SEC. 351. (a) The Office of Economic Opportunity established by section 601 of the Economic Opportunity Act of 1964 is hereby continued as an agency of the United States. The Office shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate. There shall also be in the Office one Deputy Director and two Assistant Directors who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Director and the Assistant Directors shall perform such functions as the Director may from time to time prescribe.

(b) The compensation of the Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Director of the Bureau of the Budget.

(c) The compensation of the Deputy Director of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Deputy Director of the Bureau of the Budget.

(d) The compensation of the Assistant Directors of the Office of Economic Opportunity shall be fixed by the President at a rate not in excess of the annual rate of compensation payable to the Assistant Secretaries of the Executive Departments.

Authority of Director

SEC. 362. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized, in carrying out his functions under this title to—

(a) appoint in accordance with the civil service laws such personnel as may be necessary to enable the Office to carry out its functions and, except as otherwise provided herein, fix their compensation in accordance with the Classification Act of 1949 (5 U.S.C. 1071 et seq.), except that, of the personnel so appointed, not more than one in every one hundred and fifty shall be in grade 16, 17, or 18 of the General Schedule of the Classification Act of 1949;

(b) employ experts and consultants or organizations thereof as authorized by section 15 of the Administrative Expenses Act of 1946 (5 U.S.C. 55a), compensate individuals so employed at rates not in excess of $100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5 of such Act (5 U.S.C. 73b–2) for persons in the Government service employed intermittently, while so employed: *Provided, however,* That contracts for such employment may be renewed annually;

(c) appoint, without regard to the civil service laws, one or more advisory committees composed of such private citizens and officials of the Federal, State, and local governments as he deems desirable to advise him with respect to his functions under this Act; and members of such committees, other than those regularly employed by the Federal Government, while attending meetings of such committees or otherwise serving at the request of the Director, shall be entitled to receive compensation and travel expenses as provided in subsection (b) with respect to experts and consultants;

(d) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of his functions under this title and, as necessary or appropriate, delegate any of his powers under this title and authorize the redelegation thereof;

(e) utilize, with their consent, the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a political subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivision without reimbursement;

(f) accept in the name of the Office, and employ or dispose of in furtherance of the purposes of this title, any money, or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(g) accept voluntary and uncompensated services, notwithstanding the provisions of section 3679(b) of the Revised Statutes (31 U.S.C. 665(b));

(h) disseminate, without regard to the provisions of section 4154 of title 39, United States Code, data and information, in such form as he shall deem appropriate, to public agencies, private organizations, and the general public;

(i) adopt an official seal, which shall be judicially noticed;

(j) collect or compromise all obligations to or held by him and all legal or equitable rights accruing to him in connection with the payment of obligations until such time as such obligations may be referred to the Attorney General for suit or collection;

(k) expend, without regard to the provisions of any other law or regulation, funds made available for purposes of this title (1) for printing and binding, and (2) for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this clause (A) except when necessary in order to obtain an item, service, or facility, which is required in the proper administration of this title, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and (B) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) or the Chairman of the Joint Committee on Printing (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of such Committee) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority; and

(l) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organizations and persons, make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants, with necessary adjustments on account of overpayments or underpayments), and generally perform such functions and take such steps as he may deem to be necessary or appropriate to carry out the provisions of this title.

Information Center

SEC. 363. In order to insure that all Federal programs related to the purposes of this title are utilized to the maximum extent possible, and to insure that information concerning such programs and other relevant information is readily available in one place to public officials and other interested persons, the Director is authorized as he deems appropriate to collect, prepare, analyze, correlate, and distribute such information, either free of charge or by sale at cost (any funds so received to be deposited to the Director's account as an offset to such cost), and make arrangements and pay for any printing and binding without regard to the provisions of any other law or regulation.

Part G—State bonus community action program

Statement of Purpose

SEC. 371. It is the purpose of this part to provide assistance to the States to enable them to join as partners with the Federal Government in programs carried out under this title.

Allotments to States

SEC. 372. (a) From the sums available to carry out this part for a fiscal year, the Director shall allot to each State an amount which bears the same ratio to the amount being allotted as the amount allotted such State under section 321 (other than subsection (d) thereof) bears to the amount allotted all the State under such section for such fiscal year.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Director determines will not be required for such fiscal year for carrying out this part shall be available for reallotment from time to time, on such dates during such year as the Director may fix, to other States in proportion to their original allotments for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Director estimates such State needs and will be able to use for such year for carrying out this part; and the total of such reductions shall be similarly reallotted among the States whose proportionate amounts are not so reduced.

State Plans

SEC. 373. (a) Any State which desires to receive a grant under this part shall submit to the Director a State plan which—

(1) provides for the creation of a State office of economic opportunity (hereinafter referred to as the "State agency") which shall be the sole State agency responsible for carrying out the State plan;

(2) provides that in formulating its program to be carried out under this part, priority shall be given programs to meet the special needs of the State;

(3) provides for carrying out, or supplementing the financing of, community action programs which are eligible for assistance under other parts of this title, but are not being, or are being inadequately, assisted thereunder;

(4) provides for the establishment of a commission in the State to make a study to determine means by which programs carried on under this title may be effectively coordinated with other local, State, and Federal programs, and to report its recommendations to the State agency within one year;

(5) provides that the State agency will make such reports to the Director, in such form and containing such information, as may reasonably be necessary to enable the Director to perform his duties under this part and will keep such records and afford such access thereto as the Director finds necessary to assure the correctness and verification of such reports;

(6) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this part;

(7) provides for the establishment of a program to insure that salaries of professional staff personnel shall be reasonable with due consideration of salary incomes of said individuals in previous employment.

(b) The Director may approve any State plan which meets the requirements of subsection (a), but he shall not finally disapprove any State plan submitted under this part, or any modification thereof, without first affording the State agency reasonable notice and opportunity for a hearing.

Payments

SEC. 374. (a) The Director shall pay to each State which has a plan approved under this part, from its allotment under section 372, an amount equal to the expenditures of the State in carrying out such plan. Such payments shall be made in advance on the basis of estimates by the Director; and may be made in such installments as the Director may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments.

(b) The Federal share for each State shall be 50 per centum, except that with respect to expenditures on account of the State commission provided for in section 373(a)(4), the Federal share shall be 90 per centum.

Operation of State Plans; Hearings and Judicial Review

SEC. 375. (a) Whenever the Director, after reasonable notice and opportunity for hearing to the State agency administering a State plan approved under this part, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 373, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision, the Director shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State agency dissatisfied with a final action of the Director under section 373 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Director, or any officer designated by him for that purpose. The Director thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Director or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Director may modify or set aside his order. The findings of the Director as to the facts, if supported by substantial evidence, shall be conclusive, but the court, for good cause shown, may remand the case to the Director to take further evidence, and the Director may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Director shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Director's action.

Part E—Authorizations of appropriations

SEC. 381. The Director shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the two succeeding fiscal years. For the purpose of carrying out this title (other than parts D and G thereof) there is hereby authorized to be appropriated the sum of $600,000,000 for the fiscal year ending June 30, 1967. For the purpose of carrying out part D of this title there is hereby authorized to be appropriated the sum of $25,000,000 for such fiscal year; and for the purpose of carrying out part G of this title there is hereby authorized to be appropriated the sum of $100,000,000 for such fiscal year. For the fiscal year ending June 30, 1968, and for the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE IV—PRESCHOOL, EARLY SCHOOL AND OTHER EDUCATIONAL PROGRAMS FOR CHILDREN OF LOW-INCOME FAMILIES

Amendment to Title II of Public Law 874

SEC. 401. Title II of the Act of September 30, 1950, is amended by adding at the end thereof the following:

"Special Bonus Grants; Preference for Preschool and Early-School Programs

"SEC. 213. (a) The Commissioner shall, in carrying out his duties under this title, require that preference over grants for all other programs shall be given to grants for carrying out preschool and early-school programs designed to prepare educationally deprived children, aged three through seven, in areas having high concentrations of children from low-income families to undertake successfully the regular elementary school program.

"(b) Each local educational agency shall be eligible to receive a special bonus grant under this section in any fiscal year if (1) it received a basic grant for the preceding fiscal year, and (2) more than 65 per centum of the funds expended in carrying out the programs provided for in the application submitted under section 205 were expended for carrying out preschool and early-school programs designed to prepare educationally deprived children, aged three through seven, in areas having high concentrations of children from low-income families to successfully undertake the regular elementary school program.

"(b) The amount of a grant under this section shall be equal to the amount by which the expenditures for such preschool and early-school programs exceeded 65 per centum of the amount expended in carrying out the programs provided for in such application.

"(c) If the sums appropriated or made available to carry out this section for a fiscal year are not sufficient to pay in full the total amount which all local educational agencies are eligible to receive under this title for such fiscal year, such amounts shall be reduced ratably: *Provided*, That in no event shall the aggregate grants under this section for a fiscal year exceed $100,000,000."

TITLE V—ADULT BASIC EDUCATION

Statement of Purpose

SEC. 501. It is the purpose of this title to assist the States to develop programs of functional instruction in the English language and mathematics for individuals who have reached the age of eighteen, but whose deficiencies in these subjects are such that they are prevented from obtaining permanent employment, commensurate with their real ability, or entrance into other education or training programs; and to promote new approaches to the special needs of those who have poor employment possibilities because of such factors as inadequate education, lack of motivation, poor attitude or appearance, and other significant disabilities related to their derivation in poverty; and to, wherever appropriate, provide a new type of specialized, functionally oriented basic education through the use of nonprofessional, noncertified personnel teaching limited curriculums as prescribed by the State.

Establishment of Adult Basic Education Program

SEC. 502. In order to carry out the purpose of this title there is hereby established an Adult Basic Education Program in the Department of Health, Education, and Welfare to be carried out in coordination with other programs under the direction of the Commissioner of Education (hereinafter in this title referred to as the "Commissioner").

Grants to States

SEC. 503. (a) From the sums appropriated or allocated to carry out this title, the Commissioner shall make grants to States which have State plans approved by him under this section.

(b) Grants under subsection (a) may be used, in accordance with regulations of the Commissioner, to—

(1) make grants to qualified community action boards, or where a community is not served by such a board, to a local educational agency, to assist in establishment of pilot projects by local educational agencies, and private school agencies, relating to instruction in public schools, or other facilities used for the purpose by such agencies, of individuals described in section 501, to (A) demonstrate, test, or develop modifications, or adaptations in light of local needs, of special materials or methods for instruction of such individuals, (B) stimulate the development of local educational agency programs, and private school agency programs, for instruction of such individuals in such schools or other facilities, and (C) acquire additional information concerning the materials or methods needed for an effective program for raising adult basic educational skills;

(2) assist in meeting the cost of local educational agency programs, and private school agency programs, for instruction of such individuals in such schools or other facilities; and

(3) assist in development or improvement of technical or supervisory services by the State educational agency relating to adult basic education programs.

State Plans

SEC. 504. (a) The Commissioner shall approve for purposes of this title the plan of a State which—

(1) provides for administration thereof by the State educational agency;

(2) provides that such agency will make such reports to the Commissioner, in such form and containing such information, as may reasonably be necessary to enable the Commissioner to perform his duties under this title and will keep such records and afford such access thereto as the Commissioner finds necessary to assure the correctness and verification of such reports;

(3) provides such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for Federal funds paid to the State under this title (including such funds paid by the State to qualified community action boards, private, nonprofit agencies, and local educational agencies);

(4) provides for cooperative arrangements between the State educational agency and the State health authority looking toward provision of such health information and services for individuals described in section 501 as may be available from such agencies and as may reasonably be necessary to enable them to benefit from the instruction provided under programs conducted pursuant to grants under this title; and

(5) sets forth a program for use, in accordance with section 503(b), of grants under this title which affords assurance of substantial progress, within a reasonable period and with respect to all segments of the population and all areas of the State, toward elimination of the inability of adults to read and write English and conduct elementary arithmetic computations, and toward substantially raising the level of education of individuals described in section 501; and

(6) provides for maximum utilization of nonprofessional, noncertified teachers of limited curriculums, as prescribed by the State, of a functional, as distinguished from academic, nature.

(b) The Commissioner shall not finally disapprove any State plan submitted under this title, or any modification thereof, without first affording the State educational agency reasonable notice and opportunity for a hearing.

Allotments

SEC. 505. (a) From the sums allocated for grants to States under section 503 for any fiscal year, the Commissioner shall reserve such amount, but not in excess of 2 per centum thereof, as he may determine, and shall allot such amount among Puerto Rico, Guam, American Samoa, and the Virgin Islands according to their respective needs for assistance under this title. The remainder of the sums so allocated for a fiscal year shall be allotted by the Commissioner on the basis of the relative number of individuals in each State who have attained age eighteen and who have completed not more than five grades of school or have not achieved an equivalent level of education, as determined by the Commissioner on the basis of the best and most recent information available to him, including any relevant data furnished to him by the Department of Commerce. The amount allotted to any State under the preceding sentence for any fiscal year which is less than $50,000 shall be increased to that amount, the total thereby required being derived by proportionately reducing the amount allotted to each of the remaining States under the preceding sentence, but with such adjustments as may be necessary to prevent the allotment of any of such remaining States from being thereby reduced to less than $50,000. For the purposes of this subsection, the term "State" shall not include Puerto Rico, Guam, American Samoa, and the Virgin Islands.

(b) The portion of any State's allotment under subsection (a) for a fiscal year which the Commissioner determines will not be required, for the period such allotment is available, for carrying out the State plan (if any) approved under this title shall be available for reallotment from time to time, on such dates during such period as the Commissioner may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year, but with such proportionate amount for any of such other States being reduced to the extent it exceeds the sum which the Commissioner estimates such State needs and will be able to use for such period for carrying out its State plan approved under this title; and the total of such reductions shall be similarly reallocated among the States whose proportionate amounts are not so reduced. Any amount reallotted to a State under this subsection during a year shall be deemed part of its allotment under subsection (a) for such year.

SEC. 506. (a) From a State's allotment available for the purpose, the Federal share of expenditures, under its State plan, for the purpose set forth in section 503(b) shall be paid to such State. Such payments shall be made in advance on the basis of estimates by the Commissioner; and may be made in such installments as the Commissioner may determine, after making appropriate adjustments to take account of previously made overpayments or underpayments; except that no such payments shall be made for any fiscal year unless the Commissioner finds that the amount available for expenditures for adult basic educational programs and services from State sources for such year will be not less than the amount expended for such purposes from such sources during the preceding fiscal year.

(b) In any State which has a State plan approved under section 504(a) and in which the State educational agency is not authorized by law to make grants to a community action board or a private nonprofit agency as provided for in section 503(b), the Commissioner shall arrange for making grants to such board or agency on an equitable basis from the State's allotment under section 505.

(c) For the fiscal year ending June 30, 1967, the Federal share for each State shall be 90 per centum, and for each succeeding fiscal year shall be 80 per centum.

Operation of State Plans; Hearings and Judicial Review

SEC. 507. (a) Whenever the Commissioner, after reasonable notice and opportunity for hearing to the State educational agency administering a State plan approved under this title, finds that—

(1) the State plan has been so changed that it no longer complies with the provisions of section 504, or

(2) in the administration of the plan there is a failure to comply substantially with any such provision,

the Commissioner shall notify such State agency that no further payments will be made to the State under this part (or in his discretion, that further payments to the State will be limited to programs under or portions of the State plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply. Until he is so satisfied, no further payments may be made to such State under this part (or payments shall be limited to programs under or portions of the State plan not affected by such failure).

(b) A State educational agency dissatisfied with a final action of the Commissioner under section 504 or subsection (a) of this section may appeal to the United States court of appeals for the circuit in which the State is located, by filing a petition with such court within sixty days after such final action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Commissioner, or any officer designated by him for that purpose. The Commissioner thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code. Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Commissioner or to set it aside, in whole or in part, temporarily or permanently, but until the filing of the record, the Commissioner may modify or set aside his order. The findings of the Commissioner as to the facts, if supported by substantial evidence, shall be conclusive, but the court for good cause shown, may remand the case to the Commissioner to take further evidence, and the Commissioner may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence. The judgment of the court affirming or setting aside, in whole or in part, any action of the Commissioner shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code. The commencement of proceedings under this subsection shall not, unless so specifically ordered by the court, operate as a stay of the Commissioner's action.

Teacher Training Projects

SEC. 508. The Commissioner shall allocate funds from graduate and teacher training

programs assisted by the Federal Government under the National Defense Education Act and other applicable provisions of law to make grants to colleges and universities, State or local educational agencies, or other appropriate public or private nonprofit agencies or organizations to provide training to persons engaged or preparing to engage as instructors for individuals described in section 501, with such stipends and allowances, if any (including traveling and subsistence expenses), for persons undergoing such training and their dependents as the Commissioner may by or pursuant to regulation determine.

Small Neighborhood Programs

SEC. 509. In carrying out this title, special consideration shall be given to the support of small neighborhood programs adapted to the customs and practices of the residents that normally produce resistance to participation in more formal programs of adult basic education.

Miscellaneous

SEC. 510. For purposes of this title—

(1) The term "State educational agency" means the State board of education or other agency or officer primarily responsible for the State supervision of public elementary and secondary schools, or, if different, the agency or officer primarily responsible for supervision of adult basic education in public schools whichever may be designated by the Governor or by State law, or, if there is no such agency or officer, an agency or officer designated by the Governor or by State law;

(2) The term "local education agency" means a board of education or other legally constituted local school authority having administrative control and direction of public elementary or secondary schools in a city, county, township, school district, or political subdivision in a State, except that if there is a separate board or other legally constituted local authority having administrative control and direction of adult basic education in public schools therein, it means such other board or authority;

(3) The term "private school agency" means an association or corporation operating or conducting programs of adult basic education, no part of the net earnings of which inures or may lawfully incur to the benefit of any private shareholder or individual.

Authorization of Appropriations

SEC. 511. The Commission shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $40,000,000 for the fiscal year ending June 30, 1967, and for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VI—RURAL LOANS AND MIGRANT PROGRAMS

Statement of Purpose

SEC. 601. It is the purpose of this title to provide a separate program of specialized assistance to residents of rural areas relying substantially on agricultural pursuits for income, who show promise of maintaining their livelihood in agriculture, or, with the liberalized benefits provided herein, show promise of ability to supplement their income or maintain or support themselves in nonagricultural enterprises.

Part A

SEC. 602. (a) The Secretary of Agriculture (hereinafter in this title referred to as the "Secretary") is authorized, acting through the Farmers' Home Administration, to make loans having a maximum maturity of 15 years and in amounts not exceeding $3,500 outstanding at any one time to any low-income rural family where, in the judgment of the Secretary, such loans have a reasonable possibility of effecting a permanent increase in the income of such families by assisting or permitting them to—

(1) acquire or improve real estate or reduce encumbrances or erect improvements thereon,

(2) operate or improve the operation of farms not larger than family sized, including but not limited to the purchase of feed, seed, fertilizer, livestock, poultry, and equipment, or

(3) participate in cooperative associations; and/or to finance nonagricultural enterprises which will enable such families to supplement their income.

(b) Loans under this section shall be made only if the family is not qualified to obtain such funds by loan under other Federal programs.

(c) In carrying out this part in areas served by qualified community action boards, the Secretary shall utilize the services of such boards in developing programs under this part.

Cooperative Associations

SEC. 603. The Secretary is authorized to make loans to local cooperative associations furnishing essential processing, purchasing, or marketing services, supplies, or facilities predominantly to low-income rural families.

Limitations of Assistance

SEC. 604. No financial or other assistance shall be provided under this part unless the Secretary determines that—

(a) the providing of such assistance will materially further the purposes of this part, and

(b) in the case of assistance provided pursuant to section 603, the applicant is fulfilling or will fulfill a need for services, facilities, or activities which is not otherwise being met.

Loan Terms and Conditions

SEC. 605. Loans pursuant to sections 602 and 603 shall have such terms and conditions as the Secretary shall determine, subject to the following limitations:

(a) There is reasonable assurance of repayment of the loan;

(b) The credit is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) The amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) The loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Treasury may determine to be consistent with its purposes;

(e) With respect to loans made pursuant to section 603, the loan is repayable within not more than thirty years; and

(f) No financial or other assistance shall be provided under this part to, or in connection with, any corporation or cooperative organization for the production of agricultural commodities or for manufacturing purposes: *Provided*, That packing, canning, cooking, freezing, or other processing used in preparing or marketing edible farm products, including dairy products, shall not be regarded as manufacturing merely by reason of the fact that it results in the creation of a new or different substance.

Part B

Assistance for Migrant, and Other Seasonally Employed, Agricultural Employees and Their Families

SEC. 611. (a) The Secretary is authorized to develop and implement programs of loans, loan guarantees, and grants to assist State and local agencies, private nonprofit institutions, and cooperatives in establishing, administering, and operating programs which aid migratory workers and seasonal farm laborers and their families, by bettering or helping them to better their present living conditions and providing programs which develop individual skills for permanent employment as well as developing permanent employment possibilities.

(b) The Secretary is authorized to make grants under this part to States to encourage them to develop a program, coordinated through regional arrangements or State compacts, to provide minimum standards of housing, sanitation, education, transportation, and other environmental conditions.

(c) The Secretary is authorized to make grants under this part for special programs (1) that will operate on mobile basis, following a migrant community through its entire seasonal flow, or (2) that provide return transportation and other appropriate assistance for migrants employed in seasonal operations who remain in an area after termination of their seasonal employment with the expectations of permanent employment, but are thereafter terminated from such employment.

(d) From the sums appropriated or allocated to carry out this part, the Secretary may reserve up to $1,000,000 to be used to conduct a study of methods of decasualizing the labor market, including, but not limited to, studies of the migrant labor streams and alternate occupations for migrants which will effect considerable reductives in the distance traveled by the worker, of training programs to adapt the worker to mechanized agricultural processes, and of training programs to prepare workers for complete removal from the migrant stream.

Part C

Authorization of Appropriations

SEC. 621. The Secretary shall carry out the program provided for in this title during the fiscal year ending June 30, 1967, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $55,000,000 for the fiscal year ending June 30, 1967, and for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VII—SPECIAL SMALL BUSINESS LOANS AND INCENTIVES

Statement of Purpose

SEC. 701. It is the purpose of this title to supplement the Human Investment Act of 1966 by assisting in the establishment, continuation, expansion, and strengthening of small business concerns owned by individuals who qualify under poverty standards set by the Director, and to assist in the establishment, or expansion of small business concerns which, by the nature of their business, hold substantial and continuing promise of employing substantial numbers of individuals with inadequate backgrounds of educational experience or skills.

Loans, Participations, and Guaranties

SEC. 702. The Administrator of the Small Business Administration (hereinafter in this title referred to as the "Administrator") is authorized to make, participate (on an immediate basis) in, or guarantee loans, repayable in not more than fifteen years, to any small business concern (as defined in section 3 of the Small Business Act (15 U.S.C. 632) and regulations issued thereunder), or to any qualified person seeking to establish such a concern, when he determines that such loans will assist in carrying out the purposes of this title, with particular emphasis on employment of the long-term unemployed: *Provided, however*, That no such loans shall be made, participated in, or

guaranteed if the total of such Federal assistance to a single borrower outstanding at any one time would exceed $25,000. The Administrator may defer payments on the principal of such loans for a grace period and use such other methods as he deems necessary and appropriate to assure the successful establishment and operation of such concern. The Administrator shall encourage, as far as possible, the participation of the private business community in the program of assistance to such concerns.

Coordination With Community Action Programs

SEC. 703. No financial assistance shall be provided under section 702 in any community for which the Director has approved a community action program pursuant to title III of this Act unless such financial assistance is determined by him to be consistent with such program.

Loan Terms and Conditions

SEC. 704. Loans made pursuant to section 702 (including immediate participation in and guaranties of such loans) shall have such terms and conditions as the Administrator shall determine, subject to the following limitations:

(a) There is reasonable assurance of repayment of the loan;

(b) The financial assistance is not otherwise available on reasonable terms from private sources or other Federal, State, or local programs;

(c) The amount of the loan, together with other funds available, is adequate to assure completion of the project or achievement of the purposes for which the loan is made;

(d) The loan bears interest at a rate not less than (1) a rate determined by the Secretary of the Treasury, taking into consideration the average market yield on outstanding Treasury obligations of comparable maturity, plus (2) such additional charge, if any, toward covering other costs of the program as the Administrator may determine to be consistent with its purposes: *Provided, however*, That the rate of interest charged on loans made in redevelopment areas designated under the Area Redevelopment Act (42 U.S.C. 2501 et seq.) shall not exceed the rate currently applicable to new loans made under section 6 of that Act (42 U.S.C. 2505); and

(e) Fees not in excess of amounts necessary to cover administrative expenses and probable losses may be required on loan guarantees.

Limitation on Financial Assistance

SEC. 705. No financial assistance shall be extended pursuant to this title where the Administrator determines that the assistance will be used in relocating establishments from one area to another or in financing subcontractors to enable them to undertake work theretofore performed in another area by other subcontractors or contractors.

Authorization of Appropriations

SEC. 706. The Administrator of the Small Business Administration shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $12,000,000 for the fiscal year ending June 30, 1967; and for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE VIII—WORK EXPERIENCE

Statement of Purpose

SEC. 801. It is the purpose of this title to train and equip individuals inured to the perpetual cycle of public assistance and welfare to become self-supporting and capable of sustaining their families. In carrying out this purpose the Secretary of Health, Education, and Welfare shall have exclusive Federal authority and shall utilize and coordinate the facilities and programs available at State and local levels, including, to the extent possible, those in the private and voluntary sector. The Secretary shall give special emphasis to equipping individuals with the motivation, discipline, and training necessary to hold permanent jobs in private, profit-making enterprises.

SEC. 802. The Secretary of Health, Education, and Welfare (hereinafter referred to as the "Secretary") shall determine eligibility for programs under this title with due consideration to meeting the following criteria:

(a) Training offered to participants shall be constructive from the standpoint of upgrading the employability of individuals;

(b) Eligibility for public assistance of individuals and families shall continue without diminution during periods of participation;

(c) Participants may engage in gainful employment without pay from their employers for limited periods up to a maximum of two years: *Provided*, That the Secretary shall determine that they are not being exploited as a source of free labor;

(d) Participants employed under this title shall not displace or adversely affect regular employees (including substitute workers) or additional workers who would otherwise be hired by employers participating in the program;

(e) Employment by private, profitmaking enterprises, or public or private nonprofit agencies, shall be approved by the Secretary only if the Secretary determines that there is a reasonable chance that the employer will hire the individual participant upon successful completion of the agreed upon training;

(f) All participants in the program shall be provided basic education as an integral part of their training if they have need for such education;

(g) To the extent possible, the Secretary shall utilize all existing Federal, State, local, and private programs to provide training and education to participants;

(h) In the event there is no existing program of education or training available to participants, the Secretary is authorized to make grants or contracts to provide such programs of assistance;

(i) In determining eligibility under this title, special emphasis shall be given to individuals with less than eight years of formal schooling who lack the background for effective performance as employees and citizens.

Payments for Experimental, Pilot, and Demonstration Projects

SEC. 803. In order to stimulate the adoption of programs designed to help unemployed fathers and other needy persons to secure and retain employment or to attain or retain capability for self-support or personal independence, the Secretary of Health, Education, and Welfare is authorized to use funds appropriated or allocated to carry out this title to make payments for experimental, pilot, or demonstration projects under section 1115 of the Social Security Act (42 U.S.C. 1315), subject to the limitations contained in section 409(a) (1)–(6), inclusive, of such Act (42 U.S.C. 609(a) (1)–(6)), in addition to the sums otherwise available pursuant thereto. Workers in farm families with less than $1,200 net family income shall be considered unemployed for the purposes of this title. The costs of such projects to the United States shall, notwithstanding the provisions of such Act, be met entirely from funds appropriated or allocated to carry out the purposes of this title.

Authorization of Applications

SEC. 804. The Secretary of Health, Education, and Welfare shall carry out the programs provided for in this title during the fiscal year ending June 30, 1967, and the two succeeding fiscal years. For the purpose of carrying out this title, there is hereby authorized to be appropriated the sum of $200,000,000 for the fiscal year ending June 30, 1967, and for the fiscal year ending June 30, 1968, and the fiscal year ending June 30, 1969, such sums may be appropriated as the Congress may hereafter authorize by law.

TITLE IX—AUTOMATING THE EMPLOYMENT SERVICE

SEC. 901. Section 103 of the Manpower Development and Training Act of 1962 (Public Law 87–415), as amended is amended to read as follows:

"SEC. 103. (a) The Secretary of Labor is directed, using every appropriate facility, to develop, compile, and make available information regarding skill requirements, occupational outlook, job opportunities, labor supply in various skills, and employment trends on a National, State, area, or other appropriate basis which shall be used in the educational, training, counseling, and placement activities performed under this Act. In the administration of this Act, the Secretary shall give the highest priority to performing the duties prescribed by subsections (a) and (b) of this section with particular emphasis on identifying and publishing those occupations, skills, industries and geographic areas in which the supply of qualified workers is insufficient to meet existing and foreseeable future needs. The sum of $50,000,000 is hereby authorized to be appropriated for the purpose of carrying out the provisions of this subsection.

"(b) The Secretary of Labor is further directed to develop and establish in the United States Employment Service a program for matching the qualifications of job applicants with employer requirements on a local, interarea, and nationwide basis. Such program shall be designed to provide a quick and direct means of communication among local offices of the Service in the interarea and nationwide referral, recruiting, and placement of unemployed and underemployed workers, and the referral of workers to industries which need them wherever located throughout the Nation. In the development of such program, the Service shall establish a network utilizing electronic data processing and telecommunication systems for the storage, retrieval, and communication of job and worker information. The sum of $20,000,000 is hereby authorized to be appropriated for the purpose of carrying out the provisions of this subsection."

SEC. 902. Section 104 of said Act, as amended, is amended to read as follows:

"SEC. 104. The Secretary of Labor shall make such reports and recommendations to the President as are appropriate pertaining to manpower requirements, resources, use, and training; and the President shall transmit to the Congress within sixty days after the beginning of each regular session (commencing with the year 1967) a report pertaining to manpower requirements, resources, utilization, and training. Such reports shall contain a specific and detailed account of the administration, utilization, and operation of the functions and activities prescribed by section 103 of this Act."

TITLE X—ADMINISTRATION AND COORDINATION

Repealers; Effective Dates

SEC. 1001. (a) The Economic Opportunity Act of 1964 is hereby repealed, effective June 30, 1966.

(b) This Act shall become effective June 30, 1966.

(c) Notwithstanding subsection (a), during the period between June 30, 1966, and January 1, 1967, the authority granted under the Economic Opportunity Act of 1964 may continue to be utilized to the extent necessary to permit the orderly transformation of programs being carried on under that Act into programs to be carried on under this Act. The authority to carry on a program

under the Economic Opportunity Act of 1964 until January 1, 1967, shall be exercised by the officer charged with carrying out a similar program under this Act.

Economic Opportunity Council

SEC. 1002. (a) There is hereby established an Economic Opportunity Council, which shall meet at least quarterly to consult and devise methods to insure that antipoverty efforts conducted by all segments of the Federal Government are coordinated.

(b) The Council shall include the Director, who shall be Chairman, the Secretary of Defense, the Attorney General, the Secretary of the Interior, Agriculture, Commerce, Labor, Health, Education, and Welfare, Housing and Urban Development, the Administrator of the Small Business Administration, the Chairman of the Council of Economic Advisers, the Director of Selective Service, and each other agency who has primary responsibility for a program being carried out under this Act.

Labor Standards

SEC. 1003. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133—133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948, as amended; 40 U.S.C. 276(c)).

Reports

SEC. 1004. Not later than one hundred and twenty days after the close of each fiscal year, each officer charged with carrying out a program under this Act shall prepare and submit to the President for transmission to the Congress a full and complete report on the program he carries out for such fiscal year.

Definitions

SEC. 1005. As used in this Act:

(a) The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, Guam, American Samoa, or the Virgin Islands, and for purposes of title I and part A of title III such term includes the Trust Territory of the Pacific Islands; and the term "United States", when used in a geographical sense, includes the foregoing and all other places, continental or insular, including the Trust Territory of the Pacific Islands, subject to the jurisdiction of the United States.

(b) The term "agency", unless the context requires otherwise, means department, agency, or other component of a Federal, State, or local governmental entity.

(c) The term "family", in the case of a Job Corps enrollee, means—

(1) the spouse or child of an enrollee, and

(2) any other relative who draws substantial support from the enrollee.

Preference to Community Action Programs

SEC. 1006. To the extent feasible and consistent with the provisions of law governing any Federal program and with the purposes of this Act, the head of each Federal agency administering any Federal program is directed to give preference for any application for assistance or benefits which is made pursuant to or in connection with a community action program approved pursuant to title III of this Act.

Political Discrimination; Political Activity

SEC. 1007. (a) No officer or employee in the executive branch of the Federal Government shall make any inquiry concerning the political affiliation or belief of any person whose compensation is paid, in whole or in part, from sums appropriated to carry out this Act. All disclosures concerning such matters shall be ignored, except as to such membership in political parties or organizations as constitutes by law a disqualification for Government employment. No discrimination shall be exercised, threatened, or promised by any person in the executive branch of the Federal Government against or in favor of any person whose compensation is paid, in whole or in part, from sums appropriated to carry out this Act because of his political affiliations or beliefs, except as may be specifically authorized or required by law.

(b) No person whose compensation is paid, in whole or in part, from sums appropriated to carry out this Act shall take an active part in political management or in political campaigns, and no such officer or employee shall use his officials authority or influence for the purpose of interfering with an election or affecting the result thereof. All such persons shall retain the right to vote as they may choose and to express, in their private capacities, their opinions on all political subjects and candidates. This section shall not apply to officers or employees of the United States.

(c) Whenever the United States Civil Service Commission finds that any person has violated subsection (b), it shall, after giving due notice and opportunity for explanation to the person concerned, certify the facts to the Director with specific instructions as to discipline or dismissal or other corrective action.

Limitation of Staff Salaries

SEC. 1008. No person whose compensation exceeds $6,000 per annum and is paid, in whole or in part, from sums appropriated to carry out this Act shall be employed at a rate of compensation which exceeds by more than 20 per centum the salary which he was receiving in his immediately preceding employment, but the head of the agency who is charged by this Act with the program in which he is employed may grant exceptions for specific cases.

Prohibition of Federal Control

SEC. 1009. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution or school system.

TITLE XI—TREATMENT OF INCOME FOR CERTAIN PUBLIC ASSISTANCE PURPOSES

Public Assistance

SEC. 1101. (a) Notwithstanding the provisions of titles I, IV, X, XIV, and XVI of the Social Security Act, a State plan approved under any such title shall provide that—

(1) the first $85 plus one-half of the excess over $85 of payments made to or on behalf of any person for or with respect to any month under title, I, II, or III of this Act or any program assisted under such title shall not be regarded (A) as income or resources of such person in determining his need under such approved State plan, or (B) as income or resources of any other individual in determining the need of such other individual under such approved State plan;

(2) no payments made to or on behalf of any person for or with respect to any month under such title or any such program shall be regarded as income or resources of any other individual in determining the need of such other individual under such approved State plan except to the extent made available to or for the benefit of such other individual; and

(3) no grant made to any family under title VI of this Act shall be regarded as income or resources of such family in determining the need of any member thereof under such approved plan.

ESTABLISHMENT OF U.S. LABOR COURT

Mr. GRIFFIN. Mr. President, I introduce, for appropriate reference, a bill to abolish the National Labor Relations Board and to establish in its place a 15-man U.S. Labor Court, similar in many respects to the U.S. Tax Court.

Let me say at the outset of my remarks, Mr. President, that I firmly believe the National Labor Relations Act should be interpreted by a judicial body that would not be subject to continuing day-to-day political and special interest pressures.

At the present time, NLRB members are appointed by the President for 6-year terms. Two of the five members of the present Board are not even lawyers.

Instead of operating as a court, the NLRB looks upon itself, in the words of one of its members, as a "policymaking tribunal." Too often, in my opinion, the NLRB undertakes to write the labor laws instead of exercising the restraint of a judicial body with the limited function of interpreting and applying laws made by Congress in accordance with the intent of Congress.

It has become common practice for the NLRB to overturn and reverse its own decisions. Neither congressional intent nor the doctrine of stare decisis has much standing with the NLRB policymakers. The situation is such that lawyers in the field have great difficulty in advising their clients concerning the state of the law at any particular time.

The bill I introduce today would establish the U.S. Labor Court which would have 15 judges who would serve for a period of 20 years at an annual salary of $33,000 each. The original appointees would serve staggered terms.

If enacted, I believe this legislation would bring about a number of desirable and necessary changes. By raising the NLRB to the status of a court and giving the members 20-year terms, there would be more reason to expect decisions based upon congressional intent and proper respect for stare decisis.

In addition to enlarging the membership from 5 Board members to 15 judges, the bill would authorize the establishment of divisions, consisting of 1 or more judges to narrow and eliminate the lag in case handling which has long characterized the activities of the NLRB.

The bill also provides for appointment of an Administrator who would serve at the pleasure of the President, and for appointment of not more than 90 Commissioners—who would have to be lawyers—to replace the present NLRB trial examiners. The tenure of Commissioners would be at the option of the court.

Under this bill, the duties and functions of the National Labor Relations Board and the General Counsel would be performed by the new U.S. Labor Court and the Administrator.

I should like to point out that the bill I introduce today generally follows recommendations which have been made in the past by the American Bar Association.

Mr. President, while I would not contend that this legislation provides the final or the perfect answer to every problem in this field, I am confident that it points in the right direction toward reforms that are sorely needed.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3631) to amend title 28 of the United States Code, "Judiciary and Judicial Procedure," and incorporate therein provisions relating to the U.S. Labor Court, and for other purposes, introduced by Mr. GRIFFIN, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

S. 3631

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Labor Court Act".

SECTION 1. Title 28, United States Code, "Judiciary and Judicial Procedure," is amended by inserting in the analysis of part I, preceding chapter 1, after the item

"11. Customs Court..... 251"

the following new item:

"12. Labor Court..... 271".

SEC. 2. Title 28, United States Code, is amended by adding immediately following section 255 thereof the following new chapter:

"CHAPTER 12—LABOR COURT

"Sec.
"271. Appointment and number of judges; character of court.
"272. Chief judge; designation.
"273. Precedence of judges.
"274. Tenure and salaries of judges.
"275. Principal seat and terms.
"276. Assignment of judges; hearings, divisions; quorum.
"277. Seal.
"278. Sessions.

"§ 271. Appointment and number of judges; character of court

"The President shall appoint, by and with the advice and consent of the Senate, fifteen judges who shall constitute a court of record known as the United States Labor Court. The term of office of judges of the United States labor court shall be twenty years, except that (1) of the judges first appointed, four shall be appointed for a term of office of five years, four shall be appointed for a term of office of ten years, four for a term of office of fifteen years, and three for a term of office of twenty years from the date of enactment of the Labor Court Act, as designated by the President at the time of appointment, (2) any judge appointed to fill a vacancy shall be appointed only for the unexpired term of the judge he succeeded, and (3) a judge shall continue to serve until the judge who succeeds him is appointed and has qualified.

"§ 272. Chief judge; designation

"The Labor Court shall, at least biennially, designate a judge of such court to act as chief judge.

"§ 273. Precedence of judges

"The chief judge of the Labor Court shall have precedence and preside at any session of the court which he attends.

"The other judges shall have precedence and, in the absence of an order of designation by the chief judge, shall preside according to the seniority of their commissions. Judges whose commissions bear the same date shall have precedence according to seniority in age.

"§ 274. Salaries of judges

"The judges of the Labor Court shall receive a salary of $33,000 a year.

"§ 275. Principal seat and terms

"The principal seat of the Labor Court shall be in the District of Columbia. The court may sit at such times and places within the United States as the court may fix by rule.

"§ 276. Assignment of judges; hearings; divisions; quorum

"The Labor Court may authorize the hearing and determination of cases by separate divisions, each consisting of one or more judges.

"The chief judge, pursuant to rule of court, shall assign judges to the respective divisions.

"A majority of the judges of the Labor Court shall constitute a quorum of the court but a majority of the number of judges assigned to a division shall constitute a quorum of such division.

"§ 277. Seal

"The Labor Court shall have a seal which shall be judicially noticed.

"§ 278. Sessions

"The time and place of the sessions of the Labor Court and its divisions shall be prescribed by the chief judge, pursuant to rule of court, with due consideration being given to the expeditious conduct of proceedings and the convenience of the parties."

SEC. 3. (a) Title 28, United States Code, section 331, first paragraph, is amended by inserting after "Patent Appeals," the following: "the chief judge of the Labor Court,".

(b) Title 28, United States Code, section 331, third paragraph, is amended by inserting after "Court of Claims" the following: "the chief judge of the Labor Court".

SEC. 4. Title 28, United States Code, section 373, first paragraph, is amended by inserting after "Virgin Islands," the following: "or of the Labor Court,".

SEC. 5. Title 28, United States Code, section 376, subsection (q) is amended by inserting after "Virgin Islands" the following: ", the judges of the Labor Court,".

SEC. 6. (a) Title 28, United States Code, section 451, second paragraph, is amended to read as follows:

"The term 'court of the United States' includes the Supreme Court of the United States, courts of appeals, district courts constituted by chapter 5 of this title, including the United States District Court for the District of Puerto Rico, the Court of Claims, the Court of Customs and Patent Appeals, the Customs Court, the Labor Court, and any court created by Act of Congress the judges of which are entitled to hold office during good behavior."

(b) Title 28, United States Code, section 451, fourth paragraph, is amended to read as follows:

"The term 'judge of the United States' includes judges of the courts of appeals, district courts, Court of Claims, Court of Customs and Patent Appeals, Customs Court, Labor Court, and any court created by Act of Congress the judges of which are entitled to hold office during good behavior."

SEC. 7. Title 28, United States Code, section 456, second paragraph, is amended to read as follows:

"The official station of the Chief Justice of the United States, the justices of the Supreme Court and the judges of the Court of Claims, the Court of Customs and Patent Appeals, the United States Court of Appeals for the District of Columbia, the United States Court of Appeals for the District of Columbia, the United States District Court for the District of Columbia, and the Labor Court, shall be the District of Columbia."

SEC. 8. Title 28, United States Code, section 610, is amended to read as follows:

"§ 610. Courts defined

"As used in this chapter the word 'courts' includes the court of appeals and district courts of the United States, the United States District Court for the District of the Canal Zone, the District Court of Guam, the District Court of the Virgin Islands, the Court of Claims, the Court of Customs and Patent Appeals, the Customs Court, and the Labor Court."

SEC. 9. The analysis of "Part III—Court Officers and Employees", immediately preceding chapter 41, title 28, United States Code, is amended by inserting after the item

"55. Customs Court..... 871"

the following:

"56. Labor Court..... 911".

SEC. 10 Title 28, United States Code, is amended by adding immediately after section 873 the following new chapter:

"CHAPTER 56—LABOR COURT

"Sec.
"911. Clerk and employees.
"912. Law clerks and secretaries.
"913. Commissioners.

"§ 911. Clerk and employees

"(a) The Labor Court may appoint a clerk, and may appoint or authorize the appointment of other officers and employees in such number as may be approved by the Director of the Administrative Office of the United States Courts.

"(b) The clerk shall be subject to removal by the court. Other officers and employees shall be subject to removal by the court or, if the court shall so determine, by the clerk or other officer who appointed them, with the approval of the court.

"(c) The clerk shall pay into the Treasury all fees, costs, and other moneys collected by him. He shall make returns thereof to the Director of the Administrative Office of the United States Courts under regulations prescribed by him.

"§ 912. Law clerks and secretaries

"Each judge may appoint a secretary and, upon certification and necessity by the chief judge, a law clerk. Upon further certification of necessity by the chief judge a judge may appoint one additional law clerk for the period of necessity: *Provided,* That no such additional law clerk may be appointed for a period longer than one calendar year from the date of appointment.

"§ 913. Commissioners

"(a) The Labor Court may appoint not more than ninety commissioners who shall be subject to removal by the court and shall devote all of their time to the duties of the office. Each commissioner shall be an attorney at law.

"(b) Each commissioner shall receive basic compensation at the rate of $26,000 a year, and also all necessary traveling expenses and a per diem allowance as provided in sections 835–842 of title 5, United States Code, while traveling on official business and away from Washington, District of Columbia.

"(c) The chief judge shall assign commissioners as the business of the court may require."

SEC. 11. (a) The analysis of chapter 83, immediately preceding section 1291, title 28, United States Code, is amended by inserting immediately below

"1292. Interlocutory decisions."

the following:

"1293. Labor Court decisions."

SEC. 12. Title 28, United States Code, is amended by inserting the following new section immediately after section 1292:

"§ 1293. Labor Court decisions

"Except as otherwise expressly provided herein, the courts of appeals shall have jurisdiction to review on appeal final orders of the Labor Court in the same manner and to the same extent as decisions of the district courts in civil actions tried without a jury."

SEC. 13. Title 28, United States Code, section 1293, is amended by inserting "(a)" preceding the first paragraph and by adding at the end thereof the following new paragraphs:

"(b) An appeal from a reviewable decision of the Labor Court may be taken to the court of appeals for any circuit in which the unfair labor practice in question occurred, or wherein the party against whom the proceeding in the Labor Court was instituted resides or transacts business; or an appeal may be taken to the United States Court of Appeals for the District of Columbia Circuit by stipulation of the parties.

"(c) An appeal from a reviewable decision of the Labor Court may be taken by any person aggrieved thereby. The term 'person aggrieved' as used herein shall include and be limited to (1) any person against whom the decision is rendered, (2) the Administrator of the National Labor Relations Act, and (3) the person filing the charge upon which the proceeding is based, if the court has dismissed a complaint in whole or in part.

"(d) The Administrator shall be a party to any appeal taken as provided herein from any decision of the Labor Court."

SEC. 14. The analysis of "Part IV—Jurisdiction and Venue", immediately preceding chapter 81, title 28, United States Code, is amended by adding at the end thereof the following new item:

"96. Labor Court..... 1621".

SEC. 15. Title 28, United States Code, is amended by adding immediately following section 1583 the following new chapter:

"CHAPTER 96—LABOR COURT

"Sec.

"1621. Jurisdiction.

"(a) The Labor Court shall have exclusive jurisdiction to hear proceedings, render judgments, issue decrees including decrees granting injunctions, and issue certifications under the following:

"(1) Section 8 of the National Labor Relations Act as amended (U.S.C., title 29, sec. 158) and as further amended by section 19 of the Labor Court Act.

"(2) Section 9 of the National Labor Relations Act as amended (U.S.C., title 29, sec. 159), and as further amended by section 19 of the Labor Court Act.

"(3) Section 10 of the National Labor Relations Act as amended (U.S.C., title 29, sec. 160) and as further amended by section 19 of the Labor Court Act.

"(b) The decisions and certifications of the Labor Court under section 9 of the National Labor Relations Act, as amended (U.S.C., title 29, sec. 159), and as further amended by section 19 of the Labor Court Act shall not be subjected to review in a court of appeals or elsewhere, except upon a review of a judgment under section 8 thereof which is based in whole or in part upon such decision or certification. In such case the record of such representation proceeding shall be included in the transcript of the entire record filed in the court of appeals, and thereupon the decision of the court of appeals shall be made upon the pleadings, testimony, and proceedings set forth in such transcript."

SEC. 16. The analysis of "Part VI—Particular Proceedings", immediately preceding chapter 151 of title 28, United States Code, is amended by inserting after the item

"169. Customs Court procedure..... 2631"

the following:

"170. Labor Court procedure..... 2651".

SEC. 17. Title 28, United States Code, is amended by adding the following new chapter immediately after section 2642:

"CHAPTER 170—LABOR COURT PROCEDURE

"Sec.

"2651. Proceedings before commissioners generally.

"2652. Proceedings, findings, and opinion of division; review.

"2653. Procedural rules.

"2654. Finality of orders.

"2655. Stay pending appeal.

"2656. Rules of practice.

"§ 2651. Proceedings before commissioners generally

"(a) In accordance with rules and orders of the Labor Court, commissioners shall fix times for hearings, administer oaths or affirmations to witnesses, receive evidence, and report findings of fact and their recommendations for conclusions of law and decision in cases assigned to them.

"(b) The rules of the court shall provide for the filing with the court of the commissioner's report of findings of fact and recommendations for conclusions of law and decision, and for opportunity for the parties to file exceptions thereto, and a hearing thereon before the court within a reasonable time. If no exceptions are filed to a commissioner's report, the findings of fact and the conclusions of law and decision recommended therein shall become the findings of fact, conclusions of law, and decision of the court. Unless on remand to the commissioner, the court shall not consider any issue of fact not raised by exception to the commissioner's report. The court shall by rule provide for the weight to be accorded to findings of fact by commissioners including findings based on credibility.

"§ 2652. Proceedings, findings, and opinion of division; review

"A division of the Labor Court shall hear and determine any matters assigned by the chief judge.

"The decision of the division shall upon publication thereof become the decision of the court. Within thirty days following publication thereof the chief judge, either on his own motion or on motion by one of the parties, may order a review by the court in accordance with its rules, or within such thirty days three or more judges may order such review; and in either case the chief judge may enter an order staying the decision of the division pending such review. Such review shall be by a court of at least five judges, before which the parties shall have the right to appear, and the decision of which shall become the decision of the court.

"§ 2653. Procedural rules

"The trials and proceedings before the Labor Court, divisions of the court, and commissioners, shall be conducted in accordance with such rules of practice and procedure as the Labor Court may prescribe, such rules to conform as nearly as practicable with the Rules of Civil Procedure for the District Courts of the United States.

"The rules of evidence applied in the district courts in civil actions tried without a jury shall be applied in trials and proceedings of the Labor Court, its divisions, and commissioners."

SEC. 18. Provisions of the National Labor Relations Act, as amended, to be applicable except as specifically provided herein, all of the provisions of the National Labor Relations Act, as amended, shall remain in full force and effect, except that, wherever that Act refers to the National Labor Relations Board or the General Counsel of the Board, it shall be deemed to refer to the United States Labor Court or the Administrator of the National Labor Relations Act, as the case may be.

SEC. 19. The National Labor Relations Act, as amended, shall be further amended as follows:

(1) Section 2. Definitions, is amended by striking therefrom subsection (10).

(2) Section 3 is amended to read as follows:

"SEC. 3 (a) There shall be an Administrator of the National Labor Relations Act, who shall be appointed by the President, by and with the advice and consent of the Senate, and shall serve at the pleasure of the President. The Administrator shall receive a salary of $30,000 a year. The Administrator may appoint such deputies, attorneys, and clerical assistants and employees as are necessary to perform his duties.

"The Administrator shall have authority in respect of the investigation of charges and in respect of the institution of unfair labor practice proceedings before the Labor Court.

"Subject to adjudication by the Labor Court as provided herein the Administrator shall also have authority to investigate representation petitions, conduct elections, and take other steps in connection therewith

"(b) The Administrator shall have the exclusive authority to institute unfair labor practice proceedings in the Labor Court to enforce compliance with section 8 of the National Labor Relations Act, as amended.

"(c) Whenever a petition shall have been filed as provided in section 9(c) of the National Labor Relations Act, as amended, the Administrator shall have the exclusive right to investigate such petition, and if he is unable to dispose of the petition by withdrawal or by consent procedures, and finds that a question of representation is presented which should be adjudicated by the Labor Court, he shall certify the petition to the Labor Court for the decision of such question of representation subject to the provisions of and in the manner provided by section 9 of of the National Labor Relations Act, as amended."

(3) Sections 4, 5, and 6 are hereby stricken.

(4) Section 8(a)(2) is amended to read as follows:

"(2) to dominate or interfere with the formation or administration of any labor organization or contribute financial or other support to it: *Provided*, That an employer shall not be prohibited from permitting employees to confer with him during working hours without loss of time or pay;"

(5) Section 8(a)(3) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(6) Section 8(b)(4)(D) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(7) Section 8(b)(5) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(8) Section 8(b)(7) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(9) Section 8(d) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(10) Section 9(b) is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(11) Section 9(c)(1) is amended to read as follows:

"(c)(1) Whenever a petition shall have been filed with the Administrator, in accordance with such rules as may be prescribed by the Labor Court—

"(A) by an employee or group of employees or any individual or labor organization acting in their behalf alleging that a substantial number of employees (i) wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 9(a), or (ii) assert that the individual or labor organization, which has been

certified or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 9(a); or

"(B) by an employer, alleging that one or more individuals or labor organizations have presented to him a claim to be recognized as the representative defined in section 9(a); the Administrator shall investigate such petition and unless disposed of by informal agreement of the parties, the petition shall be certified to the Labor Court by the Administrator for the purpose of hearing and appropriate decision. If the Labor Court finds upon the record of such hearing that a question of representation affecting commerce exists, it shall direct an election by secret ballot to be conducted by the Administrator who shall certify the results thereof to the Labor Court."

(12) Section 9(c)(2) is amended to read as follows:

"(2) In determining whether or not a question of representation exists the Labor Court shall make no distinction in its decision because of the identity of the persons filing the petition or the kind of relief sought, and in no case shall the Labor Court deny a labor organization a place on the ballot by reason of any prior decree (or prior order of the National Labor Relations Board) with respect to such labor organization or its predecessor not issued in conformity with section 10(c)."

(13) Section 9(c)(3) is amended by striking the words "under such regulations as the Board shall find are consistent with the purposes and provisions of this Act".

(14) Section 9(c)(4) is amended to read as follows:

"(4) Nothing in this section shall be construed to prohibit the waiving of a hearing by stipulation for the purpose of a consent election in conformity with regulations of the Administrator and applicable decisions of the Labor Court."

(15) Section 9(d) is hereby stricken and section 9(e) is redesignated "(d)".

(16) Section 9(e)(1) is amended by substituting the word "Administrator" for "Board" where the latter appears therein.

(17) Section 10 is amended to read as follows:

"SEC. 10. (a) The Labor Court shall have jurisdiction, as hereinafter provided, and unaffected by any other means of adjustment or prevention that had been or may be established by agreement, law, or otherwise, to enjoin any person from engaging in any unfair labor practice (listed in section 8) affecting commerce.

"(b) Whenever it is charged that any person has engaged in or is engaging in any such unfair labor practice, the Administrator, or any agent designated by the Administrator for such purpose, shall investigate such charge and if, after such investigation, there is reasonable cause to believe such charge is true, the Administrator or his agent shall issue and cause to be served upon such person a complaint stating the charges in that respect, and shall file such complaint in the court. No complaint shall issue based upon any unfair labor practice occurring more than six months prior to the filing of the charge and the service of a copy thereof upon the person against whom such charge is made, unless the person aggrieved thereby was prevented from filing such charge by reason of service in the Armed Forces, in which event the six-month period shall be computed from the day of his discharge. In determining whether a complaint shall issue alleging a violation of section 8(a)(1) or section 8(a)(2) of the National Labor Relations Act, as amended, no distinction shall be made because the labor organization affected is or is not affiliated with a labor organization national or international in scope. The charging party shall, and any other person may, in the discretion of the court, be allowed to intervene in the said proceeding and to present evidence. Where the Administrator or his agent refuses to issue a complaint pursuant to a charge alleging the commission of an unfair labor practice, the charging party may appeal to the Labor Court which shall have authority to require the Administrator to issue and cause to be served and filed a complaint based on such charge.

"(c) If the court finds that any person named in the complaint has engaged in or is engaging in any such unfair labor practice, then the court shall state its findings of fact and shall enter a decree requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action, including reinstatement of employees with or without back pay, as will effectuate the policies of this Act: *Provided*, That where a decree directs reinstatement of an employee, back pay may be required of the employer or labor organization, as the case may be, responsible for the discrimination suffered by him. If the court finds that the person named in the complaint has not engaged in or is not engaging in any such unfair labor practice, then the court shall state its findings of fact and shall dismiss the said complaint.

"(d) Upon the filing of a complaint, the court shall have jurisdiction, upon application by the Administrator, to grant such temporary relief or restraining order as it deems just and proper, notwithstanding any other provision of law, in any case in which it is alleged and there is reasonable cause to believe that substantial and irreparable injury to the charging party is threatened: *Provided, however*, That no temporary restraining order shall issue without notice to the person named in the complaint: *Provided further*, That a motion for a temporary restraining order shall not be denied where the complaint alleges violations of sections 8(b)(7), 8(e), or of the paragraphs (A), (B), or (C) of section 8(b)(4) and the court has reasonable grounds for believing such allegations to be true: *Provided further*, That no restraining order shall issue with respect to allegations in the complaint of unfair labor practices under section 8(b)(7) if a charge against the employer under section 8(a)(2) has been filed and after the preliminary investigation the Administrator, or any agent designated by the Administrator for that purpose, has reasonable cause to believe that such charge is true, and issues and causes to be served and filed a complaint based on such charge.

"(e) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of paragraph 4(D) of section 8(b) of this Act, the Administrator shall not issue a complaint if, within ten days after such charge has been filed, there is submitted to the Administrator satisfactory evidence that the controversy giving rise to the charge has been settled, or that effective methods for the voluntary adjustment thereof have been agreed upon and that such adjustment will be enforced.

"(f) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of sections 8(b)(7), 8(e), of the paragraphs (A), (B), or (C) of section 8(b)(4), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred.

"(g) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of subsection (a)(3) or (b)(2) of section 8, such charge shall be given priority over all other cases except cases of like character in the office where it is filed or to which it is referred and cases given priority under subsection (f)."

(18) Section 11 is amended to read as follows:

"SEC. 11. For the purpose of all investigations which, in the opinion of the Administrator, are necessary and proper for the exercise of the powers vested in him by section 9 and section 10—

"(1) The Administrator, or his duly authorized agents, shall at all reasonable times have access to, for the purpose of examination, and the right to copy any evidence of any person being investigated or proceeded against that relates to any matter under investigation or in question. The Labor Court shall, upon application of any party to such investigation or proceedings, forthwith issue to such party subpenas requiring the attendance and testimony of witnesses or the production of any evidence in such investigation or proceedings requested in such application. Within five days after the service of a subpena on any person requiring the production of any evidence in his possession or under his control, such person may petition the Labor Court to revoke such subpena, and the Labor Court shall revoke such subpena if it finds that the evidence whose production is required does not relate to any matter under investigation, or any matter in question in such proceedings, or if it finds that such subpena does not describe with sufficient particularity the evidence whose production is required. Such attendance of witnesses and the production of such evidence may be required from any place in the United States or any Territory or possession thereof, at any designated place of hearing;

"(2) No person shall be excused from attending and testifying or from producing books, records, correspondence, documents, or other evidence in obedience to the subpena of the Labor Court, on the ground that the testimony or evidence required of him may tend to incriminate him or subject him to a penalty or forfeiture; but no individual shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which he is compelled, after having claimed his privilege against self-incrimination, to testify or produce evidence, except that such individual so testifying shall not be exempt from prosecution and punishment for perjury committed in so testifying.

"(3) Complaints, orders, and other process and papers of the Labor Court, may be served either personally or by registered mail or by telegraph or by leaving a copy thereof at the principal office or place of business of the person requiring to be served. The verified return by the individual so serving the same setting forth the manner of such service shall be proof of the same, and the return post office receipt or telegraph receipt therefor when registered and mailed or telegraphed as aforesaid shall be proof of service of the same. Witnesses summoned before the Labor Court, a division thereof, or commissioner, shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like services in the courts of the United States.

"(4) All process of the Labor Court may be served anywhere in the United States or any Territory or possession thereof."

(19) Section 12 is amended to read as follows:

"SEC. 12. Any person who shall willfully resist, prevent, impede, or interfere with the Administrator or any of his agents or agencies in the performance of duties pursuant to this Act shall be punished by a fine of not more than $5,000 or by imprisonment for not more than one year, or both."

(20) Section 14 is amended by substituting the words "Labor Court" for "Board" where the latter appears therein.

(21) Section 18 is hereby stricken.

SEC. 20. TRANSFER OF PROCEEDINGS TO THE LABOR COURT.—

On the effective date of this Act, proceedings pending before the General Counsel of

the National Labor Relations Board or before the National Labor Relations Board shall be suspended and thereafter transferred as expeditiously as possible to the Administrator or to the Labor Court in the following manner:

(1) Proceedings pending before the General Counsel in which no formal action has been taken shall be transferred to the Administrator, who shall dispose of them in the manner prescribed herein and in accordance with the provisions of the National Labor Relations Act, as amended.

(2) Proceedings pending before the National Labor Relations Board shall be transferred to the Labor Court for hearing and decision, de novo: *Provided, however,* That the Labor Court may, at the discretion of the trial judge, treat any intermediate report and recommendation issued by a trial examiner of the National Labor Relations Board as if it were a report and recommendation made by a commissioner of the Labor Court.

(3) Any decision and order issued by the National Labor Relations Board prior to the effective date of this Act which has not as of the effective date of this Act been enforced or reviewed by a court of appeals having jurisdiction under the National Labor Relations Act, as amended, to enforce and review such decision shall have full force and effect and shall be subject to enforcement or review in accordance with the provisions of section 10 of the National Labor Relations Act as heretofore amended. In respect to the enforcement or review of any such case in the courts of appeals, the Administrator of the Labor Court shall exercise the function and have the authority and responsibility vested in the National Labor Relations Board by the National Labor Relations Act, as heretofore amended.

SEC. 21. This Act shall take effect on the one hundred and eightieth day after the day of its enactment.

THE MILITARY ASSISTANCE AND SALES ACT OF 1966—AMENDMENT

AMENDMENT NO. 679

Mr. LAUSCHE (for himself, Mr. MILLER, and Mr. PEARSON) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 3583) to promote the foreign policy, security, and general welfare of the United States by assisting peoples of the world in their efforts toward internal and external security, which was ordered to lie on the table and to be printed.

(See reference to the above amendment when submitted by Mr. LAUSCHE which appears under a separate heading.)

THE FOREIGN ASSISTANCE ACT OF 1966—AMENDMENTS

AMENDMENT NO. 680

Mr. JAVITS submitted an amendment, intended to be proposed by him, to the bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

(See reference to the above amendment when submitted by Mr. JAVITS which appears under a separate heading.)

AMENDMENT NO. 681

Mr. McGOVERN submitted an amendment, intended to be proposed by him, to Senate bill 3584, supra, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 682

Mr. CLARK (for himself and Mr. KENNEDY of New York) submitted an amendment, intended to be proposed by them, jointly, to Senate bill 3584, supra, which was ordered to lie on the table and to be printed.

AMENDMENTS NOS. 683 THROUGH 688

Mr. GRUENING submitted six amendments, intended to be proposed by him, to Senate bill 3584, supra, which were ordered to lie on the table and to be printed.

(See reference to the above amendments when submitted by Mr. GRUENING, which appears under a separate heading.)

AMENDMENTS NOS. 689 THROUGH 693

Mr. HARTKE submitted five amendments, intended to be proposed by him, to Senate bill 3584, supra, which were ordered to lie on the table and to be printed.

NOTICE OF PUBLIC HEARINGS ON NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Wednesday, July 27, 1966, beginning at 10:30 a.m., in room 2300, New Senate Office Building, on the following nominations:

Walter J. Cummings, Jr., of Illinois, to be U.S. circuit judge, Seventh Circuit, to fill a new position created by Public Law 89–372, approved March 18, 1966.

Thomas E. Fairchild, of Wisconsin, to be U.S. circuit judge, Seventh Circuit, Vice F. Ryan Duffy, retired.

Ted Cabot, of Florida, to be U.S. district judge, Southern District of Florida, to fill a new position created by Public Law 89–372, approved March 18, 1966.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Nebraska [Mr. HRUSKA], the Senator from Illinois [Mr. DIRKSEN], and myself, as chairman.

NOTICE OF PUBLIC HEARINGS ON S. 2479

Mr. HART. Mr. President, I wish to announce that the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, has scheduled a public hearing on S. 2479. This bill would amend section 4 of the Clayton Act to treat as a penalty judgment imposed upon defendants in treble damage suits by the United States for violations of the antitrust laws.

These hearings will be held on Tuesday, July 27, and Wednesday, July 28, commencing at 10 a.m. in room 1318, New Senate Office Building. There will be further hearings at a later date to be announced.

Anyone who wishes to testify or file a statement for the record should communicate with the office of the subcommittee, room 412, Old Senate Office Building, Washington, D.C., telephone 225–5573.

The subcommittee consists of the Senator from Connecticut [Mr. DODD], the Senator from Missouri [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from North Carolina [Mr. ERVIN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Illinois [Mr. DIRKSEN], the Senator from Nebraska [Mr. HRUSKA], the Senator from Hawaii [Mr. FONG], and myself.

OUR OBLIGATION TO TREAT PRISONERS OF WAR HUMANELY

Mr. YOUNG of Ohio. Mr. President, the United States is signatory to the Geneva Convention requiring humane treatment of prisoners of war. It has been our policy and practice throughout all of our involvement in the miserable civil war raging in Vietnam to surrender and turn over to officers of the ARVN forces all Vietcong prisoners of war we have taken. Our officers in the field in South Vietnam and our officials in Washington, in the name of humanity and decency, should rescind this policy and practice. It is well known that not only are these prisoners of war taken by Americans in combat mistreated following the time they are turned over to South Vietnamese authorities, but also the facts are, and they are well known, that many of these prisoners of war are executed. Probably more of these prisoners of war are executed than are permitted to survive. How can we Americans evade responsibility for the mistreatment of these war prisoners? The Geneva Convention, which had the all-out support of our Government when the provisions were written relative to humane treatment of prisoners of war and agreeing to those provisions, makes us responsible.

The Convention terms this a contingent responsibility. Article 12 of the Convention provides that the transfer of prisoners of war may be made to allies, with a contingent responsibility that such allies—in this particular, the South Vietnamese—do not mistreat the prisoners of war.

Article 12 specifically states:

Prisoners of war are in the hands of the enemy Power, but not of the individuals or military units who have captured them. Irrespective of the individual responsibilities that may exist, the Detaining Power is responsible for the treatment given them.

Prisoners of war may only be transferred by the Detaining Power to a Power which is a party to the Convention and after the Detaining Power has satisfied itself of the willingness and ability of such transferee Power to apply the Convention. When prisoners of war are transferred under such circumstances, responsibility for the application of the Convention rests on the Power accepting them while they are in its custody.

Nevertheless, if that Power fails to carry out the provisions of the Convention in any important respect, the Power by whom the prisoners of war were transferred shall, upon being notified by the Protecting Power, take effective measures to correct the situation or shall request the return of the prisoners of war. Such requests must be complied with.

An argument has been made by some that were the United States to declare war against the Government of North Vietnam, then we would be obligated to treat humanely all prisoners of war taken by us. I assert that even without a formal declaration of war, the demands of humanity and the provisions of the Convention apply to us and should be respected by civilian officials of the U.S. Government and our military officers in the field in Vietnam. This regardless of whether or not there is a declaration of war by us against the Government of North Vietnam.

It is urgent, it seems to me, that we reverse our policy regarding treatment of prisoners of war in Vietnam and accept our responsibility to treat all war prisoners we take with decency and humanity. May I say that the conscience of the world would find it revolting were those governing North Vietnam to place on trial our airmen who have been taken prisoners of war and execute any of them. I would favor the gravest reprisals against any such inhumane action. The lives of our airmen are precious indeed. As members of our Armed Forces, bombing installations in faraway Vietnam, responsive to orders and in accord with their duties as officers and enlisted men in our Armed Forces, they were acting under orders. In every sense of the term, they are prisoners of war, and are entitled to treatment as such, in accord with the Geneva Convention.

I had hoped for an honorable settlement of our involvement in this tragic war in Vietnam—a country which is of no strategic importance whatsoever to the defense of the United States. As stated in a letter termed "A Plea for Sanity," which I signed along with 18 other Senators of the United States, if members of our Armed Forces taken prisoner by those fighting under orders of the Hanoi government should be tried as war criminals and executed, then we indeed would have reached the peril point of no return, and the conflict would become, as stated, "a raging inferno burning away the last barrier of restraint."

The rulers of Hanoi should know that if, by perpetrating such threatened act of cruelty and brutality, they close the door and bar the path of moderation that could lead to a negotiated peace, then truly all Americans would unite behind our President in whatever course of action he might take in such event.

Men in uniform the world over, when captured in the performance of their duty, are entitled to be treated as prisoners of war. They must not be humiliated or mistreated. To try them and then execute them as criminals would be an outrage and in itself a crime against humanity. If the Hanoi government carries out the cruel threat it has made, it is as certain to follow as the night the day that our 7th Fleet and our airpower will destroy Haiphong, its docks, airfields, and missile sites, and then our forces will go on and wreak destruction throughout the Hanoi area.

Here is a sad situation almost too horrible to contemplate. Unfortunately, in the course of our operations in Vietnam, with our tremendous firepowers and napalm bombing, it has been authoritatively stated that for every Vietcong fighting man killed, doubtless four civilians—men, women, and children—have been killed. That ratio will be widened instead of diminished, were the rulers of Hanoi to place in execution and threaten execution of our airmen prisoners of war.

Historically, there is no such thing as North and South Vietnam. The Geneva Accords of 1954 provide:

> The military demarcation line at the 17th parallel is provisional and should not in any way be considered as constituting a political boundary.

The entire area of what is termed North and South Vietnam is 2⅓ the size of the area of my State of Ohio. There is this great difference. In Ohio we have no mountain ranges, swamps, or jungles. The population of Ohio is approximately 10 million. Yet Vietnam, which contains mountain ranges that are uninhabitable, thick jungles that are uninhabited, and vast areas of swamps and rice paddies, has a total population of some 32 million, or did have that total population until our tremendous firepower killed so many thousands of Vietcong and civilians.

The escalation of this conflict is bound to result in the deaths of many more civilian women, children, and men in addition to those in the combat forces, formerly termed the Vietminh and now termed the Vietcong.

Let us hope that the rulers of Hanoi will take no action—such as trying our captured airmen as war criminals—which would make such escalation of the war inevitable and would make the deaths of many, many Vietnamese nationals inevitable.

THE FACTS WITH RESPECT TO THE CENTRAL INTELLIGENCE AGENCY AND THE NATIONAL TRAINING CENTER IN SOUTH VIETNAM

Mr. SYMINGTON. Mr. President, earlier this week the Senior Senator from Minnesota inserted in the RECORD an article entitled "Saigon Takes Reins of CIA School," which had appeared the previous day on the front page of the New York Times, and asked that a member of one of the CIA subcommittees inform the Senate as to the purported facts in this article.

The Senator from Minnesota described the article as "confused." He is right. The article deals with the South Vietnamese Government's training school for their revolutionary development training program. Much of it is inaccurate in implication as well as in fact.

In passing, it is noted that the Senator misquotes the article when he lists the article's final paragraph. The words "not happy" are used instead of "not unhappy." We are sure this change in the meaning as expressed in the article was inadvertent, and only mention it in the case someone reads the purported quote of the last paragraph but not the last paragraph itself.

The training school in question is not in Saigon. It is in Vung Tau, in the delta. The school was established in 1964 by the Central Intelligence Agency in order to train Vietnamese from the rural areas to defend themselves and their fellow villagers against the political and terrorist incursions of the Vietcong.

The prime objective of this program was to reestablish contact between the villagers and the local authorities, to revive the confidence of the villagers in their local government, and to enlist the active participation of the latter in the war against the Vietcong.

Since its inception, the training at this school has been done by the Vietnamese. The direction and control of the teams, once they return home to begin work, is entirely in the hands of the local district and province chiefs of the South Vietnamese Government.

From its inception, the Central Intelligence Agency has provided the logistic and financial support to the effort. The CIA has also provided civilians who advise provincial officials of the South Vietnamese Government on political and civil problems. This is done in much the same way that American military personnel advise the same officials on military matters.

As soon as the school was set up and running successfully, the Central Intelligence Agency initiated negotiating to turn over the entire program, including the school, to the South Vietnamese Government. These negotiations were concluded in November 1965, and the South Vietnamese took control in early February 1966.

The South Vietnamese Government thereupon revamped its Rural Construction Ministry and appointed General Thang the Minister of Revolutionary Development. General Thang took over the entire CIA-sponsored cadre as the core of his new Ministry's effort. At that time the general issued a series of decrees which formalized his country's direction and control of the school and the entire program.

The South Vietnamese Government specifically requested that the Central Intelligence Agency continue its logistic and financial support, as well as its advisory role, during this transitional period. That is the way the relationship stands today.

As for the situation described in this article in the New York Times, what took place recently was an internal dispute among the Vietnamese staff at Vung Tau, touched off by Minister Thang's replacement of the commander he himself had appointed last February. As a result there was an element of the old staff which resented the changes that had taken place; and accordingly demonstrated against the new management. Seven instructors out of a total of some 400 were dismissed, including the director of training.

There is nothing secretive whatever about this training program or the affiliation with it of the Central Intelligence Agency. Both have been discussed at length, in the press and on radio and television.

Ambassador Lodge and the U.S. mission council, in concert with their appropriate counterparts in the South Vietnamese Government, are studying inten-

sively the entire rural development cadre program, including the best methods of assistance.

At this point, let me emphasize that the CIA has done nothing, and is doing nothing, except what it has been formally asked to do by the appropriate officials of the United States Government and the South Vietnamese Government.

In other words, the Times article is more than "confused." Much of it was untrue. The implied charge that the CIA was hoodwinked into sponsoring an anti-South Vietnamese Government "third force" movement does not square with the facts.

Major Mai is an active duty officer in the Vietnamese Army. He did preach a dynamic message of intense nationalism, and his relations with his Vietnamese colleagues and superiors have not been free of friction. But the charge that as a "result" of his activities the South Vietnamese Government was forced to "take over" the Vung Tau school from the CIA is totally inaccurate.

In this connection, the author of this article, Mr. Charles Mohr, appears either to have changed his position, or to be confused himself.

In this article that he wrote on July 18, Mr. Mohr states:

The change-over of the training program (from the Central Intelligence Agency to the South Vietnamese) took place in mid June.

And—

As a result, Saigon government officials have taken control from the Central Intelligence Agency of the program for training the "Revolutionary Development Cadre"—armed experts in political propaganda.

But 2 months earlier, in an article he also wrote for the New York Times as of May 21, and directly contrary to this his article of July 18, Mr. Mohr gave the facts as they actually are when he said:

The cadre training school at Vungtau, a coastal town near Saigon, lasted for 13 weeks. The school is run by the Vietnamese but is known to be financed by an American agency and has a number of American advisers.

In other words, if Mr. Mohr felt the school was being run by the Vietnamese in May, how can he now say that it was taken over by the Vietnamese from the CIA in June?

In a classified report made to the Senate upon my return to this country from the Far East earlier this year, I presented the details of a visit to Vung Tau with Major Mai—then captain—and others at the training school in question.

I ask unanimous consent that the declassified part of this Senate report on this school be inserted at this point in the RECORD.

There being no objection, the declassified part of the Senate report was ordered to be printed in the RECORD, as follows:

VUNG TAU, Monday, January 3.—The first thing this morning was a briefing at the U.S. Embassy. Then we flew to Vung Tau.

On the flight we were accompanied by Captain Le Xuan Mai, Director of the Vung Tau Farm.

On arrival we were taken to the Farm, where political action teams are trained. On arrival, Captain Mai first briefed us.

They take in natives, bringing in people who other people with whom they have contact say they know and trust. They operate on the coast where such a large part of the people live. The PAT are represented in each province.

The class they had going down there at this time had 3,200 people. The next class is programmed for 3,800 people. They train 40 man political action teams, equipped with three medics each. The class also included 150 girls who were being trained primarily as midwives. It was essentially a large "civic action" course. They tried to teach the students a strong spirit concerning what they were fighting for. Vietnam has been at war for 25 years.

Ever since the Japanese came, people had been influenced by Communist-Viet Cong propaganda. Most thought it was all right, customary to contribute to the Viet Cong. When many if not most come to Vung Tau Farm, they have a bad attitude; therefore, Captain Mai said they concentrated on orientations.

When they arrived, the students often used expressions like "American imperialists," along with "French colonialists." At Vung Tau these young ones were taught there are absolute enemies and relative enemies. China, for example, it was constantly stressed, is an absolute enemy.

The students were also taught that they had friends whose interests in South Vietnam were as dear as their own. Such were the United States, Korea, Australia, plus the other nations who were supporting the South Vietnamese.

Those North Vietnamese fighting for the Chinese Communists are absolute enemies, and those who are mistaken, and have joined the Viet Cong, are absolute enemies if they won't come back when they have the chance.

During phase I of the course, ———, Special stress is laid in creating confidence in the Vietnamese youth. The students are allowed, encouraged, to speak their minds fully about any problems there may be in the Vietnamese government, or anything else they may have on their minds. There is discussion of such problems as corruption, poverty, misery, and fatalism. They want them to talk about it, and they want to change it. They try to imbue them with a revolutionary spirit. Phase I is a three week intensive training period.

During phase II there is special emphasis on the importance of a strong will. They formerly made a fourteen kilometer march, everyday. Now that is reduced to eight kilometers a day. The student is asked if he is ready to accept hardship, and the life of a revolutionary. They have a ceremony incident to issuing the black suit. The student must wear it willingly. The black suit is the traditional peasant black pajamas. An individual, once he is a member of a political action team, stays on the payroll indefinitely.

During phase III they teach the student to accept the challenge of war. They teach him that he cannot stay around and do nothing, that much of the country is overrun by the Viet Cong, and that they cannot relax and put the whole future and destiny of the Republic of Vietnam in the hands of friends. They must do something for themselves.

In phase IV the students are taught how to fight, and urged to fight. They are taught the use of various arms and explosives; but the main weapon is political action, propaganda, how to help peasants fix houses, promote literacy, and care for the sick. They learn to send medics out to the sick, instead of asking the sick to come to the medics. Captain Mai observed they didn't need much medicine; usually a friendly word and an aspirin was very good propaganda.

During the course the students are given complete freedom to speak. In the beginning they generally resolutely criticize or accuse Americans, but then they are shown that they have no substantial basis for their arguments. They come to realize that the United States does not take from them, rather gives assistance. They are taught that if the Viet Cong are not present in the land, and the South Vietnamese can produce more rice, automatically there will be more wealth for all.

In teaching the students at Vung Tau Farm, the instructors go back deep in Vietnamese history, because the ancestors pass the spirit from one generation to another. They remind the students of the story of the fairy and the dragon. In this Vietnamese story, the fairy represents spirit, and the dragon represents matter. Materialism is only 50% of life. So the students should not follow the Marxist way of 100% materialism, rather it should be a 50–50 proposition. They also use other legends, such as the one about the three-year-old boy who became a young man when the aggressor struck. They show why the people must unite if they are to defend themselves.

At the Vung Tau Farm School there are seven steps in conducting a complete lesson.

First, there is individual study, in a five-man cell.

This is followed by a group lecture, at which the students take notes.

Third is a period when the students discuss the lesson among themselves, and elect a secretary to take notes.

The instructor then talks to the class, and corrects any mistakes, or mistaken ideas he feels they may have about the subject matter in question.

The fifth step is students themselves volunteer to address, and carry on the lesson with the class.

The sixth step is a summing up by the instructor of major points in the lesson.

The seventh step is the examination.

Each of the first six are two hour periods. The examination lasts one hour, so there are thirteen hours per lesson.

Throughout the course the instructors use the technique of instilling strong faith. They keep repeating and emphasizing that South Vietnam will be victorious.

There are five men in each cell of students. Eight cells go to make up a team. They teach parliamentary procedure and form a mock village government.

One half of their studies are in the school buildings, one half in the jungle. They set up defenses around villages, and defend against mock Viet Cong attacks.

Before bed each night the student makes a pledge to be loyal, to discipline himself, to have no self interests, to help the sick, to help the poor and the aged, and to fight the Communists. In the morning again they make the same pledge.

The students are taught that they can and will win with love and sincerity. From this has been derived a symbol which, in block letters, is the letter "T", super inscribed on the letter "H". These two letters, TH, form the first two letters of the three words in Vietnamese meaning Victory, Love, Sincerity, Thank, Thuong, Thanh.

I asked Captain Mai to give me one of these "symbol" pins. It was interesting to watch the pride in his face as he pinned it on. They teach the student that this symbol, Victory, Love, Sincerity, blots out the hammer and sickle.

The students are trained in the use of weapons, the submachine gun, the Browning automatic rifle, the M–1 rifle, carbines and grenades.

The students are issued weapons when they get into the area where they plan to set up their permanent team.

The ages of the students are from 15 to 56. The total training course is ten weeks.

Captain Mai and his Deputy then took us on a tour of the school.

At one student class we heard the student instructor ask, "Why do you think the people of Vietnam do not agree with President DeGaulle?" A very young student rose and replied, "First of all President DeGaulle is for a neutral South Vietnam for his own self-interest. He plans to later move in and re-colonize it, or at least regain his economic control."

The students are trained for eleven hours a day, six days a week. This does not include their physical training, before 8:00 in the morning, nor their study period from 7:30 to 11 o'clock at night.

When they graduate, they form "People's Action Teams", sometimes referred to as "Political Action Teams." The Vietnamese words for these teams are Biet Chinh. It means special political.

Captain Mai joined the Army by going to the Military Academy at Dalat in 1952. He is 39 years old, had a year at Benning.

Captain Mai says that there are now many cadres in the provinces. Sometimes they get discouraged, but the overall is improving. Every now and then he gets a letter from someone who becomes disillusioned. He received a letter from Saigon the other day in which one of his students said he had seen people beaten by the police. The individual was shocked, asked Captain Mai to help.

In Vietnam there are 44 provinces. Each has about seven districts. Beneath the district are the villages.

We listened to some more classes. In one two students got in an argument. Captain Mai or Captain Phac said one had asserted, "England dominates the Afro-Asian block." Another student challenged him and said, "You should give names to justify your position." This from youths from the villages.

We then went with Captain Mai on an automobile tour around the training farm. Captain Mai explained that only one course or one class could be taught at any one time. After the faculty rested for ten days, then started on a new class. The reason they didn't have several grades going on at one time was lack of instructors.

Captain Mai explained they had had a variant of the school with Montagnard students up in Pleiku. Captain Mai said 25% of the students go on leave after the 4th week. Those who stay are urged to go out and help the villagers.

We saw a camp of refugees by the Farm, with the students at Vung Tau helping them out.

We said we were amazed at the depth of the political questions and political interests of the students. Captain Mai explained that the villagers for years had been harassed by the Viet Cong, that this had forced them to think politically.

One of the various things done to defy the Viet Cong was to put the national colors on little T-shirts, then hand them out to five-year old children. In effect, they were defying the Viet Cong to take the shirt off of a five-year old child.

Mr. SYMINGTON. Mr. President, last Sunday, on the well-known television program "Meet the Press," a great American, Adm. William F. Raborn, former Director of the Central Intelligence Agency, accepted questions with respect to the structure and functioning of that Agency. The interrogation panel consisted of Mr. John Steele, of Time-Life magazines, Mr. Max Frankel, of the New York Times, Mr. Robert Goralski, of NBC News, and Mr. Lawrence Spivak, permanent panel member.

Because the questions and answers incident to this program in turn furnish the replies to many questions about the Agency that have been brought up in the past, I ask unanimous consent that a transcript of the program be inserted at this point in the RECORD.

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

MEET THE PRESS

(Produced by Lawrence E. Spivak, Sunday, July 17, 1966; guest, Adm. William F. Raborn, former Director, CIA; panel John Steele, Time-Life magazines, Max Frankel, the New York Times, Robert Goralski, NBC News, Lawrence E. Spivak, permanent panel member; moderator, Neil Boggs)

Mr. BOGGS. This is Neil Boggs, inviting you to "Meet the Press."

* * * * *

Mr. BOGGS. Our guest today on "Meet the Press," is Admiral William F. Raborn, recently retired Director of the Central Intelligence Agency. Admiral Raborn is widely recognized as the developer of the Polaris missile system. He succeeded John McCone as head of the CIA in April, 1965. Now we will have the first question from Lawrence E. Spivak, permanent member of the "Meet the Press" panel.

Mr. SPIVAK. Admiral Raborn, the Senate is engaged in a controversy over the question of adding members of the Foreign Relations Committee to the committee that now oversees the CIA. Would you say that it makes much difference to the CIA what Senate committees oversee it?

Admiral RABORN. It has been the position of the agency, and it was my position too, Mr. Spivak, that the oversight activities of the Congress were distinctly the business of the Congress.

Mr. SPIVAK. May I have your opinion. You are out of the CIA at the present time. What is your personal opinion, does it make any difference?

Admiral RABORN. Well, I stated my opinion. My opinion is that this is a matter which the Congress itself would want to resolve and it is not a matter of conjecture by me.

Mr. SPIVAK. Do you mean to tell me, Admiral, now that you are a private citizen, you have no opinion on a matter of that importance that might be of great help to the American people if you did give an opinion?

Admiral RABORN. As a private citizen I would make my views known to the people who have to do with such matters, namely the Congress, and I think I must be appropriately reticent about commenting on the responsibilities of responsible people.

Mr. SPIVAK. Admiral, it was reported that you refused to give members of the Foreign Relations Committee any information on sources and methods. Can you tell us why you refused?

Admiral RABORN. Yes. I am directed by the Congress, the Congressional Act that set up the Agency, Public Law 80–253 of 1947. It specifically charged the Director of Central Intelligence with safeguarding methods and sources of intelligence and it has been the practice of all previous Administrations since then and under the current Administration, that we would report fully on these activities to the Oversight Committees set up to oversee the activities of the intelligence agencies and bodies of the United States government.

Mr. SPIVAK. Admiral, as you know there has been a good deal of criticism and even hostility in recent years against the CIA. Would you say that any of the criticism has been justified?

Admiral RABORN. Oh, I am sure that none of us lead a blameless life. I think there has only been one Person I believe in the history of mankind who has lived a blameless life, but by and large I would say that the criticisms have been largely based on inaccuracies and are not justified at all.

Mr. SPIVAK. What is your explanation for the rising tide of criticism against the CIA in recent years?

Admiral RABORN. Well, I think that this is in the nature of the organization. It, of course, has to be secret and this fact that it has to be secret was recognized even by General Washington in an original letter that I have in which he stated that secrecy in intelligence matters was a primary essence of intelligence.

I think that the American people have not had the Central Intelligence Agency and other intelligence activities of the United States government properly explained to them and this is one reason why I gladly accepted your kind invitation to appear on this program because it is a wonderful organization, one that is extremely vital to the United States, the security of the United States, and one which they can not do without.

Mr. SPIVAK. Now may I give you an opportunity to make an explanation on one matter of great importance: Senator STEPHEN YOUNG of Ohio was recently reported as charging that the CIA has become an invisible government answerable only to itself. Now how would you answer that charge?

Admiral RABORN. I would say that this is a complete fallacy.

Mr. SPIVAK. What about his charge that the CIA was employing a small army in Vietnam?

Admiral RABORN. I would say also this is a complete fallacy.

Mr. SPIVAK. You are not hiding behind CIA secrecy when you make these general refutations, are you, Admiral?

Admiral RABORN. No, I am just answering them directly. Trying to.

Mr. SPIVAK. The CIA has been charged also with stirring up insurrections and sometimes running little wars. Would you say that that too is a false charge?

Admiral RABORN. I would say that the activities of the Central Intelligence Agency, the clandestine activities, are relatively small by comparision to the major weight of their activities in other fields and that any activities of this sort is in conformance with the approval of the National Security Council and in furtherance of United States policy.

* * * * *

Mr. FRANKEL. Admiral, since so relatively small part of the Agency's work is, as you say, clandestine, since much of it is analytical, scientific, collecting well-known information, do you think that part of the trouble and misunderstanding of your critics is due to the fact that there is too much secrecy surrounding the Agency?

Admiral RABORN. This could be so, but I rather doubt it. As a matter of fact, I doubt it sincerely. The nature of our work is that we of course make these reports, as you say, to the Administration authorities and to the Congress, that we make it on a "need to know" basis, give it to the people who have a need for it.

Obviously it would be unwise to make this general knowledge because of the delicacy of the matters.

Mr. FRANKEL. For instance, the total budget you operate under, the total number of employees that you have. You have been in secret projects before, Polaris—the Pentagon has many secrets. Yet the overall activities, the extent of them are known. And I know that law forbids you now to talk about the budget and the number of employees, but is this really necessary, is so much mystery necessary?

Admiral RABORN. Yes indeed it is. If we knew, for instance the exact—I am not saying we don't—the exact numbers that the KGB, we will say, employs, and their budget, it is quite possible for one intelligence serv-

ice to determine the effectiveness of the other and their capabilities, if you know these salient factors. You can work it out, piece it together, little by little. So this is a very tightly-held secret.

Mr. FRANKEL. Let me ask you about another aspect of the secrecy: When we tried to determine from the Massachusetts Institute of Technology and other universities who have done, I understand, very good work for the agency, they told us that you insist that they not tell us the size of the subsidy they get from the Agency, that often they can publish material, but they can't identify government money behind it. Why does that have to be so?

Admiral RABORN. Well, I think this is not necessarily restricted to the CIA. This is common practice in many classified projects from all departments of the government. It is just information that we don't want loosed to the hands of foreign intelligence services.

Mr. FRANKEL. In connection with that there has been another controversy recently. The United States Information Agency, for instance, is forbidden by law to propagandize within our country. Yet some people have suggested that you have allowed your men to write in American magazines, that you have supported books that are published in the United States, magazines that circulate in the United States, without ever telling the reader that they are getting government material, that they are getting official points of view.

Do you think that is right for the CIA when, say the USIA is not allowed to do it?

Admiral RABORN. Well, let's put it this way: The Agency is accused of many things and quite a bit of it is most inaccurate. Specifically, now, as to permitting the scholars who are a large part of the Central Intelligence Agency, they feel a need to publish objectively information on situations existent around the world. To the extent that they can be cleared from a security point of view, they add to the general understanding of the public, and this goes back to your problem of secrecy, now, a general understanding of the public of the actual facts in a matter under scrutiny, and it is a public service. Whether or not a writer should be identified as a member of a government agency I think that is a matter for the Department concerned to make up their minds upon. It has been the past policies of the Central Intelligence Agency not to trade on a name but to let the work stand on its own merit, which is the way scholars like to have their work considered.

Mr. FRANKEL. Don't you think it is important that we the readers know that when a scholar comes with material that this is really material that has been cleared as officially acceptable at least by an agency of government?

Admiral RABORN. "Acceptable" connotes something that I can't buy. Let's say that they represent facts or objectives. If they are objective and factual that is the thing that should be brought out. The Central Intelligence Agency does not write articles in support of administration policies or anything of that kind, so I don't like to get that connotation in there.

I think it is an open question whether or not scholars in the future should identify themselves. As a matter of fact, I rather perhaps think they should. I like to think that the Central Intelligence Agency can be more widely accepted as a good, worthwhile member, church-going member of the family of departments that make up our fine government.

Mr. STEELE. Admiral Raborn, you told Mr. Spivak a minute or two ago that a lot of the criticism of CIA stemmed from inaccuracies. I want to ask you if perhaps there isn't a different kind of criticism that is stimulated, one perhaps stemming from our enemies on the other side of the so-called Iron Curtain. Are you conscious of any attempt to undermine the CIA, to question its validity from not-sympathetic sources?

Admiral RABORN. Yes, indeed, Mr. Steele.

The Communist intelligence services are working night and day, twenty-four hours every day around the world, to undermine the effectiveness of the Central Intelligence Agency and of democratic processes and institutions around the world. We know that, for instance, there is a "Department–D" known as the "Department of Disinformation." And the KGB, Lt. General Yagayansi, I believe, is the head of it—this is no secret—who spends their time in trying to undercut truly democratic institutions and agencies.

Mr. STEELE. What does this Department D do about the CIA? What activities are you aware of?

Admiral RABORN. They float stories around the world and then the Communist press picks it up immediately and puts it on the air and prints it in the newspapers. Generally these stories are completely false and they have just enough truth in them to be twisted all out of shape.

Mr. STEELE. Has this activity of this Soviet department made things more difficult or is it really more of a joking matter around the world?

Admiral RABORN. I don't mean to just single out the KGB. All foreign intelligence services that are opposed to the democratic way of life and the true democracy such as the United States represents, engage in these activities and it is part and parcel of their work and they, of course, are out to discredit anything that tends to thwart their nefarious activities.

Mr. STEELE. Well, it has been said quite often by outsiders that the CIA really is locked in a deadly battle with this Department–D and the KGB. Do you feel that is going too far or is the competition such that it really does amount to a serious battle?

Admiral RABORN. I think that the Central Intelligence Agency is but a small part of the national effort to perpetuate truly democratic ideals and freedoms around the world. We do have a significant part to play but I think we shouldn't overdo it.

Mr. GORALSKI. Admiral, aren't you unwittingly helping the KGB by not denying some of the stories that they are circulating? Every time we call the CIA, we, as newsmen, we always get nothing but a "No comment."

Admiral RABORN. Well, sir, this is the policy, which is long established and it has generally been recognized over the years that you deny no stories, good or bad, you accept no praise and you try to ignore criticisms. Because they are largely uninformed, in both cases, and you never know when to stop once you get into the practice.

There are those in the United States government that from time to time—such as the Secretary of State, such as the Congressional oversight committees, knowing the facts, get up and do, for the record, straighten things out. Unfortunately they don't get quite as much publicity in the news media around the world as some of the accusations do.

Mr. GORALSKI. In the light of this criticism of the CIA of late, are you having trouble recruiting Americans to work for the Agency?

Admiral RABORN. No. Let me say this. This is one of the real wholesome things that I can say. The fine, patriotic, really outstanding men and women who apply for lifetime employment with the Agency every year. The people of the Agency come from more than 600 universities. Seventy-seven percent of them have college degrees and about 20 percent have a Masters or a Doctorate.

Mr. GORALSKI. I wonder if I could ask you a question on Vietnam. One of our concerns is that we don't really have enough information on what Hanoi is thinking or for that matter Peking as well. Do you feel we know enough about their own attitudes right now or could we get a better insight?

Admiral RABORN. I would say, Mr. Goralski, no intelligence service is ever satisfied with the amount of information that they have and in a closed society where the efforts of a nation are closely controlled in the hands of ten to 12 hard-lined, close-mouthed men, it is quite difficult to get into the minds of those men. You have to read their actions in order to get their line.

Mr. SPIVAK. Admiral, one of the grave concerns in this country is that Communist China might enter the war in Vietnam if the U.S. furthers its escalation. Can you give us an opinion on that, your own opinion?

Admiral RABORN. I guess this would be a very difficult thing to do because the spectrum of things that could trigger off such an action is very wide and I perhaps should not try to conjecture on it. I do have my own personal views, but these are matters which I think are best left to the policy makers.

Mr. SPIVAK. Admiral, in a speech you made when you were head of the CIA, you said this, and I quote: "I can assure you that we deserve the confidence and support of the public."

Now can you tell us just why?

Admiral RABORN. Well, I certainly can. Going back to President Truman, President Eisenhower, President Kennedy and President Johnson, all have expressed their thoughts on the Central Intelligence Agency as an extremely essential part of the United States government. Now having been at the head of the Central Intelligency Agency and as Director of Central Intelligence, which includes responsibility for the coordination of the rest of the intelligence activities of the United States government, I can say proudly—and I am not a Johnny-Come-Lately around Washington—that the Agency deserves the unbounded admiration, the respect and support of the United States citizens everywhere and of the Free World everywhere. I have greatest admiration for them. The breadth and depth of competence, the integrity, the loyalty, the willingness to serve the government under adverse conditions sometimes and under criticism is something that I thought perhaps was the sole property of the military.

Mr. SPIVAK. Well, Admiral, we did pretty well in this country without a CIA, which was set up in 1947. What do you think would happen if the CIA were abolished?

Admiral RABORN. May I suggest, sir, that your statement is not correct. Before Pearl Harbor there was no CIA. We had a Pearl Harbor. And I think if there is a motto of CIA, it is "There will never be another Pearl Harbor," and Pearl Harbor caused this country to go to a Central Intelligence Agency type of intelligence work.

Mr. SPIVAK. You think with a half hour warning time that we have the CIA is sufficiently informed on countries that have missiles so that there can not be a surprise attack against this country again?

Admiral RABORN. I would say you are far better off with it than without it.

Mr. FRANKEL. I would like to touch on the clandestine part of your activity—I think I am not going to get very far if I ask you to discuss it in detail, but CIA activities in this area over the years have raised some questions almost of a philosophical nature and I think from what little I know about the Agency it isn't always necessarily the Agency that has to answer, it is the President of the United States himself who does. But being a part of that machinery, what are your thoughts on just how far we Americans really ought to go in this world in terms of meddling in other people's business? In terms of throwing money into elections, into

helping the people we like and resisting the people we don't like, some of which at least crudely stated might resemble some of the activities of our Communist opponents. But we of course think we are doing it for better purposes. But how far do you think we ought to go?

Admiral RABORN. Mr. Frankel, I think it is the thrust of the entire United States government, through its diplomacy and through its U.S. aid programs and the security apparatuses to safeguard first the security of the United States and assist in the safeguarding of the Free World, and to promote our way of life, vis-a-vis the active efforts of the Communist movement to undermine the free institutions. I think we should go far enough to win, and this includes military action, and unfortunately sometimes it comes. You have to say, do we let them rule the world or are we going to stand up for what we know is a better way of life?

Mr. FRANKEL. It is usually that question: Is a Communist going to profit from this fellow winning an election or this government coming to power or this government falling? That should be the decisive point?

Admiral RABORN. I wouldn't like to get too specific, but I think the main thrust of the philosophy of the United States Government is what I was trying to speak to and the CIA is just a part of that.

Mr. STEELE. Admiral, it has been said that a very small percentage of your activity and energy is devoted to so-called clandestine or covert activity, is that correct?

Admiral RABORN. Only a very small fraction of the entire effort of the Central Intelligence Agency has to do with clandestine activities, Mr. Steele.

Mr. STEELE. Admiral, many people don't understand what a national intelligence estimate is. Can you tell us in a very few words what it is and how it is made?

Admiral RABORN. Yes, sir, I will try. The national intelligence estimate is the general views of the entire intelligence apparatus of the United States which includes of course the Central Intelligence Agency, the Intelligence Department of the Department of State, the National Security Agency, the Defense Intelligence Agency, the FBI, and the Atomic Energy Commission. They are formulated in weekly meetings in which these are put out in formal pamphlets and signed by the Director of Central Intelligence. Exceptions from what is printed in there are also freely entered so that the reader can have the benefit of both points of view on a particular point.

Mr. STEELE. Is it for the President of the United States?

Admiral RABORN. It is for the President and for the members of the Administration who have need for them.

Mr. STEELE. And as such that is used in the making of foreign policy?

Admiral RABORN. As such they are part of the information that goes into whatever actions are taken.

Mr. GORALSKI. Can you tell us if any changes were implemented at CIA as a result of the Special Committee that was appointed by President Kennedy?

Admiral RABORN. Yes, I think so. It has been an extremely efficient and effective Committee, Mr. Goralski. In my view it has been most helpful. They give us an objective point of view from really a distinguished panel.

Mr. GORALSKI. But there were obvious changes that did take place within the organization as a result?

Admiral RABORN. And continually so. We are trying to improve always.

Mr. GORALSKI. You couldn't tell us what some of those areas are?

Admiral RABORN. No, not without getting into security matters.

Mr. SPIVAK. Admiral, it was reported that you refused to tell the Foreign Relations Committee whether the CIA ever used the Fulbright Scholarship Program as a cover for your agents. Why did you hesitate to say you didn't, if you didn't?

Admiral RABORN. Well, this came at the end of a series of questions which had to do with sources and methods which, of course, were quite private, and I did answer it, although I understand it didn't get into the—this is one exception I made because of the distinguished Chairman of the Senate Foreign Relations Committee, Chairman FULBRIGHT. I did answer it, but there were four of five other people talking at the same time and I understand it didn't get into the record. I said categorically No.

Mr. BOGGS. Thank you, Admiral Raborn, for being with us today on "Meet the Press."

EQUAL RIGHTS FOR THE RAILROAD AND THE PUBLIC

Mr. AIKEN. Mr. President, on Monday, July 18, I pointed out to the Senate certain contradictory findings by the ICC in the case of the New Haven and Boston & Maine Railroads.

This situation is not an isolated instance of favoritism to the railroads, but appears to be part and parcel of an overall pattern of Government designed to meet the desires of the railroads to the detriment of other forms of transportation and the public.

I am not alone in reaching this conclusion.

The National Governors' Conference was held in Los Angeles on July 4–7 this year.

The elected Governors of their States took note of this situation.

The conference adopted a resolution calling on the President and Secretary of Labor to take action to ward off the airline strike.

To date, no effective action has been taken, and the railroads have been the beneficiaries of this lack of action.

The Governors also noted the almost complete shutdown on inland navigation projects, calling attention to the fact that "not a single major navigation project has been approved since November of 1964," which is a very significant date, Mr. President.

I ask unanimous consent to have this resolution printed in the RECORD at this point.

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

VIII—INLAND NAVIGATION PROJECTS

Whereas through the years in waterway developments involving navigation one of the chief benefits of a project has been "transportation savings;" and

Whereas historically these benefits or potential savings have been computed on the basis of freight rates, or the difference between typical barge rates and actual railroad rates; and

Whereas on November 24, 1964 the Corps of Engineers, at the direction of the Bureau of the Budget, issued new guidelines which changed the criteria for evaluating navigation projects and which compel the Corps of Engineers to speculate on how much the railroads might lower their rates if the waterway is built and in addition guess how much traffic will be diverted from the waterway to the railroads due to this reduction; and

Whereas on May 4, 1966, the Director of the Bureau of the Budget recognized the difficulties involved in projecting rates for the evaluation of navigation projects and stated that guidelines establishing a cost basis of evaluation navigation benefits would soon be issued, based on long run marginal costs; and

Whereas accurate cost data are difficult to obtain and dependable techniques for determining such costs are lacking, and thus a cost basis analysis may be even more restrictive than the so-called "water-compelled rates;" and

Whereas not a single major navigation project has been approved since November of 1964, when the new navigation benefit criteria were first adopted and the new criteria even affect all projects presently authorized; and

Whereas navigation projects in all areas of the nation have been adversely affected by the application of new criteria such as the Yazoo River, Mississippi to Lake Erie-Ohio Canal, the Missouri River Sioux City to Yankton, the Red River, the Trinity River, the Santee River System South Carolina and the Central Oklahoma Canal; Now, therefore, be it

Resolved, That the National Governors' Conference urges the Congress of the United States to establish, by law, the standards and criteria for determining navigation benefits based on the historic, time proven, current freight rate method and that no revision to such adopted criteria be permitted except by specific approval of the Public Works Committees of Congress.

Mr. AIKEN. Mr. President, a perusal of this resolution will indicate that the Bureau of the Budget—an agency of the White House—in effect has directed a closing down of inland waterway developments.

Those Governors who supported this resolution and who support the public interest rather than the ambitions of a few are to be commended.

I ask unanimous consent to have printed in the RECORD an article published in today's New York Times, showing the great advantages of waterways to the industrial development of the Nation.

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

[From the New York Times, July 20, 1966]

TRANSPORT NOTES: WATERSIDE SITES—SHARP EXPANSION REPORTED IN INDUSTRIAL LOCATIONS

There was a sharp expansion in industrial waterside plant locations in the second quarter of 1966, Braxton B. Carr, president of the American Waterways Operators, Inc., reported yesterday.

Production industries constructed, expanded or announced plans to construct or expand 165 plant facilities during April, May and June, compared with 119 such facilities constructed during the same period of 1965.

The largest previous quarterly construction figure came in the third quarter of 1962, when 189 plant facilities were built or announced, according to the announcement.

Mr. Carr said that 88 of the 176 production industries that had announced construction or expansion programs along or adjacent to navigable waters reported investments expenditures totaling $1.88-billion.

We pointed out that while all of these industries might not use water transportation, the availability of commercial barge service and the effect this service had on the general freight structure were factors in plant locations along the nation's 25,380 miles of commercially navigable waterways.

Metal-producing industries led all other industries, with the construction or expansion of 44 plants. In addition, 33 chemical plants, 25 general manufacturing plants and

22 docks, wharves and terminals were among the 165 new projects.

Mr. AIKEN. Mr. President, I also ask unanimous consent to have printed in the RECORD a statement which I issued on March 8, 1966, following an adverse report on a proposal to improve the Hudson-Champlain-Richelieu Waterway—by the International Champlain Waterway Board, headed, I believe, by personnel of the Army Engineers.

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

Senator GEORGE D. AIKEN today issued the following statement on the Champlain Waterway Board's adverse report on the Champlain Waterway:

"This report comes as no surprise but I must admit to disappointment over the findings.

"It is significant that not a single new waterway proposal studied by the Army Corps of Engineers in the last one and one-half years has been approved.

"The findings show the impact of the railroad interests opposing the Waterway.

"Reasonable people will find it difficult to understand how the Champlain Waterway Board could cite the railroads' claim that 7 million tons of freight would be diverted if the Waterway is built, and also conclude that insufficient new commerce would be generated to justify construction of the Waterway.

"If trucking were to benefit from the diversion, as the Report claims, it would have done so already. It is therefore clear the tonnage potential has been grossly underestimated.

"Reasonable people may also ask how the Board could conclude that insufficient traffic would be available for the Waterway when the Associated Industries of Vermont, in a survey of its members, found that 25 percent of these industries in Vermont would use the Waterway.

"The same old arguments were used to oppose the St. Lawrence Seaway.

"The Vermont State Railroads Association, representing 12 lines operating in New York and New England, presented testimony to prove that 'development of the Champlain Waterway would have disastrous effects on the common carrier railroads in the immediate area and the entire New England district.'

The Boston and Maine claimed it would lose $1 million worth of business annually and the Central Vermont estimated its freight loss at $1.3 million.

"The Delaware and Hudson said it would lose 4,444,580 tons of traffic worth $11.3 million and would have to abandon freight service in northern New York and Vermont.

"The New York, New Haven, and Hartford foresaw the loss of almost $3 million freight and the Bangor and Aroostook predicted the Waterway would cost them $897,000 in business.

"The long history of waterways development shows again and again that the railroads gain rather than lose business in the long run, as low cost Waterway traffic generates new industrialization and greater demand for rail, truck and water transport.

"Once a waterway proposal is turned down, there is little or no chance that rail rates will be reduced. The railroads are free to continue to operate without waterway competition and may adjust rates upward for every extra dollar the traffic will bear.

"In the long run, this can only mean higher freight rates in the Champlain Valley Basin, if the International Joint Commission lets this adverse decision stand, and the railroads will have scored a signal victory over the public interest."

Mr. AIKEN. Mr. President, granting that railroads are important to the economy, it is my contention that agriculture, inland industry, recreational development and the national security are also important and should receive the unbiased consideration which is both needed and deserved.

SENATOR McGOVERN PARTICIPATES IN ROUNDTABLE DISCUSSION ON CHINA POLICY

Mr. CLARK. Mr. President, last February, our distinguished colleague, the Senator from South Dakota [Mr. McGOVERN], participated in a 3-hour roundtable discussion on American policy in the Far East.

For many months, Senator McGOVERN has been working diligently for better relations between the United States and China. I wholeheartedly agree with his basic premise that "the more diplomatic and economic contact there is between China and the outside world, the more likely it is that China will move in a less belligerent course." If we are ever going to achieve a peaceful world, we must find a way to draw China into the mainstream of ongoing arms control and disarmament negotiations.

Mr. President, I found this roundtable discussion on China most illuminating, and I ask unanimous consent that the transcript of the proceedings, which appeared in the May 1966 issue of Commentary magazine, be printed in the RECORD.

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

CONTAINING CHINA: A ROUNDTABLE DISCUSSION WITH BERNARD B. FALL, RICHARD N. GOODWIN, GEORGE MCGOVERN, AND JOHN P. ROCHE

Last February, Commentary asked Bernard B. Fall, Richard N. Goodwin, GEORGE MCGOVERN, and John P. Roche to participate in a three-hour round-table discussion centering on the question of whether the purpose of American policy in the Far East is to contain Chinese expansion or to halt the spread of Communism. The discussion, moderated by Norman Podhoretz, editor of Commentary, was entirely spontaneous and held before an invited audience which participated during the third hour. What follows is an edited transcript of the entire proceedings.

Bernard B. Fall, a native of France, is professor of international relations at Howard University, and the author of The Two Vietnams; his new book, Vietnam Witness, will be published later this month. Richard N. Goodwin, a former special assistant to Presidents Kennedy and Johnson, is currently a fellow of the Center for Advanced Studies at Wesleyan University. GEORGE MCGOVERN is the junior United States Senator (Dem.) from South Dakota. John P. Roche is Morris Hillquit professor of history and politics at Brandeis University and a former national chairman of ADA; his books include Quest for the Dream and Shadow and Substance.

Norman Podhoretz: Unfashionable as it is at this moment to have a discussion of American foreign policy that doesn't focus specifically on Vietnam,[1] I nevertheless think that there may be some value in trying to set the issues that concern all of us so urgently today into a somewhat broader context—the long-range conflict between the United States and China. In terms of that conflict, the war in Vietnam may perhaps be seen—and apparently is seen by the present administration—as a tactical element within an overall strategy. For despite all the official talk about preserving the freedom of South Vietnam, one gathers that what the United States actually thinks it is doing in Vietnam is containing China in Asia, much as it contained the Soviet Union in Europe from 1947 on.

The best brief statement I myself have seen of this particular interpretation of American policy was made by Adlai Stevenson shortly before he died, in reply to a group of writers who had appealed to him to resign his post at the UN in protest against U.S. policy in Vietnam. Here is what Stevenson said:

"I would like to send you my reasons for believing that whatever criticisms may be made over the detail and emphasis of our foreign policy, its purpose and direction are sound . . . . The period from 1947 to 1962 was largely occupied in fixing the postwar line with the Soviet Union. It is not a very satisfactory one, since it divides Germany and Berlin, but the Russians respect it in Europe. So do we . . . .

"We have no such line with the Chinese. Since they are in an earlier, more radical stage in their revolution, it may be more difficult to establish one. Should we try? And is the line we stand on halfway across Vietnam a reasonable line? Should we hold it? . . .

"The line inherited by the Democratic administration is the 17th Parallel. History does not always give us the most convenient choice . . . . Since this is the line, should we hold it? The answer depends on the assumptions made about Chinese power. In the past, some Chinese dynasties have been aggressive, claiming sovereignty over wide areas of Asia, including all of Southeast Asia and even some of India. So far the new Communist "dynasty" has been very aggressive. Tibet was swallowed, India attacked, the Malays had to fight twelve years to resist a "national liberation" they could receive from the British by a more peaceful route. Today, the apparatus of infiltration and aggression is already at work in North Thailand. Chinese maps show . . . the furthest limits of the old empire marked as Chinese. I do not think the idea of Chinese expansionism is so fanciful that the effort to check it is irrational.

"And if one argues that it should not be checked, then I believe you set us off on the old, old route whereby expansive powers push at more and more doors, believing they will open until, at the ultimate door, resistance is unavoidable, and major war breaks out . . . My hope in Vietnam is that relatively small-scale resistance now may establish the fact that changes in Asia are not to be precipitated by outside force. This was the point of the Korean War. This is the point of the conflict in Vietnam. I believe Asia will be more stable if the outcome is the same in both—a negotiated line and a negotiated peace. . . ."

Now interestingly enough, George Kennan, who, of course, was the architect of our containment policy in Europe, recently said in his testimony before the Senate Foreign Relations Committee hearings on Vietnam—Senator Fulbright's "teach-in," as James Reston called it—that the same measures which worked in Europe could not, for a variety of reasons, work in Asia. Nevertheless, it does seem clear that President Johnson and his advisers do believe that, with certain modifications, China *can* be contained by a combination of military, political, and economic force. Vietnam, according to this reasoning, is Greece in 1947. It is also, one gathers from some of Secretary Rusk's pronouncements, Czechoslovakia in

[1] This discussion took place on February 14, before the China hearings opened up the question of American policy toward China for the first time in many years.—ED.

1938. Thus, as Stevenson suggested, American policy toward the Communist world in the postwar period can be regarded as perfectly consistent—not only in itself, but in its continuous and unwavering determination not to repeat any of the mistakes of the 1930's which presumably led to World War II.

Now I would like to propose, if only for the sake of argument, that we agree here as to the *ambitions* of China in Asia, and that we further agree as to the fact that, for the time being at least, it is mainly American power that stands in the way of these ambitions. Once we have agreed on those two propositions, we can move on to the really difficult questions which have to be examined. First of all, *should* the United States be trying to contain China at all? Or, to put the same question in another way: is China really a threat to the United States? And if so, in what sense?

Secondly, *can* China be contained in Asia as the Soviet Union was contained in Europe?

Thirdly, even assuming that China both can and should be contained, does containment require absolute American opposition to a Communist regime in Vietnam, or Laos, or Thailand? Would such regimes necessarily pose a threat to the United States? In what sense would they constitute a threat to American national interests?

During the Dulles era, the rhetoric of American foreign policy was militantly, even religiously, anti-Communist. The assumption was that there existed an international Communist conspiracy directed from a single center, and dedicated to the overthrow of the West by any and all means. Since 1960—and largely, I suppose, in response to the fragmentation of the Communist world, the Sino-Soviet dispute, the growth of "polycentrism"—the rhetoric has changed. Communism is no longer spoken of in official circles, and certainly not in public pronouncements, as an absolute evil, or as a temporary aberration which is destined to fall of its own internal contradictions. That kind of inverse bolshevism is gone. But the irony is that our actions nowadays seem at odds with the assumptions behind the new, rather more sophisticated, rhetoric, and far more in tune with the assumptions behind the Dulles rhetoric than the actions of the Eisenhower administration itself were. And this, I think, is perhaps the major source of the general confusion over the issues we are going to try to throw some light on in this discussion.

Mr. Goodwin, as a former adviser to both Presidents Johnson and Kennedy, you are probably in the best position of anyone here to tell us whether the Stevenson statement I just read actually represents the thinking of our government.

Richard Goodwin: I don't believe that the United States government has a clear China policy. Over the next years, though, I think you will see one emerge. It is true, after all, that policies like the containment of Russia, or relations with China, emerge out of conflict and experience; they are not imposed on a situation in advance. China, although an immediate enemy in Korea, has not up until this moment been, or been felt to be, a physical threat—which is perhaps why a clear policy toward China has not yet evolved. But then we had no consistent policy toward the Soviet Union either until the late 40's, when, out of our experience in Greece and Turkey and other countries, we became clearer about what we felt were Soviet intentions.

I think it is important for us to try to get at the ultimate and very rarely answered questions of foreign policy, such as why we want to help the underdeveloped world, or why we want to contain the Soviet Union. These questions are rarely answered, and for a good reason, which is that they involve enormously difficult and chancy predictions about history—predictions that depend upon a whole series of assumptions and judgments which, like judgments about literature, are highly fallible. Any good foreign policy, therefore, has at least to observe two cautions. First, at every step you have to leave as many options open as possible and decide as little as possible; because you may be wrong, you have to leave yourself with opportunities to change your mind, to make different decisions in the future. Secondly, since almost all important policy judgments are speculations, you must avoid risking too much on the conviction that you are right. At the same time, while trying to do all this, you cannot allow yourself to be paralyzed in action; you still have to meet specific situations and circumstances.

Observing those cautions, let me take a quick look at the ultimate question of whether we want to contain China at all. What difference does it make to us if China takes Southeast Asia, and the rest of Asia for that matter? Why should we care if China takes Manchuria and Burma? Or, in the most extreme case, would it be in our interest to act if Chinese armies marched into India, and the Indian government asked us for help? Should we respond, or should we let China have India?

These are not easy questions to answer—although what our actual response would be is very clear: we would, of course, respond immediately and fight China in India. But whether or not we should, it seems to me, is a more difficult problem. What would the harm be to the United States if all or most of Asia fell to China?

Well, there is first of all the simple proposition that we don't want to allow people to be conquered by other people when ours is the only power that can prevent it. This is a motive with an idealistic basis, but it can't be overlooked as part of the answer. Secondly, a Chinese conquest of Asia would enormously strengthen elements hostile to the United States—I avoid the word "Communism"—in other parts of the world, and weaken our position in Latin America, Africa, and everywhere else, just as Soviet successes operated to weaken our position throughout the world for a period of time. It would put enormous pressure on the Soviet Union itself to move or else completely lose control of the Communist world. Therefore the likelihood is that were China to be left unchecked, we would be faced with a militant Soviet Union (unless the militancy were directed toward China, which is unlikely). Moreover, it would immeasurably strengthen a country which is already a nuclear power, and which within half a decade, or a little more, will also have intercontinental missiles and all the other paraphernalia of destruction, aimed at us, the declared enemy.

Perhaps most important, the impact on American society itself of such an enormous gain to a hostile power would be immeasurable. If the fall of China to Communism contributed to McCarthyism, or Soviet gains to the militarization of the United States, a victory of this scale by a hostile nation like China would, I think, seriously erode the civil liberties and non-military traditions of this country to an extent that we have never experienced before in our history. As a nation, we would be put very much on the defensive, and the result would be an undermining of the principles of our own society.

Those considerations are what lead me to think that it is essential, not to contain the Chinese—because to contain them means to stop them right where they are, and there are places, such as the Russian border, where we don't care about stopping them, and there are places, such as Tibet, where we don't have enough interest to try to stop them—but to keep China from absorbing all of Asia. The basic question for American foreign policy, then, is not whether, but how and under what circumstances.

Podhoretz: Senator McGovern, does it seem to you that we have a vital interest to defend in Asia?

George McGovern: I think our greatest interest in Asia is in the prevention of a war with China. I would view a military conflict between the United States and mainland China as the worst possible catastrophe that could develop in the rest of this century, and in my opinion the prevention of that war ought to be the number one task of American statesmanship for as long as we can look down the road.

I think it's desirable to prevent Chinese military power from expanding across the face of Asia, but I don't regard that as the principal challange China presents to the world today. There may be a stage as we move along when China will, in fact, become militarily engaged with our principal allies in the Far East, but I don't see that as an immediate probability. The greatest danger that it will happen, in my view, comes from the policy we are presently following in Southeast Asia and in other parts of Asia—the policy being one, first of all, which attempts to isolate China diplomatically from contact either with ourselves or with other great powers. We have used all the influence we could muster since 1949 to cut off diplomatic contact between China and the western world and the other countries of Asia. I personally think that has been a dangerous and ill-advised course for us to follow.

I have no idea whether or not at this point the government of China would permit us to install an ambassador and an embassy on their soil, but I can't think of any place in the world where we so desperately need a competent ambassador backed up by a good staff, as we do in China. One of the great problems about our relationship with China, and about discussions of this kind, is that we begin from ignorance. If we can imagine where we would be today with reference to the Soviet Union if we had had no diplomatic contact with that nation for the past twenty years—no conferences at the United Nations or in other assemblies where we had an opportunity to hear the Soviet point of view firsthand—we get some idea of the problems that we are up against when we try to carry on an informed discussion about China, and what her probable course of action will be.

I think, too, that it is not in our interest to try to boycott China economically. However belligerent, maddening, and—as some people would say—hysterical the Chinese leadership may be, I don't believe we contribute to a more moderate course of action on their part by trying to isolate them economically. For example, our policy of doing what we can to prevent normal commercial intercourse between the Japanese and the Chinese makes no sense at all. Japan is in a position to carry on an active trade with the Chinese, and to offer some degree of economic assistance that would be beneficial to both countries, and my impression is that there is a mounting tide of resentment within Japan itself over the fact that our policy has been lined up against that kind of development. The more diplomatic and economic contact there is between China and the outside world, the more likely it is that China will move in a less belligerent course.

In my opinion, we have no interest in Asia that demands our adoption of a unilateral containment policy. If we accept the argument that China needs to be contained, we should also accept the corollary argument that this should not and cannot be done unilaterally. We have no responsibility, we have no mandate, to take charge of Asia for the years ahead. What we do have is an obligation to work with other countries to preserve the peace. Certainly, with reference to China, that includes the close cooperation of other major Asian powers—Japan, India, Pakistan, and the other prin-

cipal countries there, who presumably know at least as much about China and how to handle her as we do.

I think the course that we are now following is one that is calculated to aggravate all the worst features of the Chinese government and Chinese society. In addition, I fully agree with George Kennan, Senator FRANK CHURCH, and others who have said that trying to set up military strongmen on the borders of China is bound to increase Chinese pressure on those areas rather than to decrease it.

I would hope, then, that if we decide a policy of containment is in our interest, that it will be a broadly-based policy which does not rely excessively on military power, which does not rely on the creation of puppet regimes along the border, but which seeks to encourage strong and independent states wherever possible in Asia and elsewhere in the world. I would also hope that, insofar as possible, our efforts will be directed through the international community rather than unilaterally.

Podhoretz: Mr. Roche, Senator MCGOVERN seems to believe that our present policies in Asia are not calculated to avoid a major war with China. Others have put the case even more strongly, saying that we are on a collision course with China, that war is almost inevitable. Do you agree?

John Roche: Let me try to get at the question under three headings. First of all, what are we dealing with? Second, has our policy toward the Red Chinese been sound in the past? And third, what options do we have?

On the first point, it seems to me that we are dealing with a red-hot, simplistic ideology composed in equal parts of traditional Chinese imperialism and messianic Communism. We are faced, also, by the largest underdeveloped nation in the world, which may have an *absolute* net decline in standard of living: that is, it may be—the statistics are very hard to get—that every year that goes by, the standard of living in China in terms of population declines. But whether or not that is the case, it is surely true in the relative sense: there is a greater and greater gap between China and the more advanced industrial societies—the Soviet Union, the United States, and so on. And we are faced, finally, by what amounts to a ferocious theological brawl—unlike anything that has been seen since the Reformation—between the Stalinist Soviet Union and the Trotskyists in China.

The Soviets, who are good Stalinists despite the fact that they are vilifying Stalin, are today in a profoundly isolationist phase, and have, in effect, imposed socialism in one country on the Chinese. The Chinese, standing on the principle of permanent revolution or, in Trotsky's phrase, combined development, expected the Russians to provide the technological base for the Chinese primitive accumulation of capital. That is, they expected the Russians to give them the means to jump from the pre-capitalist to the socialist phase of historical development. In short, the Chinese demanded socialism on the cuff from the Russians, and the Russians, who were doubtless appalled by the fantastic burden involved in this (which could, of course, destroy the internal priorities of consumer goods and the rising expectations of affluence within Soviet society), told the Chinese that they would have to earn their own way to socialism. As best as we can discover, the Russians have, in fact, given more economic aid to East Germany than they have to China.

The Chinese today, it seems to me, are desperate, and they are old (the average age of the Chinese Communist Plenum is around 66). They are old men, they are the men who came up inside. Now a great many suggestions about dealing with China are based on the assumption that these people can be bribed. I don't think that they are bribable. I think that they are driving ideologues who are not going to call off their offensive against American imperialism in return for, say, an annual subsidy of wheat or industrial goods from the United States. If Secretary McNamara had made the statement that war is a testing-ground for character, we would all be leaping up and down and shrieking, and yet this is precisely what Marshall Lin said in his statement several months ago. We are dealing here, in other words, with men who are ideologues and who are not subject to simple, old-fashioned capitalist bribery. In fact, I think they are the Anabaptists of the Communist "Reformation"; they are striking out wildly at all those who will not accept their own particular chiliastic vision.

On the practical level, the reason I don't panic much about the problem of China is that they seem to be almost utterly incompetent to deal with reality—which, of course, is a common characteristic among Anabaptists. One might indeed suggest that Mao and his followers be brought before the Committee on Un-Marxist Activity. If Mao were President of the United States, he would have been impeached six months ago for having been responsible, internally and externally, for one disaster after another, with Indonesia as the culmination. I think what has happened in Indonesia is probably the most important development in Asia since the fall of mainland China to Communism—and the turn of events in Indonesia was a matter of sheer bungling by the Communists. Mao, then, is no Lenin or Trotsky. Indeed, he sounds like a caricature of the Marxist tradition, a kind of Red Goldwater with a little bit of Billy Graham thrown in. I do not find the philosophical specific gravity of Chinese Communism any great threat to the West nor, for that matter (speaking strictly as a clinician), to the Soviets.

To come now to my second heading: Has our policy been sound? Before we can answer that, we have to ask what our policy has been. Since 1950, we have had about four competing China policies within the American government. There has been this phony issue of recognition, for example. If you look at the world as I do, you say that recognition does not mean recognition of the legitimacy of a government, it simply means recognition of its existence. I recognize the existence of the Red Chinese, and I think the American government's policy on this has been silly. But would any alternative policy that anyone could have devised have made much difference, given the driving, messianic quality of the Chinese? This seems to me the crucial problem. The same reasoning applies to the National Liberation Front in Vietnam. In 1954, at the Geneva Conference, when the time came to find someone to initial the Accords for the Pathet Lao and the Khmer Resistance Forces, the Hanoi man, Ta-Quong Buu simply said, "I'll sign for them," and he did. The moral of the story, of course, is that legalistic approaches to the problem of the recognition of Red China, or the recognition of the National Liberation Front, are essentially diversionary. Whether we could have devised an alternative policy toward China, one with a strategic design, I don't know. It is clear that the policy, or several policies, we did design had no particular set of priorities (which, in a sense, undermines the notion that there is a great capitalist conspiracy at work).

Finally, what are our options? It seems to me that we have three options. They are the familiar ones: unilateral disengagement; escalation to the point of bombing China; a holding of the line. I want to make it clear that I am neither a hawk nor a dove; I am a slightly frightened robin who wants to avoid a war with Red China, as any sane man does. My basic position is that we have to play for time; that we cannot plot some grand plan for dealing with Red China, because we don't know the variables; that we should not attempt any great rollback of Red Chinese power, but on the other hand, that we should attempt to the best of our ability to maintain the frontiers essentially as they are today in Asia.

Podhoretz: Mr. Fall, do you agree that American policy ought to be dedicated to holding the frontiers of Asia constant?

Bernard Fall: The real question is whether Washington agrees. As we look at statements made by the administration over the last four or five months, there seems to be a new thread running through all of them. It started perhaps with the speech by Secretary McNamara before the NATO Council of Foreign Ministers a few months ago, when those good Europeans were treated to a rather surprising lesson in geopolitics which went back to Hearst's "Yellow Peril"—Europe is about to be overrun by hordes of Chinese, and it is therefore about time the Europeans woke up to their obligations in Southeast Asia. The same theme was sounded in a speech by Under Secretary George Ball a few weeks later, and then again in California by Assistant Secretary of State William Bundy: the Chinese are the real danger and it is they who have to be stopped. I am reminded by this of the manufacturer who was losing five dollars on every dress, but expected to make his profit on volume. We have a policy that doesn't work too well in Vietnam, but if we apply it to China and all of Asia, it might come out all right.

The results, of course, are rather curious, because you also find in every one of those speeches some repetition of the well-known fact that the North Vietnamese hate the Chinese, and that only in the very worst of circumstances—circumstances, as I myself would say, that can only be created by our military pressure on North Vietnam—will the Chinese come in; and if they ever should come in, the North Vietnamese will receive them with the greatest of misgivings.

So you have here an inherent contradiction in the whole official American approach to China, which in large part is a consequence of the "capture" of Washington by Red Chinese propaganda. If there is anyone in the whole world who actually believes that the Chinese are likely to overrun Asia militarily, it's Washington; at the same time, Washington believes that China is hated by all its neighbors. But if the Chinese are so aggressive—they certainly say aggressive things—why do they allow most of their aggressive schemes in Asia to fall apart without even the slightest reaction?

Obviously, for example, the Chinese have not done very much to help the Pathet Lao, American aircraft operate quite openly all over Laos, and there has been very little evidence of Chinese retaliation on the ground—say in the form of shipments of effective anti-aircraft artillery to the Pathet Lao. Nor have the Chinese tried to pick a fight with the United States over Quemoy. If the Chinese want to win a cheap victory over the United States, all they have to do is to try to occupy Quemoy, which they can do any day of the week. Nor have they intervened against American aircraft carriers in the Tonkin Gulf, which operate in an extremely narrow sea area, about ten or fifteen minutes by jet from Hainan.

Then came the great disaster in Indonesia. Indonesia, after all, has—or had—the largest Communist party outside the Sino-Soviet bloc. The Chinese have stood by in stony silence while upward of 100,000 Indonesian Communists were being slaughtered. To abandon a major Communist party in that way obviously bespeaks either self-control or fear—fear of American retaliation.

I do not doubt for an instant that the Chinese have ambitions in Southeast Asia. So do the French have ambitions in Latin America, which only indicates that the word

"ambition" by itself doesn't mean very much. Some ambitions may be welcome. For example, if the Chinese would like to run a few rice-growing programs in some of those countries or would like to build railroads, as they are doing in North Vietnam, that would be unobjectionable. But what about the kind of ambitions that are going to hurt us—the West—in Southeast Asia?

Well, take the case of Burma. Burma is a small country, about 23–24 million people, directly abutting on China. Now the Burmese and Chinese had some border problems, and about five years ago they sat down and literally traded off border areas, and we haven't heard of these problems since. The Burmese government, moreover, proceeded to eliminate its Communists by the normal methods of fire and sword, but there is no evidence that the Chinese sent major forces into Burma to liberate their oppressed fellow party members.

Then there is the case of India. Here again the record will show that the Chinese attacked in India only after a long, embroiled border dispute about which any fair-minded person must agree that they are right. The MacMahon Line was a British-imposed boundary which no Chinese government ever ratified. The Chinese could have taken an additional piece of territory which was abandoned in panic by the Indians, but after moving in, the Chinese moved right back to their proper boundary; they didn't even hold the advance tracts which they could have held, let's say, for negotiating purposes.

This leaves, of course, the Korean War, where there certainly was Communist aggression. Of course, Chinese propaganda will tell you very loudly that the Russians put them up to it. The Chinese didn't lose 900,000 casualties in Korea lightly, just one year after winning their own war on the mainland: they fought the war with Russian equipment and Russian instructors and Russian training. So even in Korea, you have a slightly ambiguous situation if you are talking about *Chinese* adventurism.

All we can say when we look at the record, in other words, is that the Chinese undoubtedly have ambitions in Southeast Asia, and that they may, beyond a certain point, intervene in Vietnam—there is no question in my mind about this—but I don't think they are quite ready to do so. Interestingly enough, General Maxwell Taylor, who is not exactly uninvolved in the area, recently said just that: he didn't believe the Chinese were going to intervent in Southeast Asia for very good military reasons.

I have flown over the area often enough: it looks like the Creation-plus-seven-days—wild, impassable, no roads, no anything. How can you bring in and feed 500,000 troops under American aerial interdiction?

Let me, then, come back to the basic point. Speaking in *Realpolitik* terms, I think the United States can very well interdict Chinese penetration or Chinese influence or Chinese ambitions on the island parts of Asia and on India. But to pretend, as Under Secretary Ball has done, that the Chinese have no historical claims in Southeast Asia, is to fly in the face of history. Even the French at the height of colonialism recognized that the Chinese did have historical claims in the area—the French in 1885 fought a war with China merely to get China's signature on the annexation treaties with Vietnam. If what we want is not only to keep the Chinese back from their "outside" ambitions, but to push them back beyond their own "legitimate" claim line, then, of course, we are preparing ourselves for the kind of imperial wars that the French and the British fought for a hundred years, successfully at certain times, less successfully at others. If the decision is that the Chinese must be contained on the Southeast-Asian equivalent of the Polish-Russian border, that, of course, is a policy—I don't say it is the best, but it is a defined policy. But the policy of containing the Chinese deeper in Southeast Asia would, in my opinion, have a better chance. Suppose, for example, that the Kennan containment policy of 1947 had meant pushing Russians back to the Soviet boundary, with American troops being stationed in Warsaw. I am sure this kind of containment wouldn't have worked as well as the policy of stopping them at the border of their "natural zone of influence."

Just a last anecdote. When I was in North Vietnam in 1962—that is one of the residual privileges you have as a Frenchman here and there—the North Vietnamese very proudly showed me their national museum, which contained a room with a permanent exhibit on the theme of the heroic historical struggle of the Vietnamese people against the Chinese invaders. As I went through it, I saw a whole class of first- or second-graders with little red scarves, being marched through and shown how their country had for two thousand years held off the Chinese. The sight of these children reassured me considerably as to the future fate of Southeast Asia.

Goodwin: I don't think it's true that the United States has been obsessed with preventing the Chinese from moving, or with the Chinese threat. The United States has, in fact, been much more obsessed with the Russian threat, and even with the Cuban threat, than with China throughout most of the postwar period, and even today. Interestingly enough, for example, most people in the American government once accepted the fact that Indonesia would soon fall under the domination of a Communist party closely allied with, or sympathetic to, Peking, and yet there was, as far as I am aware, no intention of stopping that internal movement because we knew of no way to stop it short of invading Indonesia. And no one contemplated doing that.

It may be a legitimate position, logically, to say that it is perfectly all right for Russia to dominate Poland, Czechoslovakia, Rumania, Bulgaria, and East Germany, because of some abstract conception that we call a sphere of influence, and that by the same token it is legitimate for the Chinese to dominate Thailand, Malaysia, Laos, Vietnam, etc. I don't see that myself, and I don't think that the people of those countries, or the governments of those countries, would agree that they were naturally within the Chinese sphere of domination; nor, for that matter, do the people of Poland, Czechoslovakia, etc. feel that they naturally belong to the Russians. So far as Chinese ambitions are concerned, we know what they say, we know what other nations which have been aggressive have said. We don't know whether they mean it, we don't know whether they will do what they say, but I think that at least we ought to take them seriously.

I don't think the word containment is accurate in describing our policy. Resistance to Chinese expansion would be a better description. And that policy simply says that we will oppose the Chinese if they move under certain conditions. Clearly, an invasion of India would be opposed by the United States; or if the Chinese sent an airborne division into Indonesia, I have no doubt that we would feel it necessary to act. But the resistance to Chinese expansion does not have to rest on a firm belief that they are going to overrun Asia and try to take it over. *If* they move into a given area, we have to decide whether we should respond, and in what ways.

Podhoretz: But the difficult question is that almost any insurrection anywhere is interpreted as an instance of China on the move. It seems to be assumed that the war in Vietnam is a case of Chinese expansionism; it seems to be assumed that any kind of uprising, whether clearly dominated by a local Communist party or not, is to be taken as an act of Chinese expansionism. Isn't that the problem?

Roche: I don't know any serious observer of the war in Vietnam who has argued that this is a Chinese operation. The argument is that what you are dealing with here is an indigenous, North Vietnamese Communist imperialism, which would presumably implicate the Chinese if we went North on the ground.

Podhoretz: Yes, but then the question becomes, in what sense is an indigenous North Vietnamese Communist imperialism any concern of the United States?

McGovern: I would like to comment on that. I think John Roche's interpretation of American policy is overly optimistic. I remember being disturbed a year or so ago about the confusion on this very point that exists in our government. After a flurry on the Senate floor in which a number of Senators were involved, we were invited to discuss administration policy with some high officials in the government, to give us a better understanding of the policy. In the course of that discussion, I asked one of these men—who, I can assure you, is very high in our government—if we were involved in Vietnam primarily because we wanted to stop a Communist take-over on the part of the National Liberation Front, backed by North Vietnam, or because we feared Chinese power in the background, pulling the strings on this and other "wars of national liberation" that are supposed to develop in different parts of the globe. After thinking about it for awhile, this official said that he felt our primary purpose was to stop a Communist take-over from whatever source, to preserve the possibility of freedom of choice by the people of South Vietnam against Communism, whether installed by the National Liberation Front, or Hanoi, or China.

That very night, I asked another equally high, maybe slightly higher, official in our government the same question: whether we were there to prevent an internal Communist take-over in Saigon, or whether we were concerned about Chinese military and political aggression in that area. He said: There is no question about it—if not for China, we would not be involved in Vietnam at all; we are there because if we don't hold the line against China's technique of "national liberation" in South Vietnam, we will have to face the same Chinese-inspired activity in Laos, in Thailand, Cambodia, and so on, until eventually the threat becomes so great that we are confronted with World War III.

I think, in fact, that we *have* been following the so-called domino theory in Southeast Asia, that we have seen China in the background manipulating the strings, that we have blamed them for what's taking place in South Vietnam, and that we would not be there were it not for what I regard as an exaggerated fear of Chinese danger to our interests in that part of the world. I quite agree with most of what Bernard Fall said earlier: we have exaggerated the extent of the Chinese threat to our interests, and we have grossly underestimated the force of nationalism in Asia.

Nationalism, in my view, is the strongest single force operating in Southeast Asia, and everywhere else in Asia as well. While we may be primarily motivated by a fear of Communism, the greatest dislike of the people of that area—their greatest fear and the thing they most want to get rid of—is outside control from whatever source. When we identify with regimes that have little national support and are opposed to revolutionary change, we do so at great peril to our own interests.

Roche: I believe the probelm of Chinese power is remote at the moment; it's still ten or fifteen years away. In the meantime, all kinds of things can happen in China. A whole new generation can come along, the bureaucratic complexion of the Chinese Communists party can change—already it is apparent that there are conflicts between the

army in China and the party people. They fired one Minister of Defense because he suggested that the generals knew more about fighting wars than the political commissars did, and apparently right now they have another dispute going between the Norman Vincent Peales, who are saying that people armed with sickles can fight off the imperialists, and the generals who are saying: No fellows, those guys have got real bombs.

My theory is that by and large the last twenty years have indicated that the Communists are better at making big mistakes than we are, so we should stick to making small mistakes, and let them make the big ones. That means essentially a policy of playing for time and holding on.

Podhoretz: Holding on to what?

Roche: Well, the perimeter—essentially Japan, Taiwan, India. The problem in Vietnam is confused, as Professor Fall knows far better than I do, by the fact that you have there an autonomous Communist imperialism, which is itself interested in taking over the former borders of French Indochina. Wouldn't you say that that is the objective of Hanoi?

Fall: That's right.

Roche: As a consequence, I don't think the problem of China in Vietnam is an imminent problem—unless we should invade North Vietnam, which at the moment is about as remote a contingency as I could conceive of.

Goodwin: I disagree with a little bit of what Senator McGovern said. I don't think we went into Vietnam because of China. I think we got into Vietnam almost by accident. A commitment grew because at every stage we were under the illusion that we could buy a very cheap and easy victory there. In fact, I doubt if you will find China mentioned in the statements of any American President on Vietnam until the last six or eight months. It was a forbidden word.

Fall: It certainly isn't now.

Goodwin: No, it certainly isn't now, because at the present level of commitment, China proves to be the only rational reason for our presence there at all. Whether or not it *is* a rational reason, there is no doubt that the Chinese are much more aggressive in Vietnam today than they were, the Russians are much more aggressive in Vietnam than they were, and we are much more aggressive, because the issue has begun—very unfortunately, I believe—to transcend Vietnam itself. It has become a testing-ground of American power and will in that country and that part of the world. But I don't think this was at all the initial impulse that brought us there.

Podhoretz: What I would still like to know—and maybe the question I have asked is not a question that can really be answered, especially from the vantage-point of Washington—is the exact nature of American interests in Southeast Asia.

Fall: Well, that again brings up the contradiction I was talking about earlier. The build-up in Southeast Asia—the air bases in Thailand, the so-called enclaves in Vietnam, the deployment of 200,000 and ultimately even 400,000 more troops—is obviously not intended simply to crush 200,000 guerrillas and break even with the North Vietnamese. I am very much afraid that definitely now, whatever the case was in the past, Washington does look at China as a very serious potential factor in the conflict.

Roche: In 1950, Walter Lippmann wrote: "It would be an intolerable settlement, of course, if the North Korean army conquered South Korea, but it will not be a decent settlement if at the end of the Korean fighting, the American army finds itself at the 38th Parallel, and is invested for the indefinite future with the task of defending South Korea. There is no use pretending that South Korea, as we know it, can be set up again and maintained as even a quasi-independent state. But on the other hand, there are too many other things to do in the world to wish to govern an Asiatic dependency and to tie up three or four American divisions."

Yet, fifteen or sixteen years later, we have got what is a pretty workable solution in Korea. There is, in fact, a quasi-independent, viable South Korean state which within a year or two will hopefully reach the economic take-off stage. We simply have to realize that sometimes you get caught in situations. I don't like the idea of fighting a war in Vietnam, or anywhere else for that matter. But the fact is that at this point, as George Kennan recently said, withdrawal would be intolerable. So the question then becomes: what are the real options? The real options are a big war, or a limited war. If we can achieve in Vietnam a solution which involves no "liberation" North, and no rollback South, I think that it would work probably about the way the Korean thing is working, and I think that is the best we can hope for in the circumstances.

McGovern: I hope we can all agree that there are some other lessons to be learned from our experience in Korea, and one of them is not to be too reckless about these so-called "limited engagements." I assume that we went into Korea sixteen years ago to reestablish the 38th Parallel. The trouble is that when we got to the 38th Parallel, we kept going."

Roche: Over my objections, among others.

McGovern: Well, I hope that that lesson hasn't been forgotten, because while it may, as John Roche has said, only be a remote possibility that we will invade North Vietnam on the ground, we are already attacking her from the air, which certainly is a form of invasion, and one that is not calculated to produce forever a limited action on the part of Hanoi. In spite of our intelligence estimates, we did involve China in the Korean conflict. It cost us many thousands of casualties, and in the end, we finished with about the same kind of settlement we could have gotten had we stopped with a limited objective at the 38th Parallel.

Podhoretz: Senator McGovern, what is your impression of sentiment in the Senate, both about the Vietnam war, and about the longer-range questions that I have been raising—that is, the question of the extent to which American interests are actually involved, and the extent to which we are either trying, as Mr. Goodwin put it, to resist Chinese expansion, or whether we are carrying on what is essentially an anti-Communist crusade?

McGovern: It is my own judgment that strong support does not exist in the Senate for the policy we are now following in Southeast Asia, if for no other reason than the fact that the repeated predictions of what was going to happen, which have come to us from top officials in the government, have been consistently wrong; and each time those predictions have proved wrong, we have simply doubled the prescription of what we were doing. Consequently, there has been a growing disenchantment in the Senate about our Vietnam policy. I would say that certainly a majority of the Senate is opposed to any further escalation of this war.

Podhoretz: An actual majority?

McGovern: Yes, an actual majority. I think that perhaps ninety out of the one hundred Senators think that we made a mistake in ever becoming involved in the first place. There are a good many Senators who will say that privately, but who will then say, "Here we are, so mistake or no mistake, we have to see it through as best we can." Certainly, some of those Senators who have been advertised in the press as great hawks are among those who think that it was a disastrous mistake for us to have ever become involved in a combat role in Vietnam. Our involvement there actually goes back to the end of World War II, almost twenty years ago, when for some reason or other, we decided to back the French in their efforts to reestablish their control in Southeast Asia. We didn't make that mistake in most parts of Asia. We recognized the force of revolution, we recognized the power of nationalism, and we identified our policy in most parts of Asia with the revolutionary currents that were moving there. We urged the British to get out of Malaya and the Dutch to get out of Indonesia, we encouraged the liquidation of the British hold on India, and we ourselves got out of the Philippines. But when it came to Vietnam, for some reason or other, we threw in with the French, in what turned out to be a losing effort. I think that we have been on a losing course there ever since.

Fall: I have done quite a lot of research into this particular question, and frankly, I still don't understand why the United States backed the French at the last moment. In 1946, the U.S. sent a rather interesting mission under Major-General Philip E. Gallagher to Ho Chi Minh, and the French got pretty well perturbed. Then, out of a clear blue sky, there was a literal disappearance for about three years of any American effort in Vietnam. Just think, however, of the fascinating "might-have-been" of an American position in Vietnam consistent with American policy in Indonesia, Malaya, and India. Ho Chi Minh would have been president of all of Vietnam since 1946. This is why the North Vietnamese feel that the Americans are actually attempting to turn back the clock of history.

I would be the last person to guarantee that Ho Chi Minh would have become a Tito under these circumstances. I have spoken to the man himself, and to all his associates. I don't know whether Ho Chi Minh would have "turned Tito," but what I do know is that he has been anti-Chinese ever since the Chinese arrested him in 1941 and kept him in the stocks for eighteen months.

Goodwin: If I can get back for a moment to the longer-range possibility of Chinese expansion, and the possibility of resisting it, I think that one of the great lessons to be learned from the European containment is that it was not basically military; it was economic and political, through the Marshall Plan and so on. I think we have to pursue that kind of policy in Asia as well. Some time within the next five or ten years, China will be able to hold the major cities of North America hostage to nuclear power, and this is bound to increase the degree of risk they may be willing to take. To prepare for that, we need to make a massive and very large-scale effort to try to build—in Inida, in Pakistan, in the Philippines, in Southeast Asia—viable states which can stand on their own economically and which have some capacity to resist internal threats. We will also have to be willing to come in at least against an immediate invasion. At the same time, we have to make an effort to open up relations with China, if only to get a greater knowledge of what they might do and of their capacities, and to give them a greater knowledge of us: I think their ignorance of us is one of the great problems in their approach to the world. In addition to all this, we also have to work with the Soviet Union so that eventually we can get into the position of acting together on what is in fact a common interest—the containment of China. I don't believe that this is a possibility at the present time, but it may become one as the seriousness of the Chinese threat and the concomitant seriousness of the common interest grows. I think only if we pursue all these tracks at once—which, of course, leaves open the question of what China might actually do, but prepares us for any contingency—is there any real hope of containing China.

Roche: This brings up a very important point that is easily overlooked—namely, the extent to which the containment of China is really a Russian problem more than an

American one. After all, the Chinese already have maps that show large sections of Soviet Central Asia and so on, as part of China. I think the Russians are probably going to be confronted with Chinese power on the *ground* much more realistically than we are confronted with it at this point.

I suspect, by the way, that one interesting by-product of the last year has been that the American obsession with Vietnam may have helped in our not getting mixed up in Indonesia. In other words, we were so busy worrying about Vietnam that our cloak-and-dagger men didn't get a chance to monkey around in Indonesia.

McGovern: Isn't there some clue in that? Where the Chinese have intervened in a heavy-handed way, they got a bad reaction; and where we are intervening in a heavy-handed way, things are going badly for us.

Roche: There is one difference: the Chinese can't walk on water. In other words, the geographical situation of Indonesia is such that the Chinese could not possibly come to the rescue of the PKI there, whereas in Southeast Asia, on the mainland, they are in a position to intervene.

But I would like to make a point on this business of creating Titos. In 1947—the time, as we now know, when the Yugoslavs and Russians were engaged in really rough inside fighting, which led eventually to the split—the United States was practically at war with Yugoslavia. The Yugoslavs had shot down our airplanes, and we were issuing ferocious pronunciamentos. But as far as anybody can discover, the fact that we put the arm on Yugoslavia in 1947–48 did not have the slightest impact on the internal dynamics of what was, in fact, a theological dispute; our behavior had no influence one way or the other on the split. If you want to play these games, you can argue, then, that the best way to turn Ho Chi Minh into a Tito would be to put more and more weight on North Vietnam. North Vietnam would then turn to China and ask for help. The Chinese would say, "We're sorry, we can't help you because the Americans will bomb us." The North Vietnamese would then ask the Russians for help, and the Russians would say, "We're very sorry, we're too busy putting a basketball team in space." At that point, the leaders of Hanoi would decide that since they couldn't get any help from their loyal allies, they might as well make a deal.

Now I am not favoring this scenario nor suggesting it: I am simply saying that in terms of the logic which is going around these days on the care and nurturing of Titos, this is a perfectly valid position.

Podhoretz: Mr. Roche, you've been talking a good deal about theology as though there were only one set of theologians in this whole picture. But isn't there a good deal of theologizing going on in the United States in relation to the Communist world? What I mean is this: so long as it was possible to believe—and so long as this belief more or less corresponded to reality—that there was a monolithic international Communist conspiracy which operated in various ways and through various subterfuges which were not always easy to identify as aggression (internal subversion and the like), an anti-Communist foreign policy obviously made some sense. Under those circumstances, stopping the spread of Communism could be taken as within the American national interest. But just at the point where it is no longer possible to speak of a monolithic international Communist movement, we do seem to be pursuing an anti-Communist foreign policy, not because the advance of Communism—which today really means Communisms, in the plural—is demonstrably against the *concrete* interests of the United States, but almost as though we were fighting a religious war in which the goal is to prevent the opposing religion from spreading to any other country. Nobody in the government talks in these terms any longer, but this is how they seem to be acting.

Roche: Of course there is a good deal of chiliastic rhetoric on the anti-Communist side. But don't identify anyone who takes a hard liberal anti-Communist line with Senator Goldwater or with people who say that we are fighting a holy crusade. I myself, for example, was among those who argued against the concept of a monolithic Sino-Soviet bloc as early as 1954.

Nor do I think that a fair view of American foreign policy suggests that a holy crusade has actually been the decisive motivating factor. For example, President Johnson has made it perfectly clear that we are not interested in a rollback in Vietnam. That is to say, there is to be no "liberation"—we are not living with Dulles and the notion of "liberating" Communist countries. Johnson has, in effect, said that we will settle for a status quo at the 17th Parallel. The North Vietnamese will maintain their Communist state, and even though we don't like it, we are not attempting to overthrow it. This is anything *but* messianic anti-Communism. I think it is, in fact, a perfectly legitimate horse trade.

Fall: Well, granted, then, that America isn't pursuing an anti-Communist policy, can we speak of a straight anti-Chinese policy? You could, for example, have a straight anti-Russian policy: in other words, if Russia were ruled by the Czars, we might still oppose a Russian move into Greece. Similarly with the Chinese in Southeast Asia. The Chinese may be misruling Tibet—they have always misruled Tibet—but so are some people misruling Mississippi. This is no reason for calling it "aggression."

Roche: But in fact some people do call it "aggression." That is precisely the point. In Mississippi, a great many of us have been out there trying to stop it, whereas to my knowledge there have been no "Freedom Riders" in Tibet.

Fall: Still, if the U.S. had wanted to follow a straight anti-Communist policy instead of a straight anti-Chinese one, then South Vietnam should have been made a fortress as soon as the 1954 Geneva Accords had gone by the board—a full-fledged fortress like Formosa, in 1956; with 200,000 American troops right off the bat, and the place militarized exactly like South Korea. At the same time North Vietnam might have been bought off. Washington could have said, "All right, we're sorry, we won't hold elections, you know Diem won't hold the elections, but if you need a half-million tons of rice, you can have a half-million tons of rice."

But the truth is that nobody has really made up his mind in Washington as to whether it is a straight *Chinese* expansionist threat that has to be contained, or whether it is militant Communism that has to be contained. This perhaps explains why the Vietnam problem is such a muddle.

Goodwin: I don't think that's accurate. How can you speak of an anti-Communist policy, in the old sense of the term, when we are trying to expand East-West trade, and trying as much as we can in the present situation to move forward in our relations with the Soviet Union?

Fall: Anti-Chinese, then.

Goodwin: No—it isn't anti-Chinese, it is opposed to Chinese expansion. That is a very different thing. I don't think the policy is to overthrow the government of China.

Fall: Would you say the Chinese can't expand because these people hate them?

Goodwin: I didn't say that they hate them. I don't know how they feel about them at all, and I don't know whether that is even relevant. It's possible for the Chinese to expand into areas where the people hate them.

Fall: I think it was Jerome Bonaparte who said that you can do almost anything with bayonets except sit on them. The Russians proved this in Hungary.

Podhoretz: I think it's time to open the floor to questions.

Trumbull Higgins: [2] I wonder if I might ask the speakers to consider the possibility of an irrational explanation for the American intervention and the presumed Chinese hostility. That is, the U.S., having blundered into this war in Vietnam contrary to most expectations, now must engender a Chinese hostility in order to justify the ever-growing war. In short, is not an irrational explanation perhaps more valid here than the desperately rational explanations the speakers are looking for to account for our policies toward China?

McGovern: I for one agree with that interpretation almost one hundred percent. I think Mr. Goodwin hinted at it earlier in our discussion, when he said that at no time did we make a calculated, clearly-defined decision on what our policy in Southeast Asia should be. We did become involved, for reasons that aren't clear to me, in backing the French effort out there from 1946 through 1954, but from there on out, I think the policy emerged pretty much along the lines that Mr. Higgins has suggested. As more and more American forces were committed, and the results of those efforts proved more and more disappointing and more and more frustrating, our policy makers began to depict a larger threat in the form of China as the reason for our heavy involvement. I think that helps to explain a lot of the confusion about why we are there.

Podhoretz: That's like Macaulay's explanation of how the British acquired their Empire. He said that they did it in a fit of absent-mindedness.

Roche: Well, I don't want to inject an empiricist note into this discussion, but the reason we got involved in Indochina, in a word, was Korea. We were playing around the edges until the Korean War broke out, and then at that point we began to commit ourselves more and more heavily to anti-Communism in Indochina. Whether it was rational or irrational, is a question I don't think we want to discuss at this point, but that's how it happened.

Fall: I would like to be able to agree with you on this, because it would make things neat. But the fact is the United States did recognize the Bao Dai government on February 6, 1950 which was six months before the Korean War, and the American MAAG Mission to Vietnam was appointed on June 12th, also before the Korean War. You are perfectly right, though, that the real effort, the $485 million-a-year effort, only began after the Korean War broke out.

Maurice J. Goldbloom: [3] I want to talk about this matter of the parallel with Greece and Yugoslavia. It is important to recognize that the Communists in Greece never had more than about a quarter of the population, and Greece was a country in which there were very strong traditional political forces of the kind that France prevented from ever developing in Vietnam. That is, there were always real alternatives with mass popular support there. The second thing is that although the Communists in Greece were dependent on and received far more material aid from Yugoslavia than the South Vietnamese ever got from North Vietnam, we made it a point to avoid any crossing of the Yugoslav border, or any attack on Yugoslavia during the entire period of the Greek civil war. I think that if we had bombed Yugoslavia, or if we had trained guerrillas to go into Yugoslavia, as we trained them in South Vietnam to go unsuccessfully into North Vietnam, that might have had a very important effect in tying Yugoslavia to the

[2] Mr. Higgins is a noted military historian.

[3] Mr. Goldbloom is a frequent contributor to COMMENTARY and a former Foreign Service staff officer in Greece.

Soviet Union, in forcing her to accept Soviet dictates.

Roche: I agree with that. That's why I opposed the bombing of North Vietnam.

Fall: By the way, I don't know how many people remember the very eloquent speech made by Adlai Stevenson in 1964, after the British retaliated against Yemeni guerrillas for having ambushed a British column in Aden. Stevenson said that even under provocation a major power should not retaliate against a weaker country. The then Senator John F. Kennedy also condemned the French in 1958 for bombing a Tunisian border city from which they had been shelled in Algeria, and the then Senator Humphrey at that time demanded that all American aircraft be withdrawn from the French Army. So there has been a great change in the last few years in American attitudes on retaliation against neighboring countries.

Hannah Arendt: [4] Mr. Goldbloom just knocked out Greece and Yugoslavia as a parallel: I too am a little worried about this parallel business, because it runs like a red thread through the justification of American policy in Vietnam. If you think about the other parallel which was mentioned here, the third one, Czechoslovakia in 1938, the absurdity of the whole business can be shown very clearly. It is as if France or England would have tried to stop Hitler, not by making war on him, but by making war on Slovakia as being somehow in collusion with the Nazi government against the Czech government. They would have started bombing Bratislava and intervening in what could only have been a civil war in Czechoslovakia. If anyone in 1938 had thought that this would have helped to stop Hitler, he would not have been very realistic. This is true for all such parallels. Once you really pursue them, they explode. If we say we want to contain China, then we have to take the problem in its own terms; no parallels will help, we have to look at China itself.

There is a second point I would like to bring up. I think it was Mr. Goodwin who mentioned the possible boomerang effects of defeats or victories in Asia. I am perfectly sure that this is a very serious question, and even one of the most serious. Not even our own military experts today talk about victory any longer. It used to be said that there was no alternative to victory, but in our time there are many alternatives, and victory is one of the worst. But I want to ask Mr. Goodwin what he thinks the boomerang effect on this country will be if we have to fight a six-year war of attrition. Also, taking into consideration the so-called domino theory, what will the boomerang effect on other Asian countries be when they see what can happen to a country once America intervenes?

I am glad that this discussion has centered squarely on the containment of China rather than on the war in Vietnam. I am against the war in Vietnam, I don't see how any good can come from it whatsoever, but I would agree that China is going to be one of the major problems of American foreign policy in the next thirty years. But to pursue this policy in Vietnam of all places, in Indonesia of all places: this is not to see the reality of the whole situation. It is very significant that the Chinese went back voluntarily after they established their old boundaries in India. I doubt that anybody in China even thinks of attacking India. What shall they do with India? They have enough headaches. Should they take India when they already have 700-million people, and as Mr. Roche pointed out, a declining standard of living? That is true, of course, of India as well, and of all these countries because of the population explosion. The Chinese, I recently saw in the papers, are trying to institute birth control, and very cruelly. They simply don't want to give ration cards to every third or fourth or fifth child born. If they actually do that, they will become the strongest nation in Asia, which today they are only potentially. But if we think about China in these terms—that is, the terms in which they themselves must think—isn't it obvious that the real danger zones are Siberia, which is underdeveloped and underpopulated, and perhaps Australia?

Goodwin: I agree fully on the question of parallels. I don't think that any of the historical parallels, Munich and the rest, are meaningful at all. As Miss Arendt said, you have to take China on its own terms. I would even carry that a step further by saying on the other side that you can't talk about polycentrism as the wave of the future—in this case using Eastern Europe as the parallel—in order to show that inevitably these countries, once dominated by the Chinese, will then become independent or nationalistic. They are very different societies from the societies of Eastern Europe. They are much thinner at the top, as underdeveloped countries tend to be, and therefore, the overthrow of governments comes a lot easier. Moreover, the long-run structural forces within a country that make for nationalistic stability don't exist to the same degree: we see this very clearly in places like Latin America. Beyond that I don't think the domino theory in its crudest sense applies in Asia—or anywhere else, as a matter of fact.

Nevertheless, serious American defeats in parts of Asia would, in my opinion, have an impact on other countries: they would strengthen forces which are hostile to the United States and close to Communist China, and they would tend to weaken those forces which are trying to maintain governments of another kind. What this would mean in any individual country is very hard to say. There is no doubt, for example, that Cuba did give an impetus to Communist movements in Latin America—though that has died out considerably by now.

I think the Chinese *are* basically hostile to the United States. They may not be able to do anything about it. They may not have the military force for a long time to do anything about it, or even after that, the skill. But they are supporting revolutionary movements in Latin America, for example. I have talked to students in Latin America who have told me that they are receiving funds from the Chinese. In other words, there is a movement, or an effort, going on.

Miss Arendt, I think, is right. Russia does have the most to fear from China in terms of immediate territories. It is by far the most logical target for Chinese expansion. However, we also at least have to keep in the back of our minds the possibility that they may not act rationally. It is often pretty hard to tell what the people in our own government are going to do, much less what Mao Tse-tung is going to do. I don't think the Chinese will invade India, and of course it isn't logical for them to do so, but that doesn't mean they won't, and you have to take that possibility into account in shaping your own policy.

Roche: The immediate cause of the Chinese invasion of India was the border dispute, but I don't think that was the sufficient cause at all. I think that what the Chinese did there was a political-military masterpiece—it was out of Lenin by Clausewitz. Essentially what they did was at one blow to destroy India's standing as a first-rate Asian power. You will recall that this was after the Russians refused, as we now know, to give any nuclear guarantee to the Chinese at the time of the Quemoy crisis. The Russians were then going to have some kind of summit meeting to which Nehru would be invited, and it was at that point that the Chinese decided to destroy India's standing as a first-rate power, which they did in two weeks. Obviously, they didn't invade India to conquer it. They simply wanted to destroy its reputation as a power, and that they did successfully.

Goodwin: In my opinion, what has done most to prevent World War III in the last twenty years has not been the pursuit of rational self-interest, but fear: and I am not sure that the Chinese share that fear to the same degree as we and the Russians. That, I think, is the danger.

McGovern: I think Miss Arendt put her finger on what may be our most crucial blunder in recent years, and that is our tendency to try to use the same course of action in Asia in the 1950's and 60's as we used in Western Europe at the end of World War II. The conditions, of course, are entirely different. In 1945, in Europe, there was a group of Western countries with a background very similar to ours, with a common fear of Soviet encroachment, and a desire to rebuild their economies and reestablish themselves as independent powers. Whereas in Vietnam, it seems to me, we intervened on the side of a political force in Saigon that had very little popular support, and no common heritage with us; we intervened against a popular political leader, Ho Chi Minh, who, at the time we first went in there, had, according to President Eisenhower, eighty per cent of the people of the country behind him. That in itself draws the distinction between Munich and Vietnam. Unfortunately, while those of us around this table can readily discard the Munich parallel, the Secretary of State doesn't draw that distinction. He continues to talk as though we were standing at Munich, and as though all will be lost if we don't continue what we are doing.

Roche: It's curious that the only statement by President Eisenhower that the American Left has ever taken seriously is the one Senator McGovern just quoted.

Podhoretz: That, and his farewell speech about the military-industrial complex.

Frank Armbruster: [5] I would just like to draw attention to a point Dr. Fall made, which is, I think, a very valid one and has a lot to do with what has happened around the periphery of China. He mentioned the very primitive areas on the perimeter of China to the South, but this is also important when people talk about a Chinese attack on Russia. You really have to look at the areas they are claiming and look at what their logistic capability is over there. I think it's wrong to say that China didn't want India because of economic reasons. You could make the same argument about Tibet. I don't really think these things fall in that way. Without getting into theology, there is a dynamism which goes along with this type of Communism, and it has to do with vacuums, if you will, on the borders of Communist countries. The Chinese did pull out of India—that is, they pulled out of the Assam plain area. They had one small division down there which, with the snowfall coming in the mountains, would have been trapped there all winter, and so they went back. But in the Ladak area they did not go back. They kept the road which went through the traditional caravan pass that connected Tibet with Sinkiang.

If we are going to talk in geographic terms—and it always comes down to that when you talk about Chinese military capability—you really have to look at a map: I couldn't agree with Mr. Fall more. If you look at a map, you will see why they aren't taking the Russians on in the area that is in dispute.

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[4] Miss Arendt is the author of, among other books, *The Origins of Totalitarianism* and *Eichmann in Jerusalem*.

[5] Mr. Armbruster is an expert on military affairs and a member of the Hudson Institute.

So far as Vietnam is concerned, I don't think it's a question of Chinese expansion in that area; Ho Chi Minh also has a drive that is drawn, at least to some extent, from Communist ideology. But China counts too, simply by virtue of the fact that it is there, a large power to the north with a feeling of kinship. To get back to Czechoslovakia—even though the Secretary of State has been much belabored for making the parallel—the reason the Sudeten-German leader, Henlein, felt strong had a lot to do with the fact that a large Nazi state existed to the North. This is not a matter of sending troops necessarily; it has to do with the drawing of power. So that a large dynamic force like China in the North does, I think, lend strength to Ho Chi Minh even though he doesn't like the Chinese.

Senator McGOVERN said earlier that he believed a conflict with China would be the greatest disaster that could happen in the rest of this century. Yet the Chinese simply don't have any capability to expand; I just can't see this great danger. On the other hand, I just came back from Europe recently, and it was pointed out very clearly to me by the Germans—these were students, government people, businessmen—that our military commitments in Southeast Asia are being watched very closely by people in Europe to see how we live up to them. They are very anxious that we be efficient down there. In other words, there could be a domino effect in Europe. The domino theory also works, at least in part, in Asia. There is no military threat from China to speak of, but we still have to worry about the people in Asia taking an attitude such as Cambodia says it has today. Cambodians tell you point blank that they see the trend, and therefore they have to be neutral and sort of pro-Communist in order to make sure that when the Communists take over they won't have been in sharp conflict with them. Now if we wish to avoid that kind of thing, there is something to be said for America living up to its commitments.

Roche: I suspect that wherever Asian statesmen meet today, they talk about the inscrutable Americans. In 1955 or thereabouts, Sihanouk of Cambodia went to see Dulles and asked whether he could depend on American protection in case of trouble. Dulles said no. So Sihanouk took out insurance. Now, of course, Sihanouk is getting all kinds of hell for his quite rational policy, and he is probably rather upset because we changed the rules. This going back and forth by us has made life very confusing for people caught on the periphery.

McGOVERN: In response to Mr. Armbruster's comment on what I guess you would call our credibility in Western Europe and other parts of the world, my own impression from what limited observations I have been able to make and what I have read, is that there is very little enthusiastic support for the course we are on in Southeast Asia. I don't see that we have had substantial concrete support from our allies in Western Europe for our policy in Southeast Asia, nor have we had any great clear-cut moral support for our position in Vietnam, either from the Europeans or from countries in Asia. Our ambassador in Japan has indicated that there is great apprehension there about our policy. We know that kind of apprehension also exists in India, Pakistan, and other important countries in Asia and Western Europe. So I fail to see where American prestige would suffer if we should do what George Kennan suggested in his statement to the Fulbright Committee—that is, to liquidate some of these untenable positions.

Armbruster: Of course, Kennan was not suggesting that we pull out of Vietnam.

McGOVERN: I'm not suggesting that either, except after acceptable negotiations. I'm suggesting that our current policy has not improved our prestige either in Western Europe or anywhere else in the world.

Sidney Morgenbesser: [6] I would like to ask Mr. Roche whether he disagrees with Mr. Fall's analysis of what Chinese action has actually been, not what it might potentially be. If he doesn't disagree, why does he think we need a special foreign policy in relation to the Chinese? After all, the policy he advocates—holding the line and playing for time—is what we generally should do everywhere. I take it that behind all this "wait and see," there is a special foreign policy toward China. . . .

Roche: No, no, I was speaking specifically against the background of the great recent emphasis on China.

Morgenbesser: But do you think Mr. Fall's description of what the Chinese have actually been doing is right?

Roche: I think it's essentially right.

Morgenbesser: If it is right, why do we need a special foreign policy for China?

Roche: The discussion here is about China.

Morgenbesser: But what in your view is unique about China?

Roche: I think because the issue has been raised in such stark terms, that we should de-emphasize the immediate threat of Red China, that we should cool off our our ideological blood pressure, so to speak, on the subject of China—in short, that we should play it cool. That's what it comes down to.

Ernest van den Haag: [7] Do the members of this panel think that the recent change in Indonesia would have come about if we had not pursued pretty much the policy we have pursued in Vietnam?

Fall: All I can say is that the Indonesians very efficiently murdered another set of Communist leaders in 1948 without the United States being present. In other words, where there is internal pressure, it is bound to erupt regardless of what the United States does. It's like the man who marries the boss's daughter. No matter what he does on his own initiative, it will always be credited to the fact that he married the boss's daughter. That seems to be the case here. I would say that the American presence in Southeast Asia, which does, in fact, give the Asians a certain amount of comfort is probably not the presence of forces on the ground; it is the presence of the Seventh Fleet. Two hundred thousand American troops and six hundred thousand South Vietnamese troops bogged down in a fight against lightly-armed guerrillas, is not exactly a demonstration of power. But the Seventh Fleet is another matter.

van den Haag: But what about resolution?

Fall: I don't see how the American presence increases the resolution of Indonesia, unless the Indonesians believe that the Americans are ready to land in Indonesia.

Roche: Now wait a minute. First of all, until quite recently the number of American troops that have actually been engaged in combat operations in Vietnam was not very great. Also, although I opposed the bombing of North Vietnam last Spring—mainly because I find it hard to believe anything the Air Force tells me—it is my judgment, based on some research into the question, that while it hasn't had anywhere near the effect it was supposed to have on the military situation in Vietnam, it did play a very significant role in Indonesia in stiffening the will of the generals against the PKI.

Joseph Starobin: [8] Could I ask the members of the panel to venture an opinion as to the source of China's hostility to the United States? What is eating these fellows? It seems to me that in any discussion of containing China, one has to arrive at a certain estimate of what it is that makes the Chinese act as they do. The Secretary General of the UN, who is Burmese, suggested the other day a sort of psycho-political interpretation of their behavior, and I think it behooves us before we contain them to find out what it is that is bothering them. Is it that they don't like our long noses? Are we the white foreigners? Is it that they expect somehow to overthrow the United States and isolate us? Do they really intend to land troops anywhere near our borders?

McGOVERN: Well, keeping in mind Mr. Goodwin's warning that it is difficult to know what is motivating our own government, let alone what motivates the Chinese, I think there are certain considerations that might shed some light on the question of what is bothering them. It begins with our very real effort to prevent the Chinese Communist success in their own country. We failed in that in 1949, but only after we had invested a considerable amount of aid and military equipment trying to keep them from coming to power. I suppose, then, that they took over with a rather sour attitude toward us at the very beginning, and that resentment, it seems to me, was then further compounded by the policy of diplomatic isolation of China that we tried to put into effect after 1949. My memory is that there was some serious consideration given to recognizing China, either late in '49, or early in 1950, but then came the Korean War. The Chinese warned that if we approached their frontier they would intervene. We chose to ignore the warning and they did come in. Everyone knows that the war seriously embittered the Chinese toward us, but it worked the other way too. Those many thousands of American casualties poisoned American public opinion toward China. From that time until this, there has been very little effort to bring China into the family of nations. Professor John K. Fairbank of Harvard thinks that the fact that the Chinese, a proud people, have been treated as outlaws and as gangsters has a lot to do with the enraged attitude they have toward the United States and some of the other Western powers. For all these reasons, I would hope that, rather than a policy of containment as defined in the traditional sense of that word, we will work on a policy of reconciliation that is designed to face up to some of these resentments which the Chinese feel.

Goodwin: I don't think you can explain Chinese hostility wholly on the basis of their exclusion from proper society. I think there are a lot of other important drives. One is clearly ideological. If you are really serious about building some sort of Communist world, then naturally your greatest enemy is the great bastion of imperialism and capitalism, the United States. Secondly, the United States happens to be the only power which can oppose whatever ambitions or intentions the Chinese may or may not have in Asia. We had the same position in relation to the Japanese in 1941, which led them to attack us. The Chinese have stated what their long-run strategy is: whether they really believe in it or not is impossible to tell. But the Chief of Staff of the Chinese Army, Marshal Lin Piao, has said that they are going to encircle the United States through revolutions in Africa and Latin America, much as the Chinese Communists encircled the cities from the countryside. I don't think that is a very realistic strategy, or even one they intend to follow, but it *is* the one they have stated.

In any case, there is no doubt that the Chinese are engaged in supporting Communist revolutionary movements all over the world. They are funding insurgency groups and terrorist groups in Latin America and in Africa; that is one of the reasons they

[6] Mr. Morgenbesser is professor of philosophy at Columbia University.

[7] Mr. van den Haag is a well-known sociologist and social critic.

[8] Mr. Starobin is a Senior Fellow at the Research Institute on Communist Affairs at Columbia University.

have been kicked out of a few African countries. They have been very heavy-handed about it, and very unsuccessful. But when I was in Latin America recently, I discovered that the Russian Communists have become the conservatives of the Left, and that among the young people and the students, if you believed that Moscow was going to help you, you were a sort of status-quo sellout, whereas if you believed in Peking, you could really belong to the new revolutionary generation. There *is* something going on.

Roche: Aren't the Russians financing movements in Latin America?

Goodwin: Oh, the Russians are active, but they aren't doing a very good job. They no longer have a hold on the imagination of the young. The Chinese have it much more; or even beyond the Chinese, there is a kind of nationalistic, anarchistic leftism coming into vogue.

Roche: There is one point I would like to make in this connection. One of the favorite occupations of people these days in talking about Vietnam is to engage in what amounts to an elaborate denunciation of history—of all the tragic and fearful mistakes we have made. But denouncing history is no substitute, unfortunately, for confronting its realities. I feel much the same way about these psychodramas. If you are interested in this, you might read the first edition of E. H. Carr's *Twenty Year Crisis*—not the second, which was modified a bit but the first edition, which explains Nazism in terms of the paranoid drives that arose out of the feelings the Germans had of being trapped; it also represents Munich as a triumph of the peaceful solution of international differences. In other words, when U Thant gets through explaining the Oriental mind to us, I always want to ask, so what? The sins of my fathers burden me down, but they do not in one whit alter the objective structure of the reality that confronts us right now.

Steven Marcus: [9] I would like to ask Mr. Goodwin what he thinks the effects on American society, on American morale, on American politics would be if this peculiarly brutal war continued for another three or four or five years? That is the first part of my question. The second part is, having made such a judgment and given the American temperament, do you think that America could go on with a war of attrition of this particular kind for three or four or five more years?

Goodwin: I'll take the second part first. I think it might be possible to sustain a low-keyed effort for a long time—low key not in the sense of numbers of troops, but in terms of numbers of casualties, numbers of American soldiers killed—without very serious effect on American society. If the war gets a lot bigger, of course, it will have a serious effect on American society, in the way that Korea did and World War II did.

Podhoretz: Could I rephrase that question? I suspect Mr. Marcus was talking about moral and spiritual effects, just as the French intellectuals did as the Algerian War proceeded. The idea is that this war is bad for us, morally and spiritually, quite apart from its political and social implications, and that it will get worse if it goes on.

Goodwin: No. It may have serious effects, but all war is brutalization.

Marcus: That's not a proper discrimination. There are brutalizations and brutalizations. We all know that the brutalization that took place in Germany and Russia was different from the kind of brutalization that has taken place elsewhere. There are moral discriminations to be made.

Goodwin: I don't see any moral distinction between our involvement in this war and our involvement in Korea. But maybe there are other people who do.

Fall: I was in Vietnam last summer, and all I can say is that in the particular moral context in which Mr. Marcus speaks, the Americans are going down the same path as the French did. That is the kind of war it is. I was in the French underground for two years. As the "counterinsurgent," you finally get frustrated, you get shot at from behind, you get shot at by people to whom you just gave candy. And you react.

And then, of course, there is the real and very serious problem of torture. You have to face up to it. For example, you catch somebody who has just planted bombs in a department store—this happened in Algeria. An officer told me: "Look, I knew the man had two bombs; one we found, and the other we didn't. I knew the bomb would explode at 5:00 o'clock in the afternoon and sixty-five women and children would get killed. What could I do? If I stood on my lily-white honor as an officer, and on the Geneva Convention, and didn't torture him, I would have sixty-five women and children on my conscience. If I tortured him, I could save sixty-five women and children." You and I would just as soon not have to make such a choice. Of course, you could say that in Vietnam there are more lie detectors, so one doesn't have to use torture that often. They have sodium pentathol, the truth drug, so they don't have to use electrodes against testicles or on women's breasts. But it does happen. In Vietnam you get the Vietnamese to do it half the time, or three-quarters of the time, or even ninety-five per cent of the time, but the fact is that the man who has participated in this is not going to be the same. What happens when he gets home?

There is a wonderful book which was never translated, by a man I admire very much, Professor Paul Mus, who is a strong French liberal and whose son was drafted into Algeria. Young Mus didn't like it one bit when he went in, but within a year he had reenlisted. He had become a paratroop brute, the regular who shot civilians. His father was shocked. If this could happen to a boy from a nice liberal professorial family, what about all the others? So after his son was killed, Mus published his letters, in which you can see the very subtle change that progressively turned the boy into a brute.

There are some long arguments in Washington on the subject; people say it can't happen to Americans. That's nonsense. Of course it can happen. It can happen to anybody. If you get caught in a war like this for four or five years, that is what it will do to you.

Marcus: I agree. One cannot predict what is going to happen to the society at large when this kind of war is being fought, when there is knowledge, general knowledge, that this is the kind of thing that is done in the course of a day. I don't think one can predict the social, or moral, or personal, or cultural consequences of it.

Fall: In a way that's why I am in favor of using draftees in this kind of war. The difference between Algeria and Vietnam was that in Vietnam you had only the French professional army, whereas in Algeria, there were 500,000 draftees out of 760,000 men. When the French generals in Algeria decided to rise up against the government in Paris, the draftees, to the great disappointment of the generals, remembered that they were citizens first. Good citizens are very much needed now in Vietnam if you are intending to win back the Vietnamese as human beings.

Theodore Solotaroff: [10] I would like to ask Mr. Roche how he proposes to arrive at a "Korean" solution of the Vietnam war without fighting another Korean War—a land war involving five-hundred, six-hundred thousand men. Such a war has already been fought once in that country by the French, with what results we know.

Secondly, how can we "cool it" with respect to Red China, without getting involved in a total reeducation of the American public about the realities of politics in the Far East while prosecuting this war? Yet as we have seen in the last year or two, the war has tended more and more to corrupt and pollute public opinion about these realities.

Roche: I would support, and do support, and indeed have supported, a planned action in South Vietnam on the order of 250-, 400-, or 500,000 men if necessary to achieve precisely a Korean solution. On the second point, the American people have what is without doubt the shortest historical memory in the history of man. It is one of our great assets that we are historical nominalists, we think that every problem starts at sunrise on the day we find out about it. After all, within three years after the end of the Second World War, we were rearming the Germans. The whole American attitude toward the Germans and also toward the Japanese had changed. So I don't think that this is one of these permanent poisons that is going to infect the American spirit. I might add here, by the way, that I share Mr. Goodwin's view that there is nothing *sui generis* about the violence in South Vietnam.

Goodwin: On this matter of public opinion, I think the resistance to relations with China is really overstated and that an American President could in fact recognize China, or even support their entry to the UN, with very little political kickback after the first thirty or forty days.

Podhoretz: Would you please tell that to Lyndon Johnson the next time you see him?

Goodwin: But I don't think it is politically or psychologically possible for that to happen while the Vietnam war continues.

McGovern: I think Mr. Marcus touched on an important problem here in mentioning the byproducts of this war. I think it is probably true that the United States has enough military power to defeat North Vietnam. But what does victory mean? It may be a very hollow victory indeed. If we commit four- or five- or six-hundred thousand men to a little country like that, we are going to destroy it. There won't be enough left to pick up the pieces.

One of the most dramatic—and yet I think most accurate—assessments that I have seen of the war, was by a *Times* reporter who was out there for about a year and a half. He said that when he went to Vietnam he didn't think the war could be won, but he thought it so important for us to win that it was worth trying. After staying there for a year and a half, he decided that we probably could win the war, but it wasn't worth the price we would have to pay. We would have to kill two or three innocent civilians in South Vietnam for each Vietcong soldier we could wipe out. A policy like that, he said, would make more sense if South Vietnam were the enemy instead of our ally.

Take the case of the Japanese. It is regrettable that we killed so many Japanese in World War II, but at least they were a clearly defined enemy, whereas the people who are going to get killed in South Vietnam are the people we say we are trying to defend. It seems to me that this is one cost that explains some of the moral concern that we feel here in our country. There are other costs we are going to have to pay, not the least of which is neglecting a lot of the things we ought to be doing here in the United States to improve the quality of our own life. We are also going to have to neglect such important problems as nuclear proliferation and our relations with Latin

[9] Mr. Marcus is associate professor of English at Columbia University and an editor of *Partisan Review*.

[10] Mr. Solotaroff, formerly associate editor of COMMENTARY, is now editor of *Book Week*.

America and with the Soviet Union. Many of these things are going to get shoved into a secondary position because of the necessity of focusing our immediate attention on Vietnam.

Podhoretz: We have time for one last question.

William Phillips: [11] My question is really addressed to Mr. Roche. He said earlier that he advocates a policy of biding our time and playing it by ear, and I kept waiting and listening for some concrete implementation of these general attitudes. If I read him correctly, he now seems to be saying that the implementation of these general attitudes consists of sending more troops into Vietnam, or into any troubled area. Is this his notion of what a viable and decent American policy might be?

Roche: I start out with the assumption that the war in Vietnam is not a Chinese war. I look on the situation in North Vietnam as North Vietnamese expansionism, or Vietnamese Communist imperialism. My position, as I indicated earlier, is that we should hold on in the South without going North, without enlarging the war, while attempting, of course, to use our military power in the South as a shield behind which to build the social and political and economic institutions which alone can make any kind of long-range solution viable. But I don't see any contradiction between this and playing it cool with China, because I am certain that the Chinese will not intervene in Vietnam unless we go North on the ground—unless we in fact do what we did in Korea, which was to threaten their control directly. I don't at all believe we are likely to do this.

Goodwin: I disagree with the assumption that I think both Mr. Roche and Senator McGovern have made, which is that victory in Vietnam is somehow possible. I don't think that victory in Vietnam is likely at all. A Korean-type solution would mean a total defeat of the Communist effort to take over South Vietnam, which is what the war is about. So to speak of that solution is only another way of talking about victory.

A half-million men may seem like a lot of men, but I don't doubt that we will have that many men or more in there very shortly. But you can't win the manpower game. There are 300,000-plus regular troops in the North Veitnamese forces. I have no doubt that those troops will come down, and that when we get a half-million men in there we will find that we haven't got anywhere near enough. Nor has the bombing of the North ever been shown to have anything but the most marginal military value in terms of interdiction of supplies. During the last bombing attack before the pause, there was still a constant build-up by the Vietcong guerrillas. The bombing makes it harder. It means they have to walk at night, it means they have to take ferries instead of bridges. But there are a lot of unemployed people in North Vietnam who can do repair work.

The administration doesn't talk in terms of victory. If we ever did push it to the point of victory, I think the Chinese might well come in. This is a very good argument against pushing it to the point of victory.

I think we are getting into an Alice-in-Wonderland situation in Vietnam. Rhetorically, almost everyone is beginning to agree with everyone else in opposing withdrawal, in doubting that we can win, and in wanting an intermediate position—and all the while the war steadily escalates. My own feeling is that it's going to escalate further. Yet no military expert has demonstrated that victory is possible short of completely obliterating that piece of the peninsula from the earth's surface.

[11] Mr. Phillips is editor of *Partisan Review*.

TRIBUTE TO DAVID BELL, DIRECTOR OF AID

Mr. CLARK. Mr. President, when David E. Bell resigns on July 31, after 3½ years as head of the Agency for International Development, to become vice president of the Ford Foundation, the Federal Government will lose one of its most able, intelligent, and effective administrators.

David Bell came to Washington from Harvard in 1961 to be President Kennedy's Budget Director and quickly established himself as a teacher who is also very much of a doer. His mastery of the vast AID bureaucracy, which had baffled and frustrated many of his very talented predecessors, is an achievement in the field of public administration that stands virtually without parallel.

As one who has had the privilege of working closely with him, and who has the greatest respect and affection for him, I wish him well in his new job. His years in Washington have involved a great personal sacrifice for him, and we are all very much in his debt.

I ask unanimous consent that two editorials on David Bell, one from the Philadelphia Evening Bulletin, and another from the Hartford Courant, be printed in the Record.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

[From the Evening Bulletin, June 30, 1966]

"Bushed and Broke"

No matter how valuable their services to the country, a time seems to come when all but a few who can stand the financial strain feel they must leave the federal government's service. David E. Bell, the able administrator of the Agency for International Development, is the latest to resign "bushed and broke."

President Kennedy brought him to Washington in 1961 as budget director and shifted him a year later to the foreign aid agency, where he quickly won congressional confidence and praise for his no-nonsense approach to this important wing of foreign policy. He emphasized self-help on the part of receiving countries, avoided providing assistance that would allow people to sidestep facing up to their own problems. Congress learned to expect that the sums he asked for would be a bare minimum with the fat pretty well trimmed out.

This was an achievement that eluded previous administrators in the aid program's rather stormy history. As Mr. Bell's deputy for two years, William S. Gaud, who will succeed him, has had good schooling which should enable him to carry on until he too becomes "bushed and broke."

[From the Hartford Courant, July 1, 1966]

Mr. Bell Resigns

David E. Bell has served three and a half years as head of the Agency for International Development. This notable service as administrator of a foreign aid program so vast that it had troubled his predecessors will end July 31 when his resignation takes effect. He will become vice president of the Ford Foundation where he will have charge of its international operations.

Mr. Bell's remarks upon his resignation again raise the question of the price that many men pay for their government service. He said he was bushed and broke, but pleased by the work done by his agency. No one will feel sorry for a man who is tired after such a struggle in a good cause. To accept a challenge, to give everything one has, and to see final success is an experience that is worth while in itself. Still, it is not right that men of high caliber be asked to pay too high a price financially.

The man in line to succeed Mr. Bell is William S. Gaud, the deputy administrator, who worked in harmony with him and can be expected to carry on the work. Mr. Gaud is a Greenwich resident, a graduate of the Yale Law School, and a former New York lawyer. The $3.4-billion foreign aid bill is expected to go through Congress by the time Mr. Bell leaves. It is an important measure in the nation's foreign policy program.

WAR ON POVERTY'S LEGAL SERVICES PROGRAM

Mr. CLARK. Mr. President, many of the most distinguished members of the bar have spoken out in recent months on behalf of the war on poverty's legal services program. The eloquent and learned support of these leaders of the legal profession has been a crucial factor in providing impetus to this exciting new program.

In this connection, I invite the attention of the Senate to a speech by the distinguished Washington attorney, Howard C. Westwood, before the alumni association of the University of Pennsylvania Law School on May 12, 1966. Mr. Westwood, who is a partner with Covington & Burling, entitled his remarks, "A Stir in the Land," which quite aptly suggests the ferment and creative response which OEO's legal services program is causing in community action efforts across the country.

Mr. President, I ask unanimous consent to have Mr. Westwood's speech printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

A Stir in the Land

(By H. C. Westwood)

There is a great stir in the land.
Legal aid has come to the fore.

Although legal aid societies have existed for many decades and gradually have grown in number, until recently only a small fraction of the bar and a very tiny segment of the rest of the community have known much about them, the need for them, and the operating problems they encounter.

The situation in Washington, D.C., just ten years ago was typical.

A legal aid society in Washington had been functioning diligently for nearly a quarter century. Yet the Board of Directors of the District of Columbia Bar Association, upon looking into legal aid in 1955, found that even among many of the leaders of the local bar there was scant understanding of the work of the society. Moreover, a vast number of lawyers did not know that the legal aid society existed, or, if they had heard of it, had only the vaguest impression of it and of the needs it was trying to meet. Yet the bar in Washington had always been forward looking and concerned with the responsibilities of the profession.

The main reason for that situation was the very human tendency of busy people to "let George do it." Nor were Washington lawyers unique. Inquiry in other cities disclosed the same condition.

Much has happened in Washington and in the nation in these ten years that has wrought a change. Of great importance has been the program of the Ford Foundation, administered by the National Legal Aid and Defender Association, to finance various criminal legal aid projects in selected cities.

This and other developments set minds to working.

Gradually it has been realized that a comprehensive and vigorous legal aid job requires a great deal of money. A handful of the veterans in the legal aid movement had appreciated this for a long time, but so limited were available funds that even they were reluctant to recognize what was really needed. In many, many communities revenues for legal aid of a few thousand dollars a year were so hard to achieve in the face of lethargy and ignorance and prejudice that sights had tended to become very short. Then the Ford Foundation offered large sums for legal aid. But it was found that such riches merely scratched the surface. Only then, I suspect, did even the veterans begin fully to face up to the fact that a wholly new financial dimension had to be accepted.

In Washington there was a most significant experience during this decade. The Bar Association's Directors, after their look at legal aid ten years ago, provided for a special commission to recommend an adequate legal aid program for the capital city. After thorough study, a landmark report was issued in 1958.[1] It proposed that a comprehensive legal aid program, covering the entire civil and criminal field, should be undertaken by an enlarged legal aid society; it was estimated, after detailed analysis, that the expense would amount to $225,000 a year.[2] That seemed, then, a huge amount.

A first result of this recommendation was the creation by Congress of an agency to function in the criminal, mental health, and juvenile field with a staff of full-time lawyers and investigators.[3] Despite most efficient operation under a hard working board of directors composed of lawyers in private practice and with the budgetary oversight of the Administrative Office of the United States Courts, the agency has been able to meet only a small part of the need even in the field of its limited jurisdiction. Yet in 1965 its operations cost $255,000.[4]

Obviously the 1958 estimate that the full civil and criminal legal aid job could be done in Washington at an expense of only $225,000 a year was so far off target as to seem, in retrospect, almost ludicrous.

It was experience such as this, as well as experience with the program of the Ford Foundation, that demonstrated so that even the most fearful had to face it that adequate, comprehensive legal aid would require so much money that it could not possibly be financed by reliance only on traditional revenue sources—community chests, contributions by lawyers, and occasional payments by city governments. The only possible way to do the job properly would be for the federal government to step forward with its financial help.

Just as this stark fact was beginning to sink in, the federal government did step forward. The Economic Opportunity Act was adopted in 1964, to be administered by the Office of Economic Opportunity. Its program was formulated late that year; it included, most happily, provision for help in the financing of legal aid projects in those communities having the wisdom and initiative to seek them.

Then, indeed, did things begin to stir.

The OEO, of course, could not simply hand out funds without inquiry. It had to draw up some general specifications for the projects that it would help finance. In doing so it has performed a great service by emphasizing elements that the pauperized legal aid budgets of the past have had grievously to neglect.

One such element is that of bringing legal aid service physically closer to the people who need it. A most obvious means, in the great metropolis, is through organization of neighborhood offices. Very limited experience in New York City, and even more limited experience elsewhere, demonstrated years ago the compelling need for this kind of organization. But nowhere had funds been available for a truly neighborhood type of operation.

A second element is that of use of the test case and other means for effecting improvement in the law in fields having special impact on the poor, such as in the area of consumers' protection. Lawyers for business enterprise and labor unions have performed distinguished service for their clients in shaping the law to their clients' interest. On occasion legal aid societies also have demonstrated what a great contribution they could make to the suiting of the law to their clients' needs. They have instituted and won notable test cases. They have drafted and won adoption of enlightened administrative regulations and even legislation. But this kind of work, to be consistently and fully effective, requires large resources. However legal aid societies may have yearned to do this job, none of them ever has had the means sufficiently to concentrate upon it, and most of them have been able to address themselves to it only fitfully if at all.

A third element is that of educating the humble people in a community as to their legal responsibilities and rights and as to the value of a lawyer's service to them, and, incidentally, to everyone. Here again legal aid societies have yearned for resources to undertake this mission; inability to do so has been one of the glaring defects in skeletal legal aid programs heretofore.

A fourth element is that of involving the poor people themselves in the legal aid project by having their representatives on the governing board. This is designed to carry out a requirement of the Economic Opportunity Act.[5] It is significant that such a requirement is even more explicit in a substitute for the Act recently proposed by Republican leadership in the House of Representatives.[6] Hence it cannot be shrugged off as a left-wing, crack pot notion. Whether, in the long run, the requirement will prove feasible is somewhat in doubt. But steps to comply with it in the meantime are having desirable consequences. For, among other things, they have led to a re-examination of the makeup of governing boards of legal aid groups, providing an occasion for the infusing of new blood that has been long overdue.

One aspect of the OEO program is much more prosaic than the things I have mentioned, but it may prove of most abiding benefit. That is the hard headed planning that is called for, and the challenge that is presented to the administrative capacity of legal aid society boards and staffs.

Those in charge of the OEO program are practical people. Quite properly they have been demanding that a local legal aid society seeking OEO's help put together concrete plans, with detailed budgets solidly backed up. In the case of many communities this is a new experience; often legal aiders have been operating on scales so modest that planning and budgeting have been called for, if at all, only to the most elementary degree. In facing the need for genuine planning, a number of communities have run into irritating delays as the formulation of projects for OEO has had to undergo repeated revision and refinement. But in this process there has been more thinking about the problems of legal aid and how to meet them, and more participation by more different people, during the last few months than during many years preceding.

In addition to the elements to which OEO has required attention, two points are emerging about which even OEO has not yet given much thought, but which have long cried for notice and for action.

One point is perplexing and delicate. It is accepted, of course, that legal aid service should not be provided to one who can afford to retain private counsel. OEO has been particularly faithful to that limitation. But the limitation as thus stated, if applied literally, has a grave fault. For in some areas of the law and in some communities there are lawyers in private practice who are available at very low cost but whose service is so bad that its availability should not bar the provision of legal aid. Bar associations sometimes incline to sweep this state of affairs under the rug.

The problem can be illustrated by what happens in misdemeanor courts in nearly every city of considerable size—the operation of the so-called "mourners' bench." Lawyers attend the court, picking up so-called "assignments" where defendants appear without counsel. Some of those lawyers are superb for the job. But some simply prey on the poor. Yet they can be "retained" for whatever few dollars the defendent has in his pocket. Literally applied, the usual limitation would bar the provision of legal aid where such a lawyer is at head.

In Washington a judge in misdemeanor court recently took action that came dramatically to front page notice. He let it be known that there were certain lawyers who had been in daily attendance at the court whom he would not "assign" to cases.[7]

The problem in misdemeanor court could be coped with without too great difficulty—although it is shocking that little has been done about it in any city. But the essentials of the problem exist elsewhere in the practice of law. Were the problem compounded only of lawyers' unethical conduct it would be serious enough. But it is compounded as well of sheer incompetence that a bar examination does not expose. That is what makes it perplexing and delicate. But perplexity and delicacy will not excuse sweeping it under the rug.

Another point is looming. That is the extent of the fundamental right of the layman to a lawyer's service, a right so fundamental as to be of constitutional proportions. The constitutional right to counsel has been recognized in criminal cases, even, recently, in some misdemeanor cases.[8] A similar right seems to be recognized in certain types of mental competency cases.[9] Something closely

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[1] Report of the Commission on Legal Aid of the Bar Association of the District of Columbia (October, 1958).

[2] *Id.*, pp. 163–82.

[3] Act of June 27, 1960, 74 Stat. 229, D.C. Code § 2–2201, *et seq.*

[4] Information furnished by Kenneth D. Wood, Director, Legal Aid Agency for the District of Columbia.

[5] Legal aid projects are financed under the "community action" provisions of the Economic Opportunity Act, and Section 202(a)(3) of the Act (78 Stat. 516, 42 U.S.C. § 2782(a)(3)) requires that a "community action program" be "developed, conducted, and administered with the maximum feasible participation of residents of the areas and members of the groups served. . . ."

[6] Section 302(a) of H.R. 13378, 89th Cong., 2d Sess. (1966) would require that "representatives of the poor" comprise at least one-third of the membership of a "community action board." And see Section 303(a)(2).

[7] See The Washington Post, Feb. 17, 1966, p. A1, Col. 1.

[8] See Harvey v. Mississippi, 340 F. 2d 263 (5th Cir. 1965); McDonald v. Moore, 353 F. 2d 106 (5th Cir. 1965).

[9] See People v. Breese, 213 N.E. 2d 500 (Ill. 1966) (mental commitment proceeding following term of imprisonment); People v. Olmstead, 205 N.E. 2d 625 (Ill. 1965) (proceeding to obtain release after commitment).

approaching such a right has been recognized in juvenile cases.[10] Thus far there seems to have been an assumption that the right is limited to cases involving personal liberty. This is careless. Is not property, also, constitutionally protected? And since when did equal protection of the laws—a principal forged in the fires of Civil War and which should pervade a democratic society—concern itself with the application only of some and not all process of the state? If a man who can pay for a lawyer can effectively defend himself against an unconscionable contract, is it not constitutionally requisite that a man who cannot pay for a lawyer be enabled also effectively to defend himself? Or, if a man who can pay for a lawyer can invoke judicial process as a plaintiff to protect his legal rights, is it not constitutionally requisite that a man who cannot pay for a lawyer be enabled also effectively to protect his legal rights?

On these questions legal aid societies have been strangely silent. Until they begin to ask such questions and to demand the answer that the professed principles of our society so plainly dictate, they are, I submit, derelict in the safeguarding of those in the community who are supposed to be in their charge. Even though legal aid societies have been mute, I would have thought that long ere this some law school, or at least some law review, would have given voice to this demand. But there has been a great silence. I suggest that the day is not distant, as a result of the stirring in the land, when such questions finally will be posed. When they are, the answer will be forthright, for equality before the law is too precious a principle not to be implemented in the only way that can make the principle real.

All this stir in the land is propelling legal aid forward with jet speed as compared with the snail's pace of only yesterday. It is being brought home to thoughtful people that this legal aid job is, indeed, an enormous one. No longer can it be treated as some George's pet charity. Evidence is accumulating that the full legal aid job, civil and criminal, in a city of, say, a million people, requires an annual expenditure of far more than a million dollars, and with skill and efficiency in administration with which legal aid societies and bar associations have been quite unfamiliar. Challenged as never before is the old leadership of the bar and of legal aid.

One well may wonder, and question, whether old leadership is up to meeting the challenge. If not, we need not greatly worry. For coming along in nearly every city is a generation of young lawyers ready and eager. If present leadership falters, stronger hands are reaching to take hold.

In many law schools todays students are beginning to think of legal aid as offering a career—a career, moreover, at least as honorable as, and perhaps far more stimulating than, a career in the service of corporate clients. In another way, also, the younger generation is glimpsing an opportunity. That is the opportunity for constructive service to legal aid by lawyers in private practice, both individual lawyers and lawyers in law firms. Obvious enough, even to the older generation, is the opportunity for participation by becoming a missionary for greater financial support for legal aid. Becoming obvious also is the opportunity for participation through service on boards, committees, and in other capacities concerned with the difficult problems of successful legal aid operations. Rich is opportunity of this sort—for example, the opportunity to participate in intensive training courses for legal aid staff lawyers. But most interesting—and what is seen, I am sure, more clearly by younger lawyers than by their elders—is the greatly enlarged opportunity for volunteer legal aid work. Quite properly OEO discourages reliance upon volunteer or part-time work for legal aid staffing in the larger communities. But there is a great opportunity for the use of the volunteer to take by referral from a legal aid society cases that are especially taxing either in time required or in the expertness demanded. In providing this resource the practicing private bar, if it has the will and the imagination, can give legal aid a scope and effectiveness of incalculable value. This sort of thing has been done to some degree on a hit or miss basis in the past. What is greatly needed is the bar's full scale and enthusiastic support with careful programming. That has never been done. It will come, I dare say, only as the younger lawyers seize leadership.

All this stir in the land is no passing matter. Legal aid is on the march, its ranks swelling each month. For behind it all there is the appeal of an idea that will never down. It is an idea that has stirred men for more than three hundred years. It can be expressed today no better than it was in earliest times when, at the grand council of officers of Cromwell's army, it was stated in these pregnant terms: ". . . the poorest he that is in England hath a life to live as the richest he." [11]

[10] In the District of Columbia it has been held that a juvenile is entitled by statute to the assistance of counsel in proceedings before the Juvenile Court; the reasoning suggests a constitutional right. Shioutakon v. District of Columbia, 236 F. 2d 666 (D.C. Cir. 1956); Black v. United States, 355 F. 2d 104 (D.C. Cir. 1965). In Kent v. United States, 34 U.S. L. Week 4228, 4232 (U.S. March 21, 1966), amici curiae argued that constitutional guaranties, including the right to counsel, applicable to adult defendants should be applied in juvenile court proceedings even though these proceedings are said to be "civil" in nature. The Court, holding for the juvenile on other grounds, found it unnecessary to decide this question.

[11] Quoted in Lindsay, The Essentials of Democracy, p. 13 (U. of Penn. Press, 1929).

SARGENT SHRIVER'S GOAL: TO ELIMINATE POVERTY IN AMERICA BY 1976

Mr. CLARK. Mr. President, the Honorable Sargent Shriver, Director of the Office of Economic Opportunity, has made what could become a historic pronouncement: his goal for the elimination of poverty in this country is 1976, 10 years from now. The distinguished journalist and analyst, Mr. Hobart Rowen, has written an article presenting the economic background of this 10-year goal. Mr. Rowen's article, which appeared on July 10 in the "Business and Finance" section of the Washington Post, focuses attention on the key factor behind this antipoverty goal: economic growth. By 1976, the deadline for poverty, the economy should reach the $1 trillion mark. That is almost twice the size of the economy in 1960, when the gross national product was $503 billion. This growth is where the money to finance the war on poverty is expected to come from. The will to finance that war must come from the Congress.

Like any other war, the antipoverty program will require sacrifice and ingenuity. The Office of Economic Opportunity is considering various forms of income maintenance as a new attack against poverty. Our economy should be great enough to keep the fight against poverty going while we prosecute the war in Vietnam. As Mr. Rowen's article points out, we have the money and the tools to fight poverty: our most important need is the will to win.

Mr. President, the war on poverty can be won by 1976, but no one imagines it will be an easy victory. Some quarters have greeted this target date with total disbelief. Mr. Shriver has been accused of predicting with "rose-tinted glasses." Although this country is about to achieve a wealth unmatched in the history of the world, we are assured that the poor will always be with us. Such an attitude, Mr. President, may make its own shameful prediction come true. Not in 10 years, not in 100 years, will poverty vanish unless we have the will to destroy it. Mr. Shriver's schedule is realistic in terms of our economy. The will to do something about poverty must be made realistic in terms of our problems. If the Congress does not assume its responsibilities to the poor, then Mr. Shriver's prediction will indeed become a mere "figment." This so-called figment, however, is not the product of a lively imagination. It is the product of a belief in the social responsibility of American government. It is a belief that we will use our economic and institutional tools to change the destiny of poverty for 32 million Americans. Such a belief has been called whimsical. If this is whimsicality, it is more an indictment of Congress than a criticism of the Office of Economic Opportunity.

Mr. President, I commend Mr. Rowen for his contribution to informed discussion of the war on poverty and ask unanimous consent to have the article printed in the RECORD.

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

SHRIVER'S POVERTY GOAL; REAL OR PIPE DREAM?

(By Hobart Rowen)

One needs blinders to ignore the sharp contrast between affluence and poverty on almost every side in this country. The lush rewards of an economic boom, in part fueled by war in Vietnam, pour into the lives of the many, while the tragedy of poverty continues to dominate "The Other America."

Our society is replete, on the one hand, with two-car families enjoying color TV, good food, long vacations, heat in the winter and air conditioning in the summer—and on the other, the nonfamilies, underfed and sickly, unemployed or scavenging for a few hours work, cold in winter and steamy in the summer, dying slowly in their garbage-laden hovels.

The more sensitive correspondents covering last week's Governor's Conference in Los Angeles cringed at the embarrassing lushness of a new hotel-city, a scant few minutes from the unbelievable excrescence that is Watts.

It is the same in every big city in the U.S.; the ghettos exist almost side-by-side with the fancy hotels and tower apartment with their roof-top pools and tennis courts.

Yet, when Sargent Shriver, director of the Office of Economic Opportunity proposed, that as a goal, poverty be wiped out by 1976, some scoffed. Shriver must be wearing "rose-tinted glasses," the *New York Times* harrumphed.

Well, regardless of the *New York Times'* editorial position, the only thing wrong with Shriver's goal is that 10 years may be too

long to expect the poor to wait, docile and patient.

This big, rich country of ours can well afford to spare the resources necessary to meet Shriver's goal, and to do anything less would be immoral.

The economic basis for our ability to do the job lies in the expectation that we will have a one-trillion-dollar economy in 1976. That is the figure 1 with 12 zeroes after it: $1,000,000,000,000.

This is no wild guess. In recent weeks, Walter W. Heller, former chairman of the Council of Economic Advisers; Under Secretary of the Treasury Joseph W. Barr, and the National Planning Association—among others—have all come up with estimates around the trillion mark for Gross National Product ten years hence.

Heller, for example, calculates with some precision that given a 3.5 per cent growth rate, GNP in 1976 will be $978,000,000,000. If a more desirable 4.5 per cent growth rate is achieved, the total will be $1,078,000,000,000.

These box-car numbers are a bit unwieldy for ordinary comprehension. A more simple way of putting it is that a trillion-dollar country in 1976 will be fully *twice* the size of the economy as recently as 1960.

If on that basis, then, enough can't be spared to eliminate poverty, there's something wrong somewhere. The National Planning Association warns that everything can't be done at once. True. But as Heller says, "nothing else should have a priority higher than eradicating poverty."

Heller's views on this whole question, detailed here for the first time, deserve close attention. It was his imagination, after all, that first inspired President Kennedy to launch the antipoverty planning and convinced President Johnson to carry it forward as his own program.

The Minnesota economist is certain that Shriver's 1976 goal is realistic. "We ought to be ashamed of ourselves, considering our affluence, if we plan on anything else," Heller told me.

He agrees readily that there is more to licking poverty than just providing the money. "It is a question of ingenuity and our institutional capacity to get at the real roots of poverty," he says.

But in terms of being able to finance the effort, Heller rightly insists that the resources are there. This country can do anything it commits itself to do.

Shriver did not pluck the 1976 date out of the air. His target was based, first, on an interim goal for 1972 that would cut the existing poverty population of 32,000,000 to 12,000,000.

To do this, Shriver has laid before the Budget Bureau a five-year projection of spending beginning with fiscal 1968 that may shock the dollar-watchers in this country. But would they be less shocked by bloody revolutions in the ghettos?

OEO officials are not giving out these confidential estimates, but some good guesses can be made. One starts with the President's proposal in the budget for fiscal 1967 (the year which just began on July 1) for cash expenditures of about $24 billion to help the poor.

This includes not only OEO's own budget of $1¾ billion, but all the money to be spent for poor people through social security, veterans programs, public assistance and so on.

For fiscal 1968, this column learns, Shriver wants to add between $5 and 10 billion to the $24 billion figure, then boost the total by successive substantial (but lesser) increments each year through 1972.

That means a fiscal 1968 antipoverty budget in the vicinity of $30 billion or more, rising to $40 billion or more by fiscal 1972.

Does the number sound overwhelming? Can we afford it? Government sources indicate that by 1972, the Gross National Product will probably be around $850 billion, up $150 billion from the rate at the start of this year.

Thus, a $40 billion antipoverty program would mean allocating a slightly higher percentage of our wealth out of an $850 billion economy than we allowed when we spent $24 billion out of $700 billion.

But that is just the point: we must do better, or the antipoverty effort will be a mere holding operation, and actual eradication of poverty will be an unreachable hope.

Shriver says that if the poor can be reduced to 12,000,000 by 1972, the rest of the job can be completed in the four following years.

The war against poverty will need boldness of concept as well as money. Shriver and others talk of "income maintenance," a heavy phrase which means adding cash to the incomes of those who are not able to swing it despite all other forms of help.

One form of income maintenance is the controversial "negative income tax." Another, being investigated by the Council of Economic Advisers, is improved public assistance programs, which would involve minimum standards set by the Federal Government.

The form is less important than the final result, that is, boosting the income of the most unfortunate. Shriver calculates that to meet his first five-year goal, some seven million of the 20 million to be removed from poverty will need this kind of direct aid.

But how about the Vietnam war, some will ask. Can we afford all of this when the war costs so much?

If there is a major escalation of the war, other expenditures will have to suffer some. But unless Vietnam blows up into a total war, the huge American economy can still provide a better shake for its poor at home.

Top economists estimate, for example, that the war cost could increase by $2.5 billion each quarter without requiring additional taxes—the growth of the economy itself would cover that much of an escalation.

If the cost of the war should remain constant, there might actually be a sizeable surplus in fiscal 1967.

And looking hopefully to the day the Vietnam conflict ends, vast outlays to whip poverty will be needed not only for the social and humanitarian purposes involved, but to replace in part the vast war budget.

On balance, Shriver's goal is reasonable and desirable, and deserves the support of all thinking people.

NONVIOLENT CIVIL DISOBEDIENCE

Mr. TALMADGE. Mr. President, I ask unanimous consent that I may proceed for not to exceed 8 minutes.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, it is so ordered.

Mr. TALMADGE. Mr. President, for several years now, we have witnessed in this Nation a virtual social revolution going under the name of nonviolent civil disobedience.

This movement took it upon itself to scorn and bypass the ordinary processes of the law and to go into the streets in great numbers and take the law into its own hands. It spread with increasing momentum from places like Montgomery, Ala., and Greensboro, N.C., to cities and towns all across the country. Injected into the American vernacular were new terms, such as sit-in, wade-in, and kneel-in.

In a struggle for power, influence, and money, there grew from the movement various organizations, with varying degrees of militancy and areas of concentration. Their aim purportedly was to secure civil liberties, constitutional rights, and a redress of grievances—many of which were real and just as many of which were imagined. Nonviolence allegedly was its philosophy, but coercion, intimidation, and inflammatory mass action were its tactics.

What first was heard as a distant rumble soon reached deafening and frightening proportions. The emotions of the American people were captivated.

And Congress reacted.

In response to the demands of what was tantamount to a howling mob and under great pressure, the Congress acted decisively. In 1964, there was enacted into law the most all-encompassing and far-reaching so-called Civil Rights Act in 100 years. Some of us in the Senate opposed this legislation.

We did so because we believed it conflicted with the requirements and restrictions of the Constitution.

We did so because we were convinced that this legislation deprived American citizens of more rights and immunities than it granted to anyone.

We resisted this bill because we did not feel that certain rights guaranteed to all citizens by the Constitution should be subverted in an alleged attempt to grant certain other rights to certain classes of our citizens.

We opposed the 1964 bill for the reason that many of the problems it sought to resolve were matters primarily addressing themselves to the mind, the heart, and the conscience of the individual. We did not believe such matters should be made the subject of force legislation.

We did not speak against this legislation with the intent to deprive any citizen of his rights under the Constitution or statutory law. We did then and do now deplore any attempt to do so, whether it be at the local, State or Federal level.

Whenever and wherever deprivations of rights exist—and some do—there are more than ample avenues for remedial action within the orderly processes of the law and our courts. And certainly no one would say that the Federal courts have been lax in this regard.

Nonetheless, the Congress passed the 1964 bill. The President signed it into law. It was said to be a civil rights bill to end all civil rights bills. It carried with it a promise by its advocates that this problem would be taken out of the streets.

Then last year there was placed on the books a punitive law to extend protection over the right to vote.

In addition, millions upon millions are being spent by the Federal Government under a vast array of expanded programs designed to improve the health, education, and welfare of our citizens, particularly the underprivileged. Although I do not subscribe to the theory, the right to a certain level of income, a certain standard of housing, and protection against poverty has been regarded by some as a civil right guaranteed by the Constitution.

Well, recently we heard a leader of one of the more militant civil rights pressure

groups say that the 1964 Civil Rights Act is not worth the paper it is written on.

The Voting Rights Act of 1965 is scoffed at, and many of the welfare programs have been made the object of scandal and inefficiency.

Demonstrators are still in the streets, in greater numbers and with new slogans. Race hatred is being shouted from street corners all over the Nation. People are goaded and incited by such slogans as "burn, baby, burn!" and "black power."

This is rabble-rousing of the worst sort. Black supremacy is just as repugnant to our society as the doctrine of hate spewed forth by the Ku Klux Klan. The leader of the Congress of Racial Equality, the principal exponent of "black power," shouts to his followers that nonviolence is dead. The head of the so-called Snick organization recently addressed an audience in Atlanta and declared that he didn't think that the rioters of the Watts district acted in an extreme way. Said this erstwhile civil rights leader:

> I have had so much "law and order," I swear to God, I want a little chaos.

Is it any wonder, then, that mobs are storming in the streets, pillaging and killing?

If ever this movement was civil and nonviolent—and I do not concede that it was—it surely is not so today.

I submit, Mr. President, that it has degenerated into outright criminality and mob violence. As the Washington Evening Star stated editorially in April of this year, a tiger has been loosed in the streets of America.

As fearsome as this situation is, it should come as no surprise to anyone, least of all to those who have made a career of going about the country preaching disrespect for established authority.

What we have witnessed in city after city is without a doubt a creature of the misguided philosophy that there is no moral or legal obligation to obey all the laws all the time, but only some of the laws some of the time. This of course amounts to an open invitation to take the law into one's own hands, as former Supreme Court Justice Charles Whittaker has so eloquently pointed out on many occasions.

We have seen the fruits of this disrespect for authority and law and order in city after city, community after community throughout America. We witnessed it last week in Chicago, where it became necessary for military vehicles armed with machineguns to patrol the streets. We witnessed it last August in the Watts district of Los Angeles, where 36 died, almost 900 were injured, 209 buildings were destroyed by fire, and looting ran into the millions.

And just the other night, three more cities—Cleveland, Jacksonville, and New York—were torn by mob violence. One person was killed, a mother as she called from a window for her child.

Mobs are running amuck. People have been killed. Millions upon millions of dollars in property damage has been suffered. There has been no letup. To the contrary, mob violence and racial disorder is spreading like cancer throughout America. It is tragic but true, in my opinion, that the outlook at the present time is for more rioting, bloodshed, and property damage. And equally tragic is the wedge of racial division and dissension that is being hammered deeper and deeper into the heart of our country at a time when national strength and unity are imperative.

I am thankful, Mr. President, that the responsible leaders of our some 20 million Negro citizens likewise view this situation with great alarm. They have rightly denounced the "black power" movement, and they are to be commended for doing so. I hope other Negro leaders will speak out. Now is the time for responsible action, not mob action.

Mr. President, this is a matter of great national concern. Many regard it as the most critical domestic problem of the day. Civil strife such as we have seen sweep the country must be checked, or ours will no longer be a strong nation of laws in which the law is supreme over the whims of man, and not vice versa. Mobocracy will reign supreme.

It is time for the apostles of discord to cease and desist.

The hour has come for the President of the United States to give this situation his immediate attention. I urge him to make a personal appeal as Chief Executive for a restoration of law and order. It is fully appropriate for him to take such action as he may deem necessary, and to do so at the earliest possible time. Moreover, in the interest of preserving the peace and insuring domestic tranquillity, it falls his duty to do so.

I hope he will exert his leadership and make his voice heard.

I hope he will not mince words and that those who have preached disrespect for law and order will be called down from their soapboxes and made to account for the lawlessness and turmoil which now grips America.

CAPTIVE NATIONS WEEK, JULY 17–23

Mr. DOMINICK. Mr. President, with the eighth observance of Captive Nations Week, our attention is focused once again on the problems and courage of the peoples in the Communist-controlled areas of the world. This week has acquired added significance during the last year as the plight of those under Communist governments or threatened by Communist aggression becomes more striking. In Vietnam, we see the continued attempts by the North Vietnamese, aided by other Communist bloc countries, to subject South Vietnam to a Communist form of government. In Eastern Europe, we see the growing desires by the peoples of that region to obtain some degree of freedom, even within the Communist system. In both cases, the examples emphasize the need for firmness in our fight against Communist aggression throughout the world and our duty to recognize and encourage constuctive attempts to escape Communist suppression.

The major fact of any Communist domination is the loss of freedom for those living in the region. Communist governments impose an all-encompassing control over all ways of life. The means of economic growth, the manner of cultural expression, the form of government—all are dictated by a central governing body which claims to act for the people, but really acts only for itself and the Communist Party. The freedoms which have always motivated men's hopes—the freedom to think what one wants, the freedom to write what one pleases, the freedom to choose one's own elected officials from several choices in an open election, the freedom to worship one's God publicly—are taken from the peoples of the captive nations and not returned. These freedoms, in fact, cannot be returned, for their reinstatement would undermine the entire framework of Communist dominations.

Captive Nations Week gives us an opportunity to rededicate ourselves to opposition against those who would remove the principle of individual freedom under governments of law. It allows us to recall attention of the entire world to the injustices under Communist rule and the repeated violations of basic human rights. These acts against the liberty of man have been committed throughout the world—in Cuba, in Eastern Europe, in Asia, and in Russia itself. The result of Communist domination serves to reinforce the spirit, including our own, of all those who are now guarding against Communist subversion in the newly developing nations in the world. It is important to continually emphasize to these young nations the immense price in human freedom and scope of individual activity which accompanies any Communist takeover. We must warn those who would adopt communism as the easy means to national power.

The initial resolution passed by Congress in 1959 to commemorate this week mentions some 20 nations who have been robbed of their freedom and national independence. This entire list represents many millions of people throughout the world who are now held in straitjackets by the Communist governments. The resolution also recognized the simple fact that these peoples aspire to national and personal self-determination and that these goals are unobtainable only because of the force of Communist arms and occupation, a means of power alien to any principle of self-determination.

With our national interest presently captivated by the recent Asian developments, Captive Nations Week also reemphasizes the problem of the east-central European nations. The peoples of that area continue to express their allegiance to the ideals of human liberty and an open society, although living under Communist forms of government for almost 20 years. In recent months, the leaders of these lands have paid token recognition to the undercurrent of discontent and proclaimed "liberalizations" of their regimes. This so-called "liberalization," however, is merely a facade, for it does not give the desired goals of political self-determination or human liberties. It is

also interesting to note that the Communist regimes invariably draw the line in cultural matters whenever the Communist Party's monopoly on ideas is threatened. Even Marshal Tito, theoretically one of the more "liberal" leaders, jailed Milovan Djilas when Djilas' calls for cultural freedom seemed to threaten Tito and Communist Party domination.

For the peoples of the captive nations, the attempts to regain basic human rights is thwarted. Yet, for the number of those who escape to the West still attests to the strength of their underlying desire for personal liberties and a freer way of life. Our foreign policy should stimulate this feeling of independence and support moves to restore it. As the 1959 resolution stated, "It is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive."

As a major step in that direction, we should reevaluate the recently proposed concept of building bridges through trade and aid with the nations of east-central Europe. At a time when we are at war in Vietnam against Communist aggression aimed at overthrowing a free and sovereign state, we should not aid those who are helping our enemies. We should stop all aid or trade which goes to support Communist power structures unless we receive significant political concessions in return.

In the peoples of the captive nations we have a great bulwark against the Communist attempts to dominate all of us. Their calls for freedom serve as a prime example to remind the world of the conditions in Communist-controlled areas. Captive Nations Week also allows us to reassert our obligation to help these people in their fight for self-determination. I hope that all of us will use this week to reaffirm our support of basic human rights, so important to our way of life and the true source of our strength.

Many of these sentiments were expressed in a recent resolution by the Captive Nations Council of Colorado—a group representing Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Ukraine, and headed by a highly respected, dedicated, and knowledgeable person, Mr. Joseph Lataitis.

Since this resolution does so aptly describe the desires of the peoples of any captive nation, I ask unanimous consent to have it printed in the RECORD at this point.

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

CAPTIVE NATIONS COUNCIL OF COLORADO
RESOLUTION 1966

Captive nations is the name given to those nations which found themselves behind the Iron Curtain, against their own choosing, as a result of communist imperialism. They fell under the direct influence and domination of the Communists without even having been represented or consulted at the Allied Conferences at which their fate was decided—Teheran, Yalta.

They are not free today because they can not freely steer their own course based on the actual will of their peoples, as guided by Christian morality. They must comply, by persuasion or coercion, with the dictates of communist ideology as interpreted by the party, for whom the end sanctifies the means. The fact remains that the communist strategy and aims have never changed: to conquer the world and to establish its own brand of justice, based on the dictates of the party, therefore

We declare to the free world and the USSR that the people of the captive nations believe in the right of self-government and the basic inherent freedoms of man;

We accuse Russia of illegal occupation, armed oppression and illegal incorporation of nations into the Soviet Union;

We accuse the Soviet Union of brutal massacre of human dignity and rights of man in the captive nations;

We demand that the Soviet Union be dissolved and Russia withdraw all its troops, agents, colonists and controls from all captive nations;

We demand that the freedom of the captive nations be restored according to the will of the people;

We request the governments of the free world to use all peaceful means to restore and protect the rights of peoples freedom of choice in all corners of the world;

We request the United Nations De-Colonization Committee to fulfill its duty and take up the case of Soviet Colonialism in the world;

We appeal to the people of the free world to support the captive nations in their struggle toward free determination and justice;

We pledge to maintain the existence of this problem before the people of all free nations;

We pledge to avail ourselves and our organized activities to combat comunistic imperialism on all moral and legal grounds, as spokesmen for the oppressed, until the captive nations are free again.

Mr. DOMINICK. Mr. President——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DOMINICK. I ask unanimous consent to have 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

WORLD PRESS INSTITUTE

Mr. DOMINICK. Mr. President, last month the World Press Institute held its annual forum and dinner, at which the Pulitzer Prize winners in journalism were the special guests. More important, however, the occasion also marked the commencement for the 15 visiting foreign newsmen, who have studied this year as fellows of the World Press Institute. I take this opportunity to salute this unique experience in international communication, which is based on the laudable faith that the best way to show foreign journalists the American way of life is to allow complete freedom to wander, freedom to observe and explore, and freedom to write without restrictions.

Sponsored by Macalester College in St. Paul, Minn., and a number of cooperating corporations, the World Press Institute brings 15 foreign newsmen from all parts of the world to this country every year. For example, this year's group included men from Brazil, Ghana, Lebanon, and Pakistan. During their stay, the journalists study at Macalester, intern on a major American daily newspaper, travel widely, and do independent research on various aspects of American life. In the process of this varied program, the visitors gain increased knowledge—and, we hope, increased appreciation—of our people, our society, and our governmental process.

In case after case, the journalists return home with a more objective understanding of the American scene. This wider perspective helps them give accurate reporting on our activities at home and abroad. As a result, foreign readers gain a greater insight and more realistic view of news developments involving the United States. In addition, their broader journalistic training inevitably assists their role as responsible opinionmakers in their own countries.

The World Press Institute is now entering its sixth year of operation. It illustrates the continued commitment of private colleges, foundations, and businesses to promoting increased international understanding. I am sure that all of us hope that this role will continue to expand at this time when American commitments in many areas of endeavor are worldwide. We should actively encourage this sort of program so that our world image is presented objectively to all parts of the world. I am sure that such a presentation will gain us new friends, will aid us in self-examination, and will enhance our efforts to promote freedom and human liberties throughout the world. As one visiting journalist said at the end of his year with the World Press Institute, "In a world growing tragically short of this virtue, your openhearted friendliness is the one thing that will, if given a chance, help bring our nations together."

Mr. President, I congratulate the World Press Institute for its forward thinking in this area.

FULL HEARINGS SHOULD BE HELD ON THE PRAYER AMENDMENT

Mr. TYDINGS. Mr. President, on March 22 of this year, the distinguished minority leader [Mr. DIRKSEN] introduced Senate Joint Resolution 148, proposing an amendment to the Constitution of the United States to permit voluntary participation in prayer in public schools. That resolution was referred to the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary. The chairman of the Constitutional Amendments Subcommittee, the distinguished junior Senator from Indiana [Mr. BAYH], has scheduled hearings on Senate Joint Resolution 148. Those hearings are scheduled for the days of August 1st through 5th, and 8th through 10th—a total of 8 days of hearings.

I welcomed this announcement of hearings on Senate Joint Resolution 148, for it offers an opportunity to explore this constitutoinal question, which has been a matter of significant national concern since the first Supreme Court decision on school prayer in 1962. I wrote to Senator BAYH last Monday, suggesting a number of witnesses who might be called to testify on this proposed school prayer amendment. The witnesses I suggested

for the hearings include some of the most prominent churchmen and constitutional lawyers in our Nation.

Therefore, I was surprised and disappointed to see in yesterday morning's Washington Post an article entitled "DIRKSEN Will Bypass Committee on Prayer." This report indicates that Senator DIRKSEN intends to seek to discharge Senator BAYH and his subcommittee from further consideration of the proposed amendment on prayer. The article further states that, if the discharge effort fails, Senator DIRKSEN plans to bypass orderly Judiciary Committee procedures and move directly on the Senate floor to substitute Senate Joint Resolution 148 for Senate Joint Resolution 144, a join resolution now on the Senate calendar, to authorize the President to designate October 31 as National UNICEF Day.

Quite aside from the merits of Senator DIRKSEN's proposal to amend the Constitution. I was surprised and disappointed by this report, for I had assumed that Senator DIRKSEN would want the fullest exploration of all the implications of his proposed amendment, especially since it would modify the guarantees of freedom of religion embodied in the first amendment to the Constitution.

I am aware that 18 days of hearings were conducted by the House Judiciary Committee in 1964 on other suggested modifications of the first amendment to deal with school prayer. But surely Senator DIRKSEN would not suggest that these hearings provide a substitute for hearings on his proposed amendment, since those hearings led to the conclusion that no school prayer amendment should be approved. In fact, the 1964 Congressional Quarterly Almanac reported, in summarizing the House action:

> The prayer decisions receded as a congressional issue as it became clear that many religious organizations opposed any action to *reverse the Court* decisions.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TYDINGS. Mr. President, I ask unanimous consent that I may proceed for 4 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TYDINGS. Nor can I imagine Senator DIRKSEN would suggest that the 2 days of hearings on other school prayer proposals conducted by the Senate Judiciary Committee in 1963, provide any basis for assessing his new proposal, Senate Joint Resolution 148.

I am sure most of us agree than any proposal to amend the Constitution's freedom-of-religion guarantees deserves the most thorough consideration by both Houses of the Congress. Senate Joint Resolution 148 deals with freedom of religion, a central tradition in our American life, and with the question of prayer in schools, a significant national concern. I cannot believe that after nearly 180 years without amendment, the first amendment must be amended for the first time in a matter of days, without any hearing by the appropriate Senate subcommittee. Nor can I believe that, after 4 years, the Supreme Court's decisions under the first amendment concerning prayer in schools must be modified before hearings on the meaning of the proposed amendment can even be held.

As an official of my church, as a father of three children, and as an individual raised throughout his life in strong religious tradition and practice, I share the concern of every Senator in preserving and encouraging the religious orientation of our Nation, and in strengthening the moral fiber of our people. But as a member of the Committee on the Judiciary, as a member of its Subcommittee on Constitutional Amendments, as a Senator, and as a lawyer, I am not prepared to see our venerable first amendment to the Constitution modified, except after the most thorough hearings on the scrutiny of the proposed amendment before the appropriate Senate subcommittee.

I think our churches and churchmen should be heard on the questions raised by Senate Joint Resolution 148. I think our Nation's leading constitutional lawyers should be heard as to is precise meaning. And I think prominent laymen and school administrators ought to be heard on the Supreme Court decisions and the effect of this proposed amendment on religious activities in the schools.

I intend to urge my fellow members of the Judiciary Committee to insist on full and comprehensive open hearings on Senate Joint Resolution 148, where all the responsible leaders of our Nation's churches will be permitted to testify. I can conceive of no reason why we must rush to amend the constitutional guarantees of freedom of religion before hearings on the proposed amendments can even be held.

Moreover, I am deeply concerned by the procedure which Senator DIRKSEN has indicated he will utilize if he cannot get the Judiciary Committee to discharge its Constitutional Amendments Subcommittee from further consideration of Senate Joint Resolution 148. There is no reason to bypass the normal time-honored procedure of the Senate for considering any bill, in order to rush to the Senate floor with this proposed amendment to our guarantees of religious freedom.

There certainly can be no doubt of a favorable reception for Senate Joint Resolution 148 in the hearings to be conducted by the Constitutional Amendments Subcommittee. Five of the nine members of that Subcommittee are cosponsors of Senate Joint Resolution 148.

In short, it appears that the only thing to be feared from hearings is that serious questions might be raised about the meaning of the amendment, or grave reservations might be raised as to its import.

I have no desire to delay the Senate's consideration of Senate Joint Resolution 148. In fact, I have told Senator BAYH I will help him chair whatever hearings prove necessary on the resolution. But I must oppose any attempt to ramrod this proposed modification of the first amendment through the Senate without normal, orderly, and full committee consideration.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "DIRKSEN Will Bypass Committee on Prayer," written by Robert C. Albright, and published in the Washington Post.

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

DIRKSEN WILL BYPASS COMMITTEE ON PRAYER

(By Robert C. Albright)

Miffed at Senate Judiciary Committee inaction on his controversial "prayer amendment," Sen. EVERETT M. DIRKSEN (R-Ill.) said yesterday he won't wait for already scheduled judiciary subcommittee hearings.

Instead, he told newsmen, he plans to move in the committee on Thursday to "discharge" a subcommittee headed by Sen. Birch Bayh (D-Ind.) from further consideration of the resolution.

If that effort fails, DIRKSEN said, he plans to move directly on the Senate floor to substitute for already pending legislation his amendment "permitting the voluntary participation of students or others in prayer."

The bill he has picked as the "prayer" vehicle is a joint resolution, already approved by the House, designating Oct. 31 of each year as "National UNICEF Day."

DIRKSEN's strategy thus would parallel his efforts last August to substitute his ill-fated reapportionment amendment for a House bill designating "American Legion Baseball Week." That maneuver failed for lack of the required two-thirds majority.

BAYH announced only last Friday that he will hold eight days of hearings on DIRKSEN'S amendment, starting Aug. 1. But DIRKSEN said he wants the hearings held down to two days, lest his resolution get snagged in the adjournment rush. BAYH, however, stood firm on his eight-day hearing notice.

HOW TO SUCCEED IN SELLING U.S. SAVINGS BONDS

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial entitled "How To Succeed in Selling Savings Bonds," published in Life magazine for July 8, 1966.

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

HOW TO SUCCEED IN SELLING SAVINGS BONDS

President Johnson has taken on a new job—that of dictating the savings habits of 5.8 million federal employes. Some of them may never be able to untwist their arms again.

Declaring that "there is no better investment than U.S. savings bonds," and that their purchase is "both prudent and patriotic," the President decreed that federal employes, who were already signed up 60% strong, for payroll savings bond deductions, must set a better example.

He cast around for the closest ones to hand—the employes at 1600 Pennsylvania Avenue—and promptly managed to increase the bond-buyers there from 57.4% to 100% of the staff. Delighted, he set out after the rest of the federal employes. With considerable logic, his choice for campaign enforcer was Postmaster General Larry O'Brien, a major-league arm-twister in his own right.

While the President carefully watched the progress of the campaign on two charts set up in his Cabinet room, O'Brien was telling agency heads, "The President . . . will accept nothing less than the minimum immediate goal of 75%, will consider adequate nothing less than realization of our long-range goal of 90% and will be satis-

fied with nothing less than achievement of the 100% record established by the White House."

Department heads down to the level of postmasters in one-man post offices got the message. Reading, Pa. postal workers were told by an official, "Buy bonds or bye-bye." While Civil Service status protects most federal workers from firings, other pressures can be applied. A New Jersey postal worker was refused two weeks' leave that he planned to spend with his Vietnam-bound son until he knuckled under and signed a saving bond pledge.

The campaign has paid off. Bond sales to federal employes have jumped from $206 million to $410 million, and the percentage of workers signed up from 60% to 76.5%. But the campaign has also paid off in widespread and justifiable bitterness among the employes.

Complaining about the uproar his tactics had caused, O'Brien claimed, "A few cynics who have attempted to tarnish our savings bond campaign seem to have lost sight of the fact that the responsibilities of citizenship in a democracy such as ours are as great as the freedoms our democracy guarantees."

While the purchase of savings bonds *can* be an excellent idea, it is an investment decision which is up to the citizen himself, including the citizen who works for the U.S. government. The President and his Postmaster General should call off their shabby campaign of coercion.

CAPTIVE NATIONS WEEK

Mr. MILLER. Mr. President, this week marks the eighth annual observance of Captive Nations Week.

It was so designated by the Congress in 1959 to remind Americans of those peoples to whom freedom and national independence have been denied.

It is a week set aside to focus public attention on those nations deprived of liberty because of the global and aggressive ambitions of others.

Our expressions of support will serve as beacons of hope to these nations that one day they again will be free of the yoke of oppression.

PRESERVATION OF MIGRATORY BIRD REFUGE ON LAKE ERIE

Mr. LAUSCHE. Mr. President, on July 26, the Migratory Bird Commission of the United States will hold a meeting at which it will determine whether or not it will proceed with the purchase of 535 acres of marshland on the shores of Lake Erie in Ohio. I sincerely hope that the Commission will act favorably upon that proposal.

The marshlands, in all, consist of about 15,000 acres. 10,000 acres have already been acquired by the State government and the Federal Government. 5,000 acres remain in private hands. My hope is that eventually either the State or the Federal Government will acquire the entire 5,000 acres.

However, the issue before the Migratory Bird Commission on July 26 will be merely the acquisition of 535 acres, at a cost of $450 per acre, or a total cost of $240,750.

In my judgment, it would be a serious mistake, a violation of the rights of nature, to allow that marshland on the shores of Lake Erie—which now is a refuge for migratory birds—to become used for commercial purposes or otherwise. We owe it to posterity to acquire that land. I believe the entire 5,000 acres should be acquired eventually, and immediately the 535 acres under consideration. I urge the members of the Commission to proceed with the acquisition of the land.

ORDER OF BUSINESS

Mr. KENNEDY of Massachusetts. Mr. President, I ask unanimous consent that I may proceed for 15 minutes. I made this request of the majority leader, and it was agreeable to him.

The PRESIDING OFFICER. Without objection, the Senator from Massachusetts is recognized for 15 minutes.

AMERICAN POLICY TOWARD CHINA

Mr. KENNEDY of Massachusetts. Mr. President, President Johnson's speech of July 12 on U.S. Asian policy was both positive and firm in addressing the problems we face in that part of the world. The tone of the President's message was clear: if we are to seek and find peace and security in Asia, if that continent is ever to be more to us than simply a place of confrontation and battle, there must be a "reconciliation between nations that now call themselves enemies." But the President was also realistic in outlining our role as a Pacific power in the future of Asia. He said that aggression by military force against free and independent Asian states will not be permitted, and that the best defense against future aggression lies in the building of viable Asian societies and economies.

It is my hope that this excellent address will mark the beginning of a meaningful discussion in this country of U.S. foreign policy goals in Asia. I am sure that these goals will not preclude our taking of steps leading to ever more normal relations with China.

For the last few months we have been witnessing the outward manifestations of severe political turmoil on the Chinese mainland. Intellectuals have been denounced, heroes have become villians, in the classic pattern of a Communist purge. It would be premature to even guess at the final outcome of China's internal struggle. While we know that in the near future China will experience a change in leadership, we can only hope that her hostile attitudes toward the world will also change with the passage of time. The veterans of the Long March to the caves of Yenan are now aged; their experiences and their resulting devotion to a cause are not the experiences of 700 million other Chinese. Utopian promises have faded, a Great Leap has stumbled, and a self-imposed isolation is having its toll on industrial and scientific progress—to say nothing of the intellectual unrest created by the absence of new ideas and the internal control of thought.

In this setting it is possible that China will find it to be in her own interest to reach an accommodation with her Asian neighbors and the powers of the world. This may come about when it becomes clear to her that in foreign affairs blustering militancy and repeated threats of violence will not cause the resolve of other nations to collapse. It may come about when she finds that the solution of domestic problems involves much more than exhortation. Then China may conclude that what she must do with her energies and resources within will demand more stable and peaceful relations without.

None of this is to say that the Communist government of China will pass away or even change significantly in the foreseeable future. Rather what this shows is that China today is susceptible to change, and the characteristic ingredients for internal moderation are present.

In monolithic societies opportunities for other nations to affect change appear in periods of succession and unrest. If we are, in the words of the President, to "discourage a hostile China," if we are to "encourage a misguided China" to a greater understanding of the world, if we wish to see a "peaceful China as the center of a peaceful Asia," we must be prepared to take advantage of these opportunities resulting from transition. We must do all we can to make sure that the new leaders of China have the largest number of peaceful options. To the extent that her relations with the United States and the world are now the subject of internal argument we should take positive steps to insure that such questions remain high on China's agenda of dissent.

On May 3, both Senator McGOVERN and I suggested the creation of a blue-ribbon commission to both study and inform the American public of the problems we face in our China relations. We hoped, and still do hope, that such a body would investigate many of the steps that the President alluded to: the exchange of scholars, businessmen, and reporters, as well as the question of trade; but, above all, the ways in which greater communications can be established between us and the most powerful state in Asia. I have been extremely heartened by the reaction both within the administration and the country to our call for a new discussion of China.

I also suggested that highest priority be given to the question of China's membership in the United Nations. This question deserves priority not because of its overwhelming significance, but because within 3 months it will come up again as the General Assembly gathers in New York City. In past years we have undertaken an enormous diplomatic effort to convince our allies and the neutral nations that the admission of mainland China is detrimental to the best interest of the free world.

There is little doubt that this yearly effort has been costly to us. We have expended precious diplomatic capital. Not all nations—indeed it can be said that less than a majority—today view China's admission to the U.N. as disastrous as we do. We have retained their support in other ways, in some instances yielding to these member states on other issues. In most instances we have been

forced to send our emissaries to argue a position again and again to nations that find our position quite unrealistic in the light of world events—even nations living on the rim of China. Perhaps this annual diplomatic activity was justifiable in the past. But its continuation depends on a new judgment that success on this issue is worth the price we have been paying. I am no longer convinced that our best interests continue to lie in this direction. I do not believe that an unyielding negative approach to the China question serves the best interests of the United States, Formosa, our Asian friends, or the United Nations in the world today.

I suggest that, if we are to follow up on the recent positive view of Asia outlined so clearly by the President, now is the time to fully review this matter. I am sure that a different and more positive position can now be taken by our Government, and that such a position will be better received by our fellow members of the U.N. while at the same time preserving the truly vital concern we have in this entire matter. It has been stated that "He who moves not forward goes backward."

The major concern of the United States is, or should be, the commitment we have to our friends on Formosa, that, regardless of international events, their presence and the voice of the 12 million Nationalist Chinese citizens will be preserved in the United Nations. It appears that we are endangering that commitment by our continued emphasis on obstructing the usual China resolutions. All of the resolutions that have been proposed to date have called for the expulsion of Formosa. Thus, in this diplomatic effort, we have allowed others to choose the issue and control the setting. Our position has been purely defensive. Many of our traditional allies—Great Britain, France, India, the Scandinavian countries, to mention but a few—have opted in the past for the exclusion of Formosa and the presence of Red China. And the rollcall on this question over the years has shown our position to be deteriorating, our persuasion less compelling.

A simple majority of the U.N. decides whether or not the ultimate vote for admission of China will be a two-thirds vote or simply a majority vote. In 1961, 61 countries voted to make this issue an "important question," requiring the two-thirds vote, while 34 were opposed. The final vote on admission was 48 to 37, with 19 abstentions. In 1965 only 56 nations called for a two-thirds vote on the issue, with 49 opposed. On the final question the vote was 47 to 47 with 20 abstentions. Clearly the favorable votes are being eroded, and last year's final tie vote raises serious questions as to how long this issue will remain an "important question." It is on this slim thread that Formosa remains in the United Nations.

I would suggest that if we are to preserve the presence of Formosa in the United Nations, we would be well advised to take the initiative in drafting and supporting a resolution that would allow both the presence of China as well as the retention of Formosa. While it is quite likely that this proposal would be considered unacceptable at first, by both Formosa and China, I feel it has many advantages that would serve our position well. First, we would, in effect, be placing the burden of China's absence from the U.N. on the Chinese themselves as well as their supporters in that body, should China object to our attempts or subsequently refuse the invitation of the member state.

Second, we would be shifting the emphasis of the annual discussion from the question of why China should be included or excluded to the question of the preservation of Formosa.

Finally, we would be informing the United Nations that we are prepared to labor for the goal of the United Nations being a universal body, with representation for all the people of the world.

The question of preserving Formosa, and our support for universality in the U.N., will, I am sure, have an impact on the many small nations of the General Assembly. Many of the new U.N. members should be asked if they are anxious to negate this principle by continuing to move for the expulsion of a fellow member. Formosa is a country of 12 million people. She is one of the most advanced economies in Asia, having just raised her per capita income by 50 percent in 10 years. She carries on over a billion dollars in world trade and has formal diplomatic relations with 57 nations. There are few new member nations in the U.N. of this size or growth with such comparable success in the world scene. What can guarantee these new states their own presence in a world body if Formosa can be so easily expelled?

Mr. President, I would not take it upon myself to state what any specific resolution should contain, or whether or not it should be combined with other matters of U.N. representation or membership. There have been situations in the past where former single states split and the United Nations had to handle the admissions problem. This occurred in 1947 when Pakistan separated from India, and in 1961 when Syria withdrew from the United Arab Republic.

In the China case, however, we have an additional complexity that must be recognized. The Nationalist Government holds one of the five permanent seats on the Security Council. Those in the past who have supported the usual resolutions for the entry of the People's Republic of China to the U.N. have assumed that China would be entitled to take the Formosan seat on the Security Council, also. I would be strongly opposed to this development at this time, and view the possibility of this occurring as another substantial reason for a U.S. initiative on this question.

It is true that, since the 1961 uniting-for-peace resolution, most of the meaningful U.N. activities, at least in peacekeeping matters, have shifted from the Council to the General Assembly. Even so, China today does not seem to be able to agree on any matter with anyone in the world. The kind of disruptive activity we could expect from China in the short run—not unlike the Russian experience—would seem to preclude her presence on the Council. One need only imagine what the presence of China on the Security Council would have meant during the recent India-Pakistan dispute, when a Malaysian cease-fire resolution was unanimously adopted by the Security Council and then accepted by the parties to the dispute as the basis for a peaceful settlement. Clearly, this matter would have received a Chinese veto, regardless of, or perhaps because of, the agreement by the United States and the U.S.S.R. on the necessity for U.N. action.

I would suggest, therefore, that part of the United States effort also be directed toward a review of the current Security Council arrangements. The five permanent members of the Council—the United States, U.S.S.R., Great Britain, France, and China—were entitled to their favored position on the basis of their leadership of victory in World War II. The world, and the powers that affect the world, have changed considerably since that time. We are now committed to former enemies. We have had serious confrontations and differences with our former allies. It would seem only appropriate that the basic Security Council composition reflect who has the most potential to preserve peace today, rather than who won the war 20 years ago.

Without endorsing any one solution to the Security Council problem, certain alternatives can be suggested, that I am sure are apparent to those expert in these matters.

The basic Security Council problem centers on which China should have the permanent China seat and the accompanying veto power. The most obvious solution is that neither China be seated on the Council permanently at this time. This could be accomplished by a revision of the Charter reducing the number of permanent seats from five to four.

More realistic, perhaps, would be the retention of the five permanent seats, with the fifth position going to one of the dominant underdeveloped states of the southern half of the world—such as India.

This move would reflect the concern of the U.N. in the developing world while recognizing that world power and a voice in peace is not a function of armaments alone. India represents the great experiment of our generation—a struggle toward freedom and democracy against all the negative forces generated by problems of population, poverty, underdeveloped resources, and geography. To the extent that such a proposal for one nation would be unacceptable to others, this fifth seat with its permanent seat privileges could rotate among developing world members.

The Covenant of the League of Nations contained a provision allowing for the expansion of the League's Council, without constant amendment to the covenant. Similarly, the Charter of the U.N. could be so amended to introduce the needed flexibility in Council membership. This would allow for future representation of China on the Council, if she displayed by her behavior after admission that she deserved such a position. This basic change in the Charter could also be accompanied by revisions

in the veto procedure, as, for example, reserving the use of the veto only on binding decisions of the Council with majority votes controlling the nonbinding recommendation of the Council to the General Assembly.

The point remains, however, that, regardless of the construction of the U.S. proposal, our efforts and the abilities of our statesmen should be directed toward new approaches to old problems. We should be exercising, in international affairs, the same ingenuity with which we have attacked our problems on the domestic scene.

Mr. President, this course would be profitable to our interests, not only because Formosa's presence would be preserved. It has been repeatedly stated by Secretary-General U Thant that the United Nations can have no influence in the Vietnam crisis, since only one of the major powers involved is present in the United Nations—the United States. As the Secretary-General said in May of this year on the question of Vietnam:

> If the Security Council is to be usefully involved in finding a solution to any problem threatening international peace and security, one prerequisite is that the Security Council must be in a position to hear both sides of the question. In my view this is a must. Without this prerequisite I do not believe the Security Council should be involved in any question.

The same argument could be made for the General Assembly. It may well be that the presence of China would not assist the solution in Vietnam. But if we ever expect the United Nations to play its proper role in the future of Asia and world peace, we should recognize the need for all powers to be present within the organization.

Admission of China to the United Nations would also help maintain communications among nations in this age. It is absolutely necessary that one nation should be fully aware of the intentions of another, in keeping the peace and protecting vital interests. To whatever extent an isolated China miscalculates our desires and aims in a peaceful Asia, and acts on this misinformation to the detriment of the Asian people, we will have failed our friends and allies.

Mr. President, I do not believe that a United States effort to construct a solution reflecting our best interest to the China-United Nations question will bear immediate fruit. But I do believe that if we take the initiative as I have proposed to preserve Formosa, work for the universality of the United Nations by recognizing the need for all nations to be included in its work, without allowing for the disruption of the organization, we will mark a new beginning in our Asia policy, and make it where most important—in the eyes of our Asian friends and allies.

When they observe that our policy is constructive; when they observe that our policy approach is flexible enough to encompass their own needs and aspirations, we shall be well on the way to undertaking the basic task of assisting in the development of a stable Asia. It is Asia that must first live with the future China, and the President has rightly committed us to our Asian friends in their efforts. So, too, we must now move to meet the challenge of China, not on the battlefields of our Asian friends, but initially in the international forum created for peace.

How well we move, how long it will take, is impossible to say. But it is my hope that beginning with this September in the United Nations we will take the initiatives in the diplomatic arena for future peace and understanding.

For, as the President has said:

> The peace we seek in Asia is a peace of conciliation between Communist states and their non-Communist neighbors; between rich nations and poor; between small nations and large; between men whose skins are brown and black and yellow and white; between Hindus and Moslems and Buddhists and Christians.

This, too, defines the hope of the U.N. It is time to begin.

Mr. McGOVERN. Mr. President, I wish to commend the Senator from Massachusetts for the fine statement he has made today. He was kind enough to give me a copy of his prepared text, which I have read. It is a thoughtful, prudent, and courageous statement, and one that I hope will be carefully considered by the Members of Congress and the executive branch.

I was pleased to join with the Senator from Massachusetts on May 3, in an appeal for more discussion and more consideration of this important question of our relations with the largest country on the face of the earth—mainland China.

I am pleased that the Senator has quoted the President's call for "a reconciliation between nations that now call themselves enemies." I believe that no diplomatic challenge is more significant or more urgent than a reconciliation between the United States and the people of China, this largest of all countries.

The view in some quarters is that, because of the belligerent statements that have been emanating from China in recent years, a conflict is inevitable. But we know, as the Senator has said, that times change, that yesterday's enemies become tomorrow's friends. I believe that time often works in a healing manner in the affairs of nations. So I hope that we use this opportunity that we have, both in the United Nations and in other councils, to move in a more positive and more constructive direction.

I believe that the United States is powerful enough and wise enough so that we can afford to take the lead and provide some initiative and some direction looking toward a more hopeful policy.

The suggestion of the Senator for possible changes in the Security Council certainly merit consideration. Nothing about the U.N. Charter removes it from the possibility of reconsideration and change, looking toward the settlement of some of these difficult questions. I do not know whether the specific formula the Senator has suggested here today is the right one or not, but, as he has indicated, we cannot stand still. We must consider new possibilities when we get into the kind of diplomatic dead end that we seem to be in today with reference to China.

Like the Senator from Massachusetts, I have been heartened by the public reaction—as well as some of the administration reaction—to our discussion in the Senate some 2½ months ago. I checked with my staff this morning on the mail reaction that has come into our office, and almost all of it has been favorable. Not everyone agrees with the specific suggestions that were made here, but general agreement prevails that new approaches need to be tried, that this issue should not be swept under the rug. This matter should be brought out where Congress and members of the executive branch and the American people can discuss it openly.

I do not believe that any reasonable person regards the United Nations as a place simply for people who agree on all issues. It is a place where nations in disagreement—and sometimes in conflict—can get together across the conference table and talk not only about their differences but also about possible areas of accommodation.

Again, I commend the Senator for the excellent statement that he is making here today, and for his continued leadership on this important question.

Mr. KENNEDY of Massachusetts. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. KENNEDY of Massachusetts. One of the more important sections of the excellent speech of the Senator from South Dakota on May 3 was the concern he expressed regarding our attitude toward China's membership in the United Nations.

I am interested in whether the Senator is convinced now that this issue will be before us in a few months and the United States will be confronted once again with a major policy decision in the United Nations, that the Senate and the executive branch are giving this question the kind of thought that is necessary to develop a constructive policy.

Mr. McGOVERN. I definitely share the concern of the Senator about the position this country has taken in the United Nations. As the Senator points out in his remarks today, the vote on the China issue has been getting closer and closer all the time, until a virtual tie occurred on the last test of strength in the United Nations.

For the last few days, we have been debating the question of how much of our resources we can afford to allocate to foreign aid. It has been my understanding that at times in the past the United States has frequently used its foreign assistance program as a device to persuade countries to vote with it on the issue of China in the United Nations. I believe a more constructive and more positive course for the United States would be to regard this as a matter to be decided by the international community, and to come in with a positive and constructive position that might be regarded by some of the other countries of the world as a little more rational.

I believe that is the merit of the suggestion of the Senator here today. The Senator is not proposing any final answer to this problem, but simply that the United States give consideration to new

approaches and new policy suggestions that it might make in the United Nations to increase the effectiveness of our leadership.

The Senator's proposal for a two-China solution to the U.N. admission problem seems to me to have considerable merit.

His proposal for changing the composition of the Security Council is one that should be carefully considered.

The Senator made reference to the growing importance of India in Asia. This is a tremendously significant country. I have often thought that the crucial issue of Asia is whether that great continent will go the China way or the India way.

Those are all considerations which should be weighed, looking toward a positive strengthening of our position in the United Nations.

Mr. KENNEDY of Massachusetts. I appreciate the comments of the Senator from South Dakota [Mr. McGOVERN]. He is one who has given a great deal of thought to this subject. I know that he has researched these issues and talked with many knowledgeable people about it. I appreciate the comments of the Senator today.

Mr. McGOVERN. I thank the Senator for yielding to me.

Mr. PELL. Mr. President, I congratulate the junior Senator from Massachusetts [Mr. KENNEDY] on drawing our attention to a problem that, as a rule, we have always sought to avoid.

There are two ways whereby we may seek to eliminate the Iron and Bamboo Curtains. One is by blasting and war; the other is by gradualism and erosion. Obviously, the latter course is preferable.

It is, incidentally, in this context that I take some pride in having been instrumental in securing the validation for travel in mainland China of the passport of William Miller of my own State for the purpose of visiting there and simply seeing what he could see. I have sought here to do just what Senator KENNEDY has sought to do with his speech—to put the onus of refusal and standpattism upon the back of the Chinese—and not on us.

Many of us recognize that mainland China, a nation containing one-quarter of the world's population, may well eventually be a member of the United Nations. The question we have to weigh is whether we, the United States, should change our own policy opposing her admission, and, if we did change the policy, what we would lose in connection with the support and respect of such of our Asian friends as Nationalist China, the Philippines, Japan, and Malaysia. At this time, I still think an abrupt change in our own policy would lose us more than we would gain, not by the result that mainland China would become a United Nations member, but by the spinoff results affecting our own bilateral relationships with other countries in the area.

Most important, I believe we should never acquiesce in the admission of *mainland* China, unless some proper provision is made to cover the continued membership in the United Nations of Nationalist China.

The junior Senator from Massachusetts [Mr. KENNEDY] has done an excellent job on drawing the attention of this body and of our people to this problem and its various dimensions. It is a problem that cannot be swept under the carpet. It is a problem that must be scrutinized and wrestled with by our administration and by our people.

I must add that, drawing from my own participation in the San Francisco Conference and familiarity with the legislative history of the Charter of the United Nations, I doubt whether there would be any general acceptance within the United Nations of changing the present formula composition or voting pattern with regard to the permanent members of the Security Council. However, I believe that this, too, is a problem that should be raised and examined.

In conclusion, then, I congratulate the junior Senator from Massachusetts on a provocative, interesting, and courageous speech.

FOREIGN ECONOMIC ASSISTANCE, 1966

Mr. GRUENING. Mr. President, I have a number of amendments to the Foreign Assistance Act of 1961. I ask unanimous consent that I may submit them now, together with a brief statement supporting each of them. This will save time when we proceed to the regular business.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 683

Mr. GRUENING. Mr. President, a report of the General Accounting Office on its audit of the economic assistance program to Thailand shows the need for further tightening up of the provisions of the Foreign Assistance Act of 1961, as amended, to insure that development loans made by the Agency for International Development are supplemental to other available free world financing.

The General Accounting Office report discloses that AID entered into an $11 million loan agreement with Thailand for the construction of three irrigation projects although the International Bank for Reconstruction and Development had expressed an interest in financing these projects. The report notes that such a loan, when other assistance was available to Thailand on reasonable terms, was not in consonance with a basic intent of legislation pertaining to development loans but that the loan was made at the request of the Thai Government, which appeared to desire it principally because of more favorable repayment terms than were obtainable from other sources.

Section 201(b) of the Foreign Assistance Act of 1961 provides that in evaluating the need for development loans, consideration be given to the availability of financing, in whole or in part, from other free world sources on reasonable terms. This provision is in line with a basic purpose of development loans, which is to make funds available on favorable terms to economically underdeveloped countries that would otherwise have difficulty qualifying for loans from traditional international financing sources.

At the time the AID loan was made Thailand held foreign exchange reserves of about $506 million, much of which was invested in U.S. financial institutions and had made substantial use of assistance from other free world nations and international organizations. At that time Thailand had an excellent credit rating, a strong and stable currency, a low rate of debt service to current foreign exchange earnings and an excellent capacity to service its external debt.

AID, in justifying its actions, stated that the legislation does not restrict AID lending to those countries where a prospective borrower cannot obtain funds from any other free world source but rather involves a responsibility to consider what other recourse the borrower may have and that AID did consider the availability of World Bank financing.

I ask that the amendment which I am submitting be printed and lie on the table as I propose to call it up at a later date. It would do more than require AID to consider World Bank and other free world financing before it offered more favorable loan terms to countries which are shopping around for the best bargains.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRUENING. Mr. President, I ask unanimous consent that I may proceed until I have presented the amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRUENING. Mr. President, the amendment would require that no loans for economic development could be made unless the Administrator of the Agency for International Development had made a finding that other means of financing have been explored and it was found that such financing was not available to the country on reasonable terms. I ask unanimous consent that the full text of this amendment to S. 3584 be printed at this point in the RECORD.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and without objection, the amendment will be printed in the RECORD.

The amendment ordered to be printed in the RECORD is as follows:

On page 2, between lines 14 and 15 insert the following:

"(1) In the second sentence strike out clause (1) and substitute the following: '(1) whether financing could be obtained in whole or in part from other free world sources on reasonable terms, including private sources within the United States: *Provided*, That, where such financing could have been obtained but was not, the President shall in writing notify the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs within sixty days of the reasons why such alternate financing was not utilized,'."

On page 2, line 15, strike out "(1)" and substitute "(2)".

On page 3, line 8, strike out "(2)" and substitute "(3)".

AMENDMENT NO. 684

Mr. GRUENING. Mr. President, section 201(e) of the Foreign Assistance Act of 1961, as amended, has prohibited

the commitment of development loan funds by the United States in any country unless an application is made with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner.

This requirement is one which any prudent lender would insist on to protect his investment and in practice has proven to be a sound requirement which makes those countries desirous of borrowing funds from the United States face up to their financial responsibilities at the time they submit a loan application. However, a major loophole exists in that section 201(e) applies only to loans made in dollars and does not apply to loans made in foreign currencies owned by the United States.

The United States has acquired very large holdings of foreign currencies in recent years through the sale of agricultural commodities overseas pursuant to the Agricultural Trade Development and Assistance Act of 1954, commonly known as Public Law 480. These currencies are given or loaned to the same countries in which the agricultural sales were made to be used for military assistance and economic development. In 1965 over 700 million in U.S.-owned foreign currencies were loaned to foreign countries for their economic development programs.

I believe it important that these foreign currency loans be made subject to the same requirements as dollar loans, insofar as the United States obtaining assurance that they will be used in an economically and technically sound manner. There is an all too prevalent attitude among the officials of the executive agencies that foreign currencies do not represent assets of real value to the United States, and I have noted instances in which these currencies are used in a manner which would never be contemplated for U.S. dollars.

The purpose of my amendment is to stop this practice and to require a change in attitude. U.S.-owned foreign currencies can be every bit as valuable as dollars if properly managed and effectively utilized. Indeed they can go a long way in substituting for dollars and in favorably affecting our balance of payments.

I therefore submit an amendment to section 201(e) to correct this situation. I ask that it be printed and lie on the table until I call it up at a later date.

I request unanimous consent that the full text of the amendment be printed in the RECORD at this time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 3, after line 24 insert the following:

"(c) Section 201(e), which relates to the making of loans from the Development Loan Fund, is amended to read as follows:

"'(e) In carrying out this title, the President shall not allocate, reserve, earmark, commit, or otherwise set aside, funds, including foreign currencies or credits owned by the United States, aggregating in excess of $100,000 for use in any country under this title unless (1) an application for such funds has been received for use in such country together with sufficient information and assurances to indicate reasonably that the funds will be used in an economically and technically sound manner, or (2) the President determines with respect to each such allocation, reservation, earmarking, commitment, or set-aside that it is in the national interest to use such funds pursuant to multilateral plans.'"

On page 4, line 1, strike out "(c)" and substitute "(d)".

On page 4, line 11, strike out "(d)" and substitute "(e)".

AMENDMENT NO. 685

Mr. GRUENING. Mr. President, paragraphs (A), (B), and (C), of subsection (e)(1) of section 620(3) of the Foreign Assistance Act of 1961, as amended, direct the President to suspend assistance to the governments of those countries which have acted directly, or through subsidiaries, to nationalize, expropriate, or seize ownership of U.S. citizens' property, or have acted in other discriminatory ways, which would have a similar effect of taking control of such property.

The application of my amendment would cause the voting power of the United States in international lending organizations to be directed against requests by those countries to which the President has suspended U.S. assistance pursuant to the above-directed conditions.

I am, therefore, submitting such an amendment to be printed and to lie on the table until I call it up at a later date.

I ask unanimous consent that the full text of the amendment be printed in the RECORD at this time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 4, line 23, before the quotation marks insert the following: "With respect to any dollars herein provided, the voting power of the United States shall be exercised for the purpose of disapproving any loan for any project, enterprise, or activity in any country during any period for which the President has suspended assistance to the government of such country because of any action taken on or after January 1, 1962, by the government of such country or any government agency or subdivision within such country as specified in paragraph (A), (B), or (C) of subsection (e)(1) of section 620 of the Foreign Assistance Act of 1961, as amended, and the failure of such country within a reasonable time to take appropriate steps to discharge its obligations or provide relief in accordance with the provisions of such subsection."

AMENDMENT NO. 686

Mr. GRUENING. Mr. President, the commodity import program provides, under the supporting assistance provision of the Foreign Assistance Act, imports of capital goods, raw materials and consumer goods to developing countries. The objectives of the program are to save foreign currency reserves by cutting down on the necessity for foreign expenditures, to provide additional foreign government revenues to balance the budget and to help combat inflation in the recipient countries. One of the more significant program guidelines outlined by the administering Agency for International Development is that the program be so constituted as to "stimulate domestic production where possible by reducing imports purchased with aid funds as rapidly as domestic production could be developed." High priority raw materials were to be made available to stimulate domestic industrial growth in order to achieve the long-range goal of a viable self-supporting economic base in each country involved.

The program operates by letting foreign commercial importers determine what goods are to be brought into their country with AID financing. This is hardly conducive to producing a demand for goods necessary for sound economic development.

Several weeks ago, in this Chamber, my colleague, the junior Senator from Michigan, made some salient remarks about the administration of the commodity import program in Vietnam. He cited "serious mismanagement and ineffective controls" as causes of the failure of the program in that country, where black-market profiteering and inequitable license allocations have been the rule, rather than exceptional occurrence. Senator GRIFFIN found that instead of open licensing, there is a list of approved importers maintained by the Saigon Government; these firms attain this position by "under-the-table payments to the appropriate local officials." Once goods are obtained, the importer has free rein over their distribution. In addition, it was said that the importers received kickbacks from sales, and frequently, by using false documents, purchased goods with our credit that were not produced in the United States.

Unfortunately, this story is not a new one. General Accounting Office reports, for as far back as 1962, about commodity import programs in several Asian nations report comparable failures, where major portions of the aid funds are not used in a way conducive to long- or short-term economic growth. These reports found the program of the Agency for International Development tended toward financing consumable, and even luxury goods, rather than investment capital or raw materials for domestic industry. The GAO reports that synthetic yarns were used for luxury fabrics instead of for tires and fishnets; that fine, highly priced fabrics were produced instead of less costly wool and synthetic cloths of equal durability.

In Turkey and Korea, as well as Vietnam, the early years of this program were rife with evidence of collusive auction bidding for licenses, and commodity imports. In the absence of a valid priorities system, some areas, such as cotton textile and flour, were highly overexpanded to the point that there were surplus supplies in warehouses, while fishing net and fertilizer production were inadequate, though the raw materials were available for use. There are many cases where the method of allocation caused higher prices than necessary to be paid for goods; for example, had fertilizer been bought in the off season, an

estimated $240,000 could have been saved in 1 year, in one country.

Purchase of goods that countries could have produced themselves or for which there were resources available for the development of industry, have occurred regularly, in contrast to the guidelines which would encourage domestic industrial growth.

It appears that we would be wise to require greater control on the part of the Administrator of AID for the determination of commodities which will be financed by the Agency for International Development, and for the determination of the part these items will play in the country's economic development plan to assure their proper utilization. In view of the fact that the commodity import program takes the largest amount of the supporting assistance allocation, and has shown itself to be in need of revision, I propose the following amendment to S. 3584.

I ask unanimous consent that the amendment be printed in full and lie on the table until I call it up at a later date.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 14, line 18, before the quotation marks insert the following: "No commodity shall be furnished pursuant to this chapter unless the Administrator of the Agency for International Development shall have found with respect to each such commodity that there is substantial need therefor in order to make a planned contribution to the economic development of the country to which the commodity is to be furnished."

AMENDMENT NO. 687

Mr. GRUENING. Mr. President, section 605(c) of the Foreign Assistance Act of 1961, as amended, provides that funds realized by the Agency for International Development from filing claims against foreign countries and foreign importers can be reused by AID for the same general purpose. AID has established numerous requirements concerning its financing of economic assistance and has developed procedures for monitoring transactions to insure that these requirements are adhered to. For example, AID regulations prescribe that commodities which are bought by a foreign importer and which AID finances under the economic assistance program are to be purchased at prevailing market prices. If AID auditors find that a foreign importer has purchased commodities at inflated prices, with AID paying the U.S. supplier a premium price, AID will process a claim against the foreign importer.

In practice it is very difficult to obtain a refund from a foreign private importer because of the difficulty of pursuing the claim in a foreign court. As a practical recourse, AID seeks recovery of any amounts which have been improperly included in its financing from the foreign country involved, which, by agreement, has undertaken to reimburse the United States for such amounts. It has also been AID's practice to reprogram any funds realized from claims by making such funds available to the country for economic development program.

Thus we have seen situations in which a foreign importer conspires with a supplier to fix the price of an AID-financed transaction. AID subsequently discovers that it has overpaid and attempts to obtain an appropriate refund from the importer. This proves to be impossible so AID asks the country government for a refund. The foreign government makes out a check for the amount of the overcharge and AID promptly turns the money back to the country. All of this is permitted under section 605(c).

But what purpose does all of this serve? The foreign importer and the supplier who have conspired to fix the price of the commodity retain their exorbitant profit; and the foreign country has paid for the overcharge out of one pocket and received it back in another pocket. The United States has been the loser and is powerless to do anything about it. Meanwhile AID keeps a large staff of auditors and investigators busy finding instances of overcharges and other improprieties in AID-financed transactions, and another large staff engaged in processing claims.

The only purpose achieved by all of this, as far as I can discern, is that AID is enabled to state that it does not finance any transaction which it finds to be improper. True enough, but the United States does not save a nickel in the process.

My amendment attempts to introduce some rationale into this Alice-in-Wonderland procedure by requiring all funds collected by AID from claims resulting from the inclusion of improper amounts in transactions which it has financed to be deposited to miscellaneous receipts of the Treasury. If AID desires to reuse these funds, it will be required to seek authority to do so in its annual request for authorization and appropriations.

I ask unanimous consent that the amendment be printed and lie on the table until I call it up at a later date, and I ask unanimous consent that the full text of the amendment be printed in the RECORD at this time.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 18, between lines 5 and 6, insert the following:

"(b) Section 605(c) is hereby amended to read as follows:

"'(c) Funds realized as a result of any failure of a transaction financed under authority of part I of this Act to conform to the requirements of this Act, or to applicable rules and regulations of the United States Government, or to the terms of any agreement or contract entered into under authority of part I of this Act shall be covered into the Treasury as miscellaneous receipts.'"

On page 18, line 6, strike out "(b)" and substitute "(c)".

On page 18, line 10, strike out "(c)" and substitute "(d)".

On page 19, line 9, strike out "(d)" and substitute "(e)".

On page 19, line 15, strike out "(e)" and substitute "(f)".

Mr. MANSFIELD. Mr. President, if the Senator will yield, may I inquire of the Senator from Alaska how many amendments he intends to read in the morning hour?

AMENDMENT NO. 688

Mr. GRUENING. I have only one more amendment. I refer now only to the economic aid program. I have some others with respect to the military program, which I shall present at a later date.

Mr. President, I send to the desk an amendment to the foreign economic aid bill (S. 3584) and ask unanimous consent that the amendment be printed at the conclusion of my remarks.

The United Arab Republic has been consistent in its misuse of foreign assistance furnished by the United States.

The United Arab Republic has used our economic assistance to fill its coffers with foreign exchange that enables it to carry on its aggressive policies in the Middle East.

Our continued support of Nasser despite his belligerent policies in the Middle East has cast the State Department in the role of supporting a double standard in the Middle East.

On one hand we are clamoring for peace and we say that our policy is aimed at supporting peace in the Middle East, but on the other hand, we continue to feed the warmaking machine of President Nasser.

United Arab Republic policy is at variance with our stated foreign policy goals in virtually every department. Violations of her economic assistance agreements with the United States have enabled Egypt to support the economies of countries behind the Iron and Bamboo Curtains, support the Cuban economy by shipping more than 62,000 metric tons of rice to Cuba in 1964 alone, adversely affect the U.S. balance of payments at the rate of more than $15 million a year, expand Nasser's brand of economic and political socialism, deprive the people in Egypt of food intended for them, and carry on an aggressive war in Yemen at a cost of over $2 billion.

My amendment will enable the State Department to establish and carry out a meaningful policy aimed at establishing peace in the Middle East. It will put an end to the bungling, vacillating, totally inadequate policy of the State Department in the Middle East.

I ask unanimous consent that my amendment be printed and lie on the desk until I call it up.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table; and, without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

On page 20, between lines 3 and 4, insert the following:

"(f) Section 620, which relates to prohibitions against furnishing assistance, is amended by adding at the end thereof the following new subsection:

"'(p) No assistance shall be provided under this or any other Act to the United Arab Republic. This restriction may not be waived pursuant to any authority contained in this or any other Act.'"

THE ADMINISTRATION'S CIVIL RIGHTS BILL

Mr. EASTLAND. Mr. President, I ask unanimous consent that, regardless of the 3-minute limitation, I be permitted to proceed until I complete my speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EASTLAND. Mr. President, in France there is a saying that the only sure and permanent cure for a headache is the guillotine.

But there is no known record of any sufferer from headaches who voluntarily sought this cure. The reason is simple. The cure is worse than the affliction.

For the next few minutes, Mr. President, I should like to discuss another instance in which the proposed cure is worse than the affliction.

The affliction of which I speak, Mr. President, would be inflicted upon this Nation by enactment of the provisions of title IV of the so-called administration civil rights bill, H.R. 14765.

The proposed cure which is worse than the affliction is the amended version of this bill which was reported to the other body from its Committee on the Judiciary on June 30 of this year.

During the period of recess by which the Congress observed the Fourth of July holiday, I have had the opportunity to examine this amended version of the bill, the compromise, which it is called in the House of Representatives; and truly, this cure is worse than the ailment. I want to point out to my colleagues some of the reasons why this is so.

But first, to avoid misunderstanding, let me say that I have already expressed myself with regard to title IV of this bill, in the original version, and I shall not take time today to repeat any of the things I have said before. Today I shall discuss only the new language proposed by the committee of the other body, and the effect of the changes which are embodied in this new language or would be brought about by it.

But I want it clearly understood that all of my original objections to the bill apply just as strongly to the amended version. None of these objections, which I have already voiced, has been met by the revised version. None of the serious evils of the original bill, which led me to speak out against it, has been ameliorated in any substantial way by the revisions recommended by the committee in the other body.

On the contrary, the proposed revisions make the bill worse, far worse, in various respects, which I shall explain in detail. The revised bill is not one whit more acceptable, not one iota less dangerous, not one degree less virulent an attack upon the right of private property, than was the original version.

Now, Mr. President, I want to be fair about this, so let me point out right here that there are five places where the revised bill appears to constitute an improvement over the original version.

The first of these is in subsection 402(b), where the new language involves a slight narrowing of the definition of "dwelling."

In the original bill, the definition of "dwelling" included specifically "any vacant land that is offered for sale or lease for the construction or location" of any building, structure, or portion thereof which is in, or is designed, intended, or arranged for, residential use by one or more individuals or families.

The revised version eliminates this specific inclusion of vacant land within the definition.

The resulting improvement in the bill is, relatively, very slight indeed. This is so because, in the first place, the inclusion of vacant land within the definition of "dwelling" was very weak, from an enforcement standpoint. This inclusion of vacant land also raised serious problems of proof, since more frequently than not land is sold subject to the purposes of the buyer, whether disclosed or undisclosed, and without any necessity for recitals or commitments with regard to such purposes.

Most importantly, any property that would have been brought within the definition of "dwelling" by the specific inclusion of the provision with respect to vacant land will be brought under the revised definition anyhow, in due course, by or before the time when any substantial question of alleged discrimination in housing could be expected to arise.

Let me explain that.

If vacant land is in fact offered for sale or lease for the construction or location of a dwelling, as defined in the act, then the instant construction starts the property will be covered by the definition of "dwelling" as it stands in the revised version of the bill. Even assuming the original clause with respect to vacant land could be enforced, which is certainly questionable, it seems clear that coverage of vacant land before any construction starts could not constitute more than a very unimportant part of the whole area of discrimination in housing, which is supposed to be the subject matter of this bill.

Another place where the revised bill appears to represent an improvement over the original version is in subsection 406(c), where the original bill specifically authorized to award to a plaintiff, in a housing discrimination case, of "damages for humiliation and mental pain and suffering, and up to $500 punitive damages."

The revised version of the bill strikes out this language, and provides instead for the award of "actual" damages to the plaintiff. But the new language goes on to provide that "in the alternative, if the defendant has received or agreed to receive compensation for services during the course of which the discriminatory housing practice occurred, the court may award as liquidated damages an amount not exceeding the amount of such compensation."

Taking the normal real estate commission as 5 percent, this means that, in any transaction involving more than $10,000, the "liquidated damages" which may be awarded against a real estate agent or broker under the proposed new language would be greater than the $500 limitation on "punitive damages" fixed by the original bill. As we all know, most individual housing transactions today are substantially in excess of $10,000.

Let me point out a small gimmick which makes this proposed change with respect to damages even less important than appears at first glance.

To a layman, it may seem that substitution of "actual damages" for "damages including damages for humiliation and mental pain and suffering" is a limitation, a reduction in the authority of the court. Those of my colleagues who are lawyers will recognize that this is not so. The term "actual damages" does not mean actual cash damages, or out of pocket costs, as a nonlawyer might think. In legal contemplation the term actual damages means simply damages awarded for a loss or injury actually sustained, as distinguished from damages implied by law, or awarded by way of punishment. Both mental and physical pain, suffering, and humiliation are all recognized elements of damage for which compensation may be awarded; and if a court found that a plaintiff had suffered, for instance, mental damage valued at $10,000, or humiliation valued at $5,000, awards of $10,000 and $5,000, respectively, would be possible under the "actual damages" clause of the revised bill. The proposed new language does not close the door to any award which might be made under the original language. So there is no improvement in the subsection by reason of this change. The revised version is at least as bad as the original, and in most cases will be found to authorize payment of higher damages.

The third provision of the revised bill which might be considered on its face as an improvement over the original version is subsection 403(b), beginning on line 19, page 64. This subsection provides:

> Nothing in this section shall apply to an owner with respect to the sale, lease, or rental by him of a portion of a building or structure which contains living quarters occupied or intended to be occupied by no more than four families living independently of each other if such owner actually occupies one of such living quarters as his residence.

This is the language which is touted as eliminating "Mrs. Murphy" from the sanctions of the proposed law. As far as it goes, this is probably all right. I shall point out in a moment how it only meets part of the problem because it deals only with owners, not with renters. In principle, of course, this subsection is absurd and unacceptable, because surely the right of private property is not reserved solely for owners of small buildings containing quarters for no more than four families living independently of each other. Nor can it be said that the right of property adheres to the owner of such a building if he himself lives in the building but not otherwise.

The major deficiency in this subsection is that it does nothing whatsoever for the millions of Americans who live in rented homes. That is the part of the problem it does not meet.

Under this provision, an owner of a small building who lives in his own building can be selective of his tenants; but a renter of a house would not be permitted to exercise similar selectivity.

Basic to the right of private property is the right to dispose of the property at the free will of the owner. If a man owns land in fee, he may dispose of the fee or any lesser estate in the land to whomever he may choose. If he has an interest less than the fee, he has the same breadth of power with respect to the interest he has, or any lesser interest which may be carved out of it.

Subsection 403(b) ignores this basic principle of law, and treat owners of the fee in one way, and owners of lesser estates in an entirely different and vastly more restrictive manner.

The fourth instance in which it may be said the new version of H.R. 14765 is an improvement over the original bill.

The original version of this bill provided, in subsection 406(b), that upon application by the plaintiff and in such circumstances as the court may deem just, a court of the United States in which a civil action under section 406 has been brought may appoint an attorney for the plaintiff and may authorize the commencement of a civil action without the payment of fees, costs, or security. The revised version of the bill substitutes for the words "the plaintiff," where they first appear, the words "any party", and substitutes for the words "the plaintiff" the second time those words appear, the words "such party or parties." The subsection appears as its face to be a movement in the direction of equitable treatment of both sides of the dispute.

In actual fact, however, very little comfort is to be gleaned from this proposed change.

The crux of this provision in both versions of the bill, lies in the grant of power to the court to authorize the commencement of a civil action without the payment of any fees, costs, or security. Where this is permitted, usually it would follow as a matter of course that the court would also appoint an attorney.

But actions are instituted only by plaintiffs, not by defendants or persons charged with alleged violations of the law. Therefore the mere change in words from "the plaintiff" to "any party" does very little, if anything, to accomplish real reform. The "party" who is to be allowed, without cost to himself to commence a civil action against a private individual, drag him into court, subject him to untold harassment, will be the plaintiff, whether he is called "the plaintiff" or "any party."

Now we come to the fifth and final instance in which it may be claimed the revised version of H.R. 14765 is better than the original.

Subsection 406(d), beginning at line 11 on page 67, gives the appearance of being headed in the right direction.

This is a long subsection, which I will not read, but I ask unanimous consent that the full text of the subsection, beginning with line 11 on page 67 and continuing through line 15 on page 68, may be printed in the RECORD at this point as a part of my remarks. Senators may read it for themselves.

To sum up, this is a subsection apparently designed to provide an opportunity for the operation of State or local laws prohibiting discriminatory practices.

Upon analysis, however, we find that this subsection actually is a restriction upon the Federal courts, rather than a grant of power, although it is couched in terms which make it appear to be the latter.

This subsection does, in terms, provide that a Federal court having before it an action brought by an individual under subsection 406(a) "may stay proceedings in such civil action for a period not exceeding 30 days pending referral by the court or the complainant, as appropriate, to such State or local authority."

But there is a condition attached to this seeming grant of power. The subsection says the stay may be granted by the Federal court "upon issuance of a temporary injunction, restraining order, or other appropriate order preserving the complainant's right to obtain all relief, including the opportunity to buy or rent the specific dwelling with respect to which alleged practice occurred."

Since any court having a case before it may stay the proceedings in its discretion upon any conditions it sees fit to impose or without conditions, the net effect of subsection 406(d) is directly the reverse of what its affirmative language indicates. It is actually a prohibition against the granting of a stay for purposes of referral to a State or local authority without first granting broad injunctive relief to the plaintiff.

While it is true that subsection 406(d) provides for a further extension of the stay after the expiration of a 30-day period, and purports to authorize the withdrawal by the Federal court of orders previously entered if it deems the interest of justice to require this, the fact is that here, again, what is actually provided for is a restriction upon the power of the court to act. Without this particular provision of the subsection, the Federal court would be free to dissolve or withdraw any prior order it may have entered, and to do so unconditionally; but under the language of subsection 406(d), for at least 30 days the temporary injunction or restraining order will be in effect. Absent the language of subsection 406(d), the court not only might withdraw any order it may have previously entered; it would never have been required to enter the temporary injunction or temporary restraining order in the first place. The mandatory 30-day duration of the restraining order, under subsection 406(d), should be long enough to kill most real estate deals, so that the blackmail value of an action of subsection 406(a) is not substantially depreciated by the proposed new language of subsection 406(d).

Again we find our hopes darted. If section 406(d) embodies any improvement at all, it is so slight as to be of no substantial importance.

Now, Mr. President, that ends the rollcall of instances in which the proposed revised version of title IV of the Civil Rights Act of 1966 is an improvement, in any degree whatsoever, over the original version. So let me turn to some of the instances in which the revised version, the cure proposed by the committee of the other body, is far worse than the ailment which would be inflicted upon property owners throughout this land, and upon all of us by curtailing our basic freedom through the blow that would be struck at the right of private property, by enactment of the bill H.R. 14765 as originally introduced.

Under that original version of the bill, Mr. President, the machinery of enforcement was a sort of two-headed hydra. On the one hand, individuals could bring actions in the Federal courts seeking injunctions or damages, or both, for alleged housing discrimination. On the other hand, the Attorney General of the United States could initiate an action in any U.S. district court whenever, in his sole discretion, he has "reasonable cause to believe that any person or group of persons" was engaged in "a pattern or practice of resistance to the full enjoyment of any of the rights granted by this title." The Attorney General might also intervene in any action commenced by a private individual, either in his own name for the United States or actually in the name of the United States, if he is willing to certify the action as one of general public importance.

The revised version of this bill which has come to the other body from its committee adds a third head to the hydra. This new head is even more horrible to contemplate than either of the earlier ones, hideous though they are.

Section 408 of the revised bill provides for enforcement by a Fair Housing Board, which it also creates.

Before we consider how it is proposed that this Board shall enforce the provisions of title IV against alleged discrimination in housing, let us look at the Board itself, and then at its powers.

Under the revised bill, this would be a five-member board, with members appointed by the President and subject to Senate confirmation. The President would designate the Chairman of the Board. Terms of office of Board members would be staggered, so that while all members, except in the case of original appointees, would be named for terms of 5 years, there would be one vacancy coming up each year. Obviously, this is intended to be a permanent Board. This is a matter of some importance, because although it is called a Board by the revised bill, in fact this proposed five-man body will be a sort of court, with very substantial judicial functions.

The bill provides that no more than three members of the Board may be of the same political party.

Pay of Board members would be at the rate of $25,000 per year, with $25,500 for the Chairman.

Already, Mr. President, I have heard praise for this proposed new Board as a "real bipartisan body," because of the provision that not more than three of the members, out of five, may be of the same political party.

But things are not what they seem. At this point in the revised version of the bill there is another gimmick, which needs to be explained.

The revised bill provides in paragraph 4 of subsection 408(a), beginning at line 4 on page 70, that three members of the

Board shall constitute a quorum for the transaction of business.

Then, beginning nine lines farther down, there is a provision that the Board is authorized to delegate to any group of three or more of its members any or all of the powers it may itself exercise.

Now do you see how it is rigged? With every member of the Board present, three members would constitute a majority, and the action of that majority would be deemed the action of the Board. So three of the Board members could act to delegate to themselves all of the Board's powers. After that had been done, any two of those three members would constitute a quorum for the transaction of the Board's business. The two-man minority on the Board could be pushed right out of the picture, without any voice at all in the conduct of the Board's affairs.

For that matter, any three members of the Board could meet, in the absence of the other two, even without notice to the other two, and those three would constitute a quorum for the transaction of business, so that any two of them could act to delegate all of the powers of the Board to themselves and any other member of the Board as a third person. If one of the members present opposed this, and the two absent members opposed it, still it could be done. If all the Board's power should be thus delegated to a group of three members, the opponents of the delegation would be split, two and one, with two of them isolated from the powerbase and the third outrated by the other two members who, though actually a minority of the Board could cling to control at least until a meeting could be held at which all five Board members would be present.

The Board's powers to delegate its authority go even farther, Mr. President. The second sentence of subparagraph (2) of subsection 408(c) authorizes the Board to delegate the authority to conduct hearings; and this authority may be delegated to any single member of the Board, or any group of members. This authority to conduct hearings may also be delegated, under this provision of the revised bill, to "any agent or agency."

Note carefully that this delegation of authority is not limited to hearing officers or other responsible officials of the Board's staff. It is not even limited to Board employees. The Board is left free to choose its own agents, or to designate any agency it may select, and then to delegate to such agent or agency the authority to conduct hearings. The Board could grant this authority to the NAACP, or to CORE, or to the SNCC, or to any other individual or group or organization without limitation.

This is tremendously important because the authority to conduct hearings, this authority which may be delegated to "any agent or agency" under the provisions of the revised bill, is a very potent power, very far reaching, very easily abused.

The revised bill provides, in subsection 408(e) beginning on line 3 of page 71, that the Board shall have, for purposes of hearing, the same powers, subject to the same conditions and limitations, as are provided for the National Labor Relations Board under section 161 of title 29, United States Code. Remember, the powers thus granted to the Board may be delegated by the Board to any one of its members or to any agent or agency it may select.

Undoubtedly there will be some who will say that this grant of the same powers, subject to the same conditions and limitations as are provided for the National Labor Relations Board, must be all right because the National Labor Relations Board has been in operation for a long time. This is a mistake. Remember, the National Labor Relations Act was written with a view to bringing all of the substantial employers of labor in this country's business and industry under complete subjugation and regimentation by a Federal regulatory agency.

Perhaps it may be that this device of conferring powers by reference, rather than by precise statement, may be successful; but it will not be, Mr. President, if Senators will take the time to turn to section 161 of title 29, United States Code, and read the language defining the scope and nature of the powers there granted, and consider them one by one with emphasis, in each instance, on the question of whether identical or completely comparable powers should be given to the proposed new Fair Housing Board.

As an inducement to Senators to do this, let me call attention to some of these powers, in terms of what authority it is proposed to grant to the new Fair Housing Board.

By importation from subsection 160(b) of title 29, United States Code, the new Board would have the power to issue a complaint of alleged housing discrimination against any person on the basis of a mere charge filed by a single individual, and unsupported by evidence; and the Board could order the person charged to appear at a hearing—in effect, to stand trial—in Washington, D.C., or anywhere else in the country that the Board might choose, at any time not less than 5 days after service of the complaint.

Remember, now, any power with respect to hearings granted to the Board by this revised bill could be delegated by the Board to any agent or agency of its choice.

Under the revised version of H.R. 14765 the Board or a group of any three members to which the Board's power had been delegated, could amend the complaint in its discretion at any time. Even if the person charged produced a good answer to the original complaint, the Board could amend it, and this process could go through amendments without limitation.

The Board, or the member, or agent, or agency conducting any hearing, could in its or his sole discretion, allow any other person or persons to intervene in the proceeding and to present testimony.

The Board—or the member, agent, or agency of the Board which is holding the hearing—might take further testimony after the original hearing, but would not be required to do so.

By importation from subsection 160(c) of title 29, the Board would have the power, if it decided that upon the preponderance of the testimony taken the person named in the complaint had engaged in housing discrimination, to issue an order requiring such person to cease and desist from the alleged discrimination, and also to take whatever affirmative action the Board—or its member or agent or agency—may decide is necessary to effectuate the policies of title IV.

By importation from subsection 160(d) of title 29, the Board—or just three members, if the power had been delegated—would have the power by majority vote to modify or set aside any finding or order it had made, at any time up until the moment when the record in the case has been filed in a court.

Thus, while a person aggrieved by a final order of the Board would have a right, by importation from subsection 160(f) of title 29, to seek review of the Board's order in a U.S. court of appeals, his petition to the court of appeals would have to be transmitted to the Board before the record in the proceeding could be filed with the court, and the Board could amend the order in such a way as to render the petition ineffective.

By further importation from subsection 160(f) of title 29, when a U.S. court of appeals takes jurisdiction of an appeal from the Board, the proceedings will be the same as if the Board itself had petitioned the court for enforcement of its order, which the Board has power to do by importation from subsection 160(e) of title 29. In any such proceeding in a court of appeals, whether brought by the Board or by the party charged with housing discrimination, findings of the Board with respect to questions of fact, if supported by substantial evidence on the record considered as a whole, shall be conclusive under the provisions of the revised bill.

By importation from subsection 160(g) of title 29, the commencement of proceedings under an appeal from an order of the Board would not operate as a stay of the Board's order, which would remain in effect unless specifically modified by the court. Since a court is not to be presumed likely to modify an order of the Board without at least taking testimony, this means that the person whom the Board found guilty of an alleged housing discrimination, and who is appealing to the court, will remain subject to the Board's order, notwithstanding his appeal, during at least a substantial part of the appeal procedure.

By importation from subsection 160(j) of title 29, as soon as the Board shall have issued a complaint against a person charged with a housing discrimination, the Board could petition any U.S. district court within any district in which the alleged housing discrimination occurred, or in which the person charged resides or transacts business, asking for whatever temporary relief or restraining order the Board shall deem appropriate. Remember, all this could be before any hearing on the case, and following the issuance of a complaint based only upon an unsupported charge. The Board

then becomes at once not merely a judicial or quasi-judicial body to hear and decide a case, but also a moving party seeking action from a Federal court to afford relief on the basis of a complaint which may be, up to that time, completely unsupported by any evidence.

This is by no means the end of the Board's powers.

By importation from subparagraph (1) of section 161 the Board, or its duly authorized agents or agencies, is given a power of access to any evidence of any person being proceeded against if such evidence relates to any matter under investigation or in question.

The Board is specifically given this access, for the purpose of examination, and is also given the right to copy any such evidence.

The Board, or its duly authorized agent or agency, is given a very broad subpena power. Not only may the Board subpena individuals to testify, or to produce information or evidence; the grant of power, by importation from section 161, title 29, goes much further. Upon application of any party to a proceeding before the Board, the Board or any member of the Board may issue and deliver to such party subpenas requiring the attendance and testimony of witnesses or the production of evidence, as requested in the application. This includes the power to issue subpenas for the taking of depositions by one party to the proceeding, in advance of the Board's own hearing.

While the person subpenaed is given 5 days after being served to petition for revocation of the subpena, the Board is only required to revoke such a subpena if it finds that the evidence required to be produced does not relate to any matter under investigation, or any matter in question in such proceedings, or if in the opinion of the Board, the subpena does not describe the required evidence with sufficient particularity.

Any member of the Board, or any agent or agency of the Board designated for such purposes will have the power to administer oath, to examine witnesses, and to receive evidence.

Attendance of witnesses and the production of evidence may be required from any place in the United States or any territory or possession of the United States, at any place designated for hearings.

By importation from subparagraph 2 of section 161 of title 29, the Board is given the right to court enforcement of its subpenas and orders for the appearance of individuals or for the production of testimony.

By importation from subparagraph 4 of section 161 of title 29, complaints, orders, and other process and papers of the Board, its agent or agency, may be served either personally, or by registered mail, or by telegraph or by leaving a copy thereof at the principal office or place of business of the person required to be served.

By importation from subparagraph 5 of section 161 of title 29, process of any court to which the Board may apply for enforcement of its process or orders may be served in the judicial district in which the person charged, or other person required to be served, resides or may be found.

By importation from subparagraph 6 of section 161 of title 29, all the departments and agencies of the Government are required, upon direction of the President, to furnish the Board, upon its request, all records, papers, and information in their possession relating to any matter before the Board. The power of access to information which is encompassed by this provision is very broad. For instance, this is the standard language under which, with Presidential assent, access may be had to income tax returns. Undoubtedly, the new Fair Housing Board would be able to look at any respondent's income tax returns. If the President directed, it could also have access to Social Security records, perhaps even FBI files.

It is not spelled out in the language of the revised bill, but it seems quite clear that many of the powers granted to the Board by importation from section 161 of title 29 of the United States Code also are granted to the Secretary of Housing and Urban Development in connection with any case under investigation by him involving alleged housing discrimination. The specific provision in subsection 408 (e) of the revised bill is that "For purposes of investigation, the Secretary shall have the same powers and shall be subject to the same conditions and limitations as are provided for the National Labor Relations Board under section 161 of title 29, United States Code."

It would appear that the powers thus granted to the Secretary would include the provision imported from subparagraph 1 of section 161 of title 29, so that he shall at all reasonable times have access to, for the purpose of examination, the evidence of any person being investigated or proceeded against, that relates to any matter under investigation or in question.

Almost certainly, the powers granted to the Secretary would include, by importation from section 161, the power to "administer oaths and affirmations, examine witnesses, and receive evidence." It is not entirely clear what other powers are intended to be granted to the Secretary.

Now, Mr. President, for what purpose is the Secretary to be given these very substantial powers? Under subsection (b) of section 408, the Secretary is authorized "to direct and supervise, under such rules and regulations as he shall establish, investigations or violations of sections 403, 404, and 405." Section 403 recites the various acts which are to constitute unlawful discrimination in the sale or rental of housing. Section 404 defines the crime of discrimination in the financing of housing. Section 405 is the provision against intimidating, threatening, coercing, or interfering with any person "in the exercise of enjoyment of, or on account of his having exercised or enjoyed or on account of his having used or encouraged any other person in the exercise or enjoyment of any right granted by sections 403 or 404."

Subsection 406(i) of the revised version of H.R. 14765 specifically authorizes the Secretary to delegate "any power or duty herein granted or imposed to a duly designated representative." It is notable that this subsection does not authorize delegation of power only to "persons" or "individuals." We must presume, therefore, that the Secretary is being authorized to delegate his power, in part, or even in whole, not only to an individual, but at his discretion, to an organization or institution which he may duly designate as his representative. We have no way of knowing what may be planned here, or what organization or organizations the Secretary may have in mind to be designated as his representative or representatives, and to receive from him, by delegation, some or all of the powers granted to him by the new language of the revised version of H.R. 14765.

Now, Mr. President, let me refer to some of the other changes which would be brought about by the revised version of the Civil Rights Act of 1966 proposed to the other body by its committee.

One of them is to be found in a new subsection 402(d) which begins at line 15 on page 62 of the Union Calendar print of the bill, which accompanied House Report No. 1678. This subsection provides:

> A person shall be deemed to be in the business of buildings, developing, selling, renting or leasing dwellings if he has, within the preceding twelve months, participated as either principal or agent in three or more transactions involving the sale, rental, or lease of any dwelling or any interest therein.

In passing, let me say it seems clear that the word "buildings" is a typographical error, and that this word should be "building."

If you think this definition in subparagraph 402(d), which I have just read, is a reasonable one, stop and consider for a moment how it would work out.

Assume the case of a Government employee who is transferred to a new post in another city. He sells his present home or puts it up for sale or for rent, for lease or sublease. That is one transaction. He goes to the place to which he has been transferred and becomes a short-term renter of a furnished apartment so as to have a place for himself and his family to stay until their furniture arrives, and while they look around for a new home. That is a second transaction. Eventually, if he is lucky, he finds a place more or less to his liking and buys or rents a new home. That is a third transaction. He has become, under the language of the revised Civil Rights Act of 1966 a person deemed to be in the business of building, developing, selling, or renting dwellings. He cannot question or appeal this arbitrary assignment of status, since it is a matter of definition.

Now, what is the significance of this? It lies in the fact that under section 403 any person in the business of building, developing, selling, renting, or leasing dwellings, or any employee or agent of any such person, unless within the exemption of subsection 403(b) is prohibited from doing a great many things.

Some of these prohibitions are the same under the revised bill as under the original bill, but something new has been added.

Subparagraph 3 of subsection 403(a) declares it to be unlawful for any such person to make or cause to be made any oral or written statement, with respect to the sale, rental, or lease of a dwelling, that indicates any preference, limitation, or discrimination based on race, color, religion, or national origin.

Now revert to the case of the Federal employee who was required by a job transfer to move from one city to another and found himself dragged, willy-nilly, within the definition of persons deemed to be in the business of building, developing, selling, renting or leasing dwellings. Suppose now he finds that his new neighborhood is not congenial, and he wants to move. If he and his family are members of the Roman Catholic Church he may go to a real estate agent and ask to look at houses in a Catholic neighborhood, near a parochial school. If he does that, clearly he is making a statement indicating a preference based on religion, which is a violation under the new language in subparagraph 3 of subsection 403(a).

Suppose the Federal employee is a person of Czech origin; if he inquires about a house in a Czech neighborhood, he is clearly indicating a preference based upon national origin.

Suppose he is a Negro; if he inquires about housing in a Negro neighborhood, clearly he is indicating a preference based on race.

It is possible to multiply, almost without limit, examples of how the doing of a normal action, an action completely within the protection of the right of private property, could constitute a violation of subparagraph 3 of section 403 (a).

This subparagraph should be declared void, as a criminal statute, because of its improper infringement of the right of private property; but if we are foolish enough to write it into law, we cannot be sure that the Supreme Court of the United States will save us from our folly.

From another standpoint, also, this subparagraph is unconstitutional. It is unconstitutional as an infringement of the right of free speech, because it prohibits the making of a mere oral statement indicating a preference. It may be that a bemused Congress and an opinionated Court could combine to force a man to live in a neighborhood he does not choose, to accept restrictions on his right to dispose of his own private property, perhaps even to accept boarders or roomers not of his own choosing; but I do not think the time has yet come, in this country, when a man can be required to like it, or prohibited from saying that he does not like it.

Any statute which purports to prohibit the mere making of an oral statement of preference, with respect to any matter, is an unconstitutional interference with freedom of speech, and void.

Subsection 403(b), which I have previously discussed, would exempt our hypothetical Federal employee from the provisions of section 403(a) if he lives in property owned by him and not containing living quarters occupied or intended to be occupied by more than four families living independently of each other. The exemption will not apply if he merely rents his home.

Thus, the man who owns the fee, if he lives on the property, and if the dwelling is small enough to qualify under the exemption can be as choosy as he may wish about his tenants or subtenants, his lodgers or his boarders. But the man who rents a home, and wants to take in a roomer or a boarder, will be able to exercise hardly any freedom of choice without doing something which, under the revised version of H.R. 14765, is defined as unlawful discrimination in housing.

There is still a third constitutional basis for declaring subparagraph 3 of subsection 403(a) unconstitutional. This subparagraph would penalize the making, printing, or publishing of any notice, statement, or advertisement with respect to the sale, rental or lease of a dwelling which indicates an intention to make a discrimination based on race, color, religion, or national origin.

Leaving aside all questions about the constitutionality of a prohibition against a mere oral statement, we are still confronted here with the fact that an indication to discriminate is defined as a crime.

The Supreme Court has held that a statute against teaching and advocating the overthrow of the Government of the United States by force and violence may not be enforced against any individual without a showing that his teaching and advocacy moved someone to overt action in the direction of such overthrow. How, then, can the mere indication of a preference based on race, color, religion, or national origin, without any accompanying overt act, be upheld as the gravamen of a criminal statute?

Under our system of law, no mere intention to perform any deed, no matter how heinous, can be a crime. Even if the prospective criminal, with the darkest of criminal intent in his heart, has begun to move toward the scene of the crime, he is not yet a violator. There is still time for him to turn away from his evil path. There is still time for the finger of the Lord to touch his heart, for the memory of a good mother to weaken his criminal resolve, for the ghost of some childhood lesson to enter his thoughts. There is still time for him to repent. If he does repent, if he turns away from his criminal purpose before he has actually committed the crime, he is saved. The mere intent cannot, by itself, be made a criminal act; nor can a criminal intent be substituted for the necessary overt action which alone can constitute the commission of a crime.

Subparagraph 4 of section 403(a) is more new language proposed by the committee of the other party. This proposed subparagraph lists several types of actions which, if performed by any person who is in the business of building, developing, selling, renting, or leasing, and who is not exempted under 403(b), are designated as crimes.

Under this subsection it would be a crime for such a person to fail or refuse to show any dwelling which he is authorized to show to prospective buyers, renters, or lessors, because of race, color, religion, or national origin.

It would be a crime under this subparagraph for any such person to fail to submit promptly to his principal any offer to buy, rent, or lease because of race, color, religion, or national origin. It would be a crime for any such person to fail or refuse to use his best efforts to consummate any sale, rental, or lease because of the race, color, religion, or national origin of any party to the prospective sale, rental, or lease.

This subparagraph appears to require a person who lives in a rented home to show the house to any person who comes to the door and expresses the desire to rent a room; for clearly, such a visitor is by definition a prospective renter, and if he is a member of a minority group, or of a different race, color, religion, or national origin, than the man to whose door he has come, he could easily claim a housing discrimination if he should be turned away.

From a constitutional standpoint, subparagraph 4 of subsection 403(a) is bad because it does not measure up to the standard of certainty required of a criminal statute under the due process of law clause of the Constitution. This subparagraph as I have pointed out, makes it a crime for a person who is in the business of building, developing, selling, renting, or leasing dwellings, and who is not exempted under 403(b), to fail or refuse to use his best efforts to consummate any sale, rental, or lease because of race, color, religion, or national origin of any party to the prospective sale, rental or lease. How is it to be determined what constitutes an individual's best efforts? There would always be room to say that he might have done something more, or might have done something sooner, or might have done something in a different way, which would have had a different result. Is the mere failure to have done things in a different way, or sooner, to be made the basis for a criminal prosecution?

That is what we will be getting to if we approve subsection 4 of subsection 403(a), as recommended by the committee of the other body.

There is at least one more unconstitutional provision in subsection 403(a). It is to be found in subparagraph 7 of that subsection, which makes it a crime for any person in the business of building, developing, selling, renting, or leasing dwellings, and who is not exempted under 403(b), to engage in any act or practice, the purpose of which is to limit or restrict the availability of housing to any person or group of persons because of race, color, religion, or national origin.

This provision is unconstitutional because it purports to make an act criminal simply by reason of the purpose with which the act is done.

This is bad, in the first place, because evidence with respect to purpose is extremely difficult to establish, purpose being a subjective matter, so that except on the basis of the direct testimony of the person charged with the offense, it would be virtually impossible to prove purpose with a sufficient particularity to

meet the standards for a criminal statute.

Entirely aside from this point, however, subparagraph 7 of subsection 403(a) is void because purposes are thoughts, and only acts, not thoughts, can constitute crimes.

Subparagraph 7 does not require that the act or practice be successful in accomplishing the prohibited purpose. The subparagraph does not even require that the act or practice be reasonably calculated to serve the prohibited purpose. It makes the mere holding of the purpose, and the performing of any act or the engaging in any practice, pursuant to that purpose, malum prohibitum.

Under this subparagraph the act or practice is bad because of the nature of the act or practice.

The absurd results which would come about if this language should be enacted into law can be shown by a single example. Under the provisions of subparagraph 7 of section 403(a), as recommended by the committee of the other body, all of the good people who last year wrote letters to editors, protesting the sale of a particular dwelling to the Soviet Union for use as an embassy and living quarters for members of the U.S.S.R. diplomatic staff, would have been guilty of criminal acts, because unquestionably their purpose in writing the letters was to limit or restrict the availability of that particular dwelling on the basis of national origin.

How silly can you get?

Subsection 403(c) of the revised version of H.R. 14765 is also new language, and may be regarded by some as involving an improvement over the original bill. But it is not. This is a very puzzling provision. The subsection reads as follows:

> Nothing in this section shall bar any religious or denominational institution, or any charitable or educational institution or organization which is operated, supervised or controlled by or in conjunction with a religious organization, or any bona fide private or fraternal organization, from giving preference to persons of the same religion or denomination, or to members of such private or fraternal organization, or from making such selection as is calculated by such organization to promote the religious principles or the aims, purposes, or fraternal principles for which it is established or maintained.

It is easy to vision certain situations in which this subsection would apply, but it is hard to see exactly where it would stop. It could be contended that this subsection might operate as an invitation to the Ku Klux Klan to go into the property management business. If the KKK can be deemed a bona fide private or fraternal organization, then it would appear that subsection 403(c) would operate as a license to the Klan to make such selection of its tenants as it calculates would promote the aims, purposes, or fraternal principles for which it was established and is maintained. Most likely, that would be completely segregated housing.

Similarly, under this subsection, the Black Muslims, being a religious organization according to their own claim, certainly would be authorized to operate all-Negro housing projects, pursuant to their religious principle of racial segregation.

On the other hand, a neighborhood citizens association in an area of Maryland or Virginia suburban to Washington, not being religious, or denominational, charitable, or educational, would have to establish to the satisfaction of the court, or of the new Fair Housing Board, that it was a bona fide private or fraternal organization, in order to be able to resist encroachment upon its neighborhood of what its members might deem to be undesirable neighbors.

The ruling would be, of course, that the citizens association was neither private nor fraternal and that any action it might take in the direction of selectivity in housing would be deemed improper discrimination.

Section 403(c) is confusing as well as puzzling. If it should be enacted, it might raise enough problems to hamper enforcement efforts, and perhaps it is, in that sense, an improvement over the original bill. But it is not good legislation. It is not well drafted. It rests on a false principle, for it says in effect that religious or denominational institutions, or charitable or educational institutions operated, supervised, or controlled by or in conjunction with religious institutions, or bona fide private or fraternal organizations, have the right of private property to a greater degree than individuals. This I cannot accept, for it is false. I do not count subsection 403(c) as one of the five instances in which it may be claimed the revised version of the bill is an improvement. It is not.

Under subsection 408(d) of the revised version of H.R. 14765, the Secretary of Housing and Urban Development is to undertake investigations of alleged violations "either upon the receipt of a written statement of a person alleging to be aggrieved or his representative, or on the basis of information available to the Secretary indicating that there are reasonable grounds to believe that a violation may have occurred."

Since this language is stated in the alternative, it seems quite clear that while the Secretary must have available to him facts indicating reasonable grounds to believe that a violation may have occurred, in order to act upon the basis of his own information, there is no such requirement of reasonable grounds when the Secretary receives a written statement of a person alleging to be aggrieved, or a written statement of a representative of a person alleging to be aggrieved.

Mr. President, whatever may be the decision of the Congress with respect to the need for new legislation against discrimination in housing, assuredly we do not need a new court, by whatever name, to provide enforcement machinery. We do not need a new quasi-judicial body for this purpose.

State courts and the Federal courts are open. Enforcement of any proper legislative purpose can be achieved through these courts. Necessary adjudication under any constitutional law can be provided by these courts. It is not necessary for the achievement of any proper objective to legislate special and discriminatory remedies, or arbitrary procedures, or vast inquisitorial powers and vast regulatory powers combined in the same hands.

It is not necessary, Mr. President, to create a body which partakes at one and the same time of the attributes of administrator, enforcer, prosecutor, adjudicator, and litigant. But this is what the revised version of H.R. 14765 would do.

Far from being an improvement, Mr. President, this bill which has been reported to the other body by its committee is substantially worse than the original. I would not have thought that possible, but they have managed it.

THE ESCALATION OF FRIGHTFULNESS

Mr. GRUENING. Mr. President, in yesterday's Washington Post there appeared a very thoughtful and timely column by that distinguished columnist, Walter Lippmann, entitled, "The Escalation of Frightfulness." It speaks for itself. I would like to read it in full. However, in the interest of saving time, I ask unanimous consent that it be printed in the RECORD, and I hope that people pay careful attention to what is pointed out in the article.

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

TODAY AND TOMORROW: THE ESCALATION OF FRIGHTFULNESS

(By Walter Lippmann)

Because the Vietnamese war cannot be decided by military means, it has become increasingly a vicious spiral in frightfulness. Because it is both a civil war of Vietnamese against Vietnamese and at the same time a war of Vietnamese against foreign white men, it is, as such wars usually are, increasingly ferocious and barbarous. Unable to subdue the other side by conventional military actions, each side tries to overcome the enemy by destroying his will to fight. Frightfulness begets frightfulness and anger demands vengeance, and all that remains is a fury which, insofar as it reasons at all, thinks that by topping frightfulness with more frightfulness, the enemy will be silenced and paralyzed.

The world is now confronted with this escalation of frightfulness. To the American threat to bomb closer and closer to the populated regions of North Vietnam, Hanoi is replying by increasing its mobilization, by evacuating the civilian population from Hanoi and Haiphong, and by threatening to try the captive American fliers, humiliate them, and use them as hostages in the war of frightfulness, and, in the end, perhaps even to execute them.

There is no doubt that this treatment of the fliers would evoke dire reprisals. The warning of Secretary General U Thant and the declaration of the senators who have dissented from the Johnson policy in the war are accurate. They are telling the truth in calling the attention of Hanoi to the fact that the punishment of the prisoners of war would make the war, frightful as it is already, still more frightful. For the ultimate weapons of frightfulness are in the hands of the United States, and no one who knows this country and the character of the President can be sure that they will not be used if the escalation of frightfulness continues.

In this escalation we are approaching the point of no return, the point where the war

becomes inexpiable, where it becomes incapable of rational solution, where it becomes a war of endless killing, a suicidal war of extermination. The war is not yet at that point. But the war will pass that point of no return if the prisoners are executed and the North Vietnamese cities are destroyed in retaliation.

There is great honor and glory to be had by anyone speaking for the civilized conscience of mankind, who interrupts and breaks the vicious spiral.

ANOTHER DOWNTURN IN DAIRY PRODUCTION HIGHLIGHTS NEED FOR EARLY ACTION ON SCHOOL MILK PROGRAM LEGISLATION

Mr. PROXMIRE. Mr. President, in years past the special milk program for schoolchildren has been championed as a means of keeping dairy income up by encouraging schoolchildren to drink milk that otherwise might become surplus. Today there is no substantial milk surplus problem. In fact dairy production has dropped off substantially. The reason? Dairy farmers, who have to invest a great deal of time and money in their business, are not getting enough of a return on their investment to make it worthwhile for them to stay in the dairy business.

Some have pointed to this reduction in milk production as a reason for cutting back on the school milk program. Yet the school milk program can serve a very valuable purpose by raising dairy farm income and thus keeping many dairy farmers from selling their farms.

The milk program accounts for approximately 2.5 percent of the milk consumed in the United States. If this valuable tool for keeping milk demand high were dropped, even more dairy farmers would be forced out of business as prices plummeted. The ultimate result would be a frightening increase in dairy prices as fewer producers struggled to meet the needs of a young and ever-expanding population.

The need for early action by the House on legislation extending the school milk program was highlighted this week by the release of figures indicating that June milk production hit a 27-year low. Milk production was the smallest for any June since 1939. It is noteworthy that at the same time as absolute production hit a 27-year low, milk production per cow was up 3 percent over June of 1965. This simply means that dairy herd sales are so great that, despite fantastic increases in productivity over the past 25 years, total production has gone down.

Consequently I deeply hope that the House will reaffirm its support for the school milk program and at the same time give dairy farm income a shot in the arm by approving legislation extending the school milk program.

THE LATE HONORABLE J. FRED BUZHARDT, SR., OF McCORMICK, S.C.

Mr. THURMOND. Mr. President, on July 6, 1966, I suffered a deep personal loss in the death by heart failure of a longtime friend and former law partner, the Honorable J. Fred Buzhardt, Sr., of McCormick, S.C.

Earlier this year he was unanimously elected by the South Carolina General Assembly to the bench of the 11th judicial circuit and would have been sworn in this November.

He would have made an outstanding judge, just as he had made an outstanding citizen, attorney, and legislator. He would have brought to the bench that rare quality of a great legal mind, tempered by deep compassion and understanding for all his fellow men.

A kind and unpretentious man, Judge Buzhardt began his career in the offices of my father and myself in Edgefield, S.C. Later he moved to McCormick where he and I founded a branch law partnership, maintained jointly until I resigned to become a State judge in the same circuit to which he was later elected. He continued his law practice in McCormick until the time of his death.

During his life in McCormick, Judge Buzhardt served as town and county attorney and as chairman of the board of trustees for the McCormick schools. He also served as vice chairman of the South Carolina Board of Corrections, member and associate counsel of the Clarks Hill Authority, and as a member of the board of directors of the South Carolina Penitentiary. A member of the South Carolina House of Representatives since 1963, his record of public service reflects singular and worthwhile contributions to his State and Nation. A dedicated and astute legislator, his death came at the climax of his legal career when he would have become one of the last self-taught attorneys to assume the bench of a South Carolina court.

A profound student of the Constitution, Judge Buzhardt understood its true purpose and upheld it with great zeal and vision. He strongly valued the great heritage handed down by our forefathers, and throughout his life he directed his efforts toward preservation of those hard-won liberties. His community, State, and Nation are better places because of the services he rendered during the past 40 years.

J. Fred Buzhardt, Sr., was also a man of great personal qualities. He possessed tremendous courage, unquestioned integrity and was a tireless worker. He applied his immense ability to numerous problems, large and small, and, if an equitable solution was possible, he found it. He gave freely of himself in many worthwhile causes, and only a few who knew him intimately were aware of hundreds of acts performed outside the limelight and of the many lives his hand had touched.

Possessed of a deep basic faith in God, his stewardship was an example for all to follow. He used his talents in the service of his church, and through this work favorably influenced the lives of many young persons as well as others who passed his way.

Judge Buzhardt left a loving mother, a devoted wife, and one child, a capable son, J. Fred Buzhardt, Jr., four fine grandchildren, one brother, and three sisters, and other family connections. His son, J. Fred Buzhardt, Jr., has been a member of my staff for the past 9 years and is now serving in the top position in my office, as administrative assistant. This worthy son is possessed of a brilliant mind and is a patriotic and dedicated citizen like his fine father. To all of the members of his family I extend my deepest and heartfelt sympathy.

In the passing of Judge Buzhardt the State of South Carolina and our Nation have lost an able legislator, a profound lawyer, a patriotic and public-spirited citizen, and a fine Christian gentleman.

Judge J. Fred Buzhardt was one of the closest friends I ever had, and I feel a special and singular loss in his death. I ask unanimous consent to insert a series of newspaper articles and editorials, and the sermon given at his funeral, in the CONGRESSIONAL RECORD. These articles and my remarks reflect in a small measure the high esteem in which Judge Buzhardt was held.

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

FUNERAL SERVICE FOR FRED BUZHARDT

(By Rev. Henry J. Gambrell, pastor McCormick Baptist Church, July 8, 1966)

We are gathered to express our love and esteem for Fred Buzhardt who has been for many years a constructive citizen and leader in this community and a devoted member of this church. Words are not needed to express the confidence and trust placed in him by the many friends—that love having been expressed by selecting him to serve them in the legislature of our state and also further being selected by that body to serve as circuit judge.

The presence of this large number of friends simply attempts to say what our lips find unable to utter. While our hearts beat in sympathy with his loved ones we wish to pause and express our gratitude to God for his many useful years of service to the people of this county, for his home which has given us a fine dedicated Christian son and public servant, and for his many charitable benevolences and personal favors, which though often done in secret have been made known by those who were helped.

Paramount in his life was a deep basic faith in God. This was evident by his willingness and quickness to witness of his faith to his fellow man. Not only did he believe in God, but he talked of God. This faith was also seen in his work. In all of his service he lived as a steward of God who had entrusted him with all of his gifts and endowments. If he had flowers, they were given to him for others to enjoy. If he had strength, it was used in service for his fellow man. If he had talent, it was God's gift to be helpful to others. This faith was also manifested in his home life and personal conduct. I have observed him under varied circumstances; and whether under fire in sickness or under pressure, he was always a gentleman.

His faith in his Lord was portrayed also in his active support of his church. One of the hymns selected by the organist was the Royal Ambassador hymn, "The King's Business." This music was selected because of the intense interest and work rendered by Mr. and Mrs. Buzhardt for many years among the young boys of our community. He has supported also with his means the continuation of this work until the present. Having observed this faith at work in his service, his

home, and his church, we are confident that he could say with the poet:

"I know three things must always be
To keep a nation strong and free;
One is a ready heart and hand
To love and serve and keep the land.
One is a hearthstone bright and clear
with busy, happy loved ones near.
One is a worn and beaten way
To where the people go to pray.
So long as these are kept alive
Nation and People will survive."

Fred Buzhardt lived also with a sense of deep obligation to the rich heritage of liberty into which he was born. With the apostle he could say: "I am a debtor." He was aware that he was born into a nation where others had molded and shaped concepts of liberty and freedom, and he felt he was indebted to hand that liberty down to his succeeding generation, sensing the Old Testament command: "Proclaim ye liberty throughout the land."

He believed firmly that this freedom was relative to the Constitution of our nation. It was his conviction that goals, however laudable and desired, must not be obtained by shortcuts, holding that the goal always partakes of the means by which it is produced thus making it impossible to secure liberty by illiberal procedures and democracy by undemocratic methods. He worked for a government that carried its checks and balances.

The liberty that he proclaimed was also relative to others. In his concept liberty was a gift to and a right of individuals—not organizations or mobs—but to individuals with full dignity under God and such individuals possessed that right as long as it did not infringe upon the rights of others. This liberty could only be cherished as long as it operated within law that described it and kept it from degenerating into license. With the writer of the hymn he could sing: "Confirm thy soul in self-control, Thy liberty in law."

It was his first conviction that our liberty was relative also to God Who was its Author and Giver. He believed that beyond all concrete law there was a Lawgiver to prescribe the right and proscribe the wrong and that this Supreme Lawgiver worked His will into the laws of man. He was aware that freedom unbridled and unchecked, and knowing no higher allegiance before which it must bow, tended at last to stultify the ego until one claiming such liberty became sick of it like the prodigal who has misused and abused it and came home asking for slavery.

Fred Buzhardt lived as a free man under God with a deep sense of obligation to serve his fellow man. Jesus said: "My Father worketh hitherto and I work." Such was his portrayal of God—that of redhot energy and unceasing activity in the face of need. Those words depict to us the restlessness of God. In this respect Fred Buzhardt resembled his Master. In professional and public service, in community and civic endeavor, in the work of the government, or as Training Union director of this church in earlier years, and later as deacon and Sunday School teacher, he was busy always in service. Quite often he took time not only to advise, but to go with his pastor on errands of help. Of David, it was said: "He served his generation by the will of God." Even so Fred Buzhardt served his church, his community, his county, his State, and his Nation to the best that was in him.

Our minds cannot comprehend all that God has in store for us beyond this world. I do not fully understand heaven or paradise, but Jesus said: "Today thou shalt be with me." It is enough to be with Him, and wherever Fred Buzhardt may be, you may rest assured he is with his Lord and that he is busy still serving there, even as he served here. With the poet we can say of this servant:

"Not cold beneath the grasses,
Not close-walled within the tomb,
Rather in my Father's mansion
Living in another room.

"Living like the one who loves you,
Like your child with cheeks abloom
Out of sight at desk, or school, or book,
Busy in another room.

"Nearer than the youth, whom fortune
Beckons where the strange lands loom,
Just beyond the hanging curtain
Serving in another room.

"Shall I doubt my Father's mercy?
Shall I look at death as doom,
Or the stepping o'er the threshold
To a bigger, better room?

"Shall I blame my Father's wisdom?
Shall I sit enswathed in gloom,
When I know my loved is happy,
Waiting in another room?"

In all these ways the passing of this fine public servant leaves a vacant spot on our horizons. As for me, as also with many of you, I shall miss him most as a friend with deep loyalties and abiding attachments. May God bless to our good the sacred memory of this man and the giant strides with which he walked in our midst.

[From the Columbia (S.C.) State, July 7, 1966]

SOUTH CAROLINA REPRESENTATIVE BUZHARDT, 62, DIES

GREENWOOD.—Rep. J. Fred Buzhardt, judge-elect of the 11th Judicial Circuit and former law partner of U.S. Sen. STROM THURMOND, died here early Wednesday in Self Memorial Hospital.

Funeral services for the 62-year-old lawmaker will be held in the McCormick Baptist Church at 3 p.m. Friday. Burial will be in the city cemetery.

Buzhardt was unanimously elected judge of the 11th Circuit by the General Assembly last January to replace Judge T. B. Greneker, who had planned to retire in November.

Greneker said Wednesday he did not know what would be done about filling the judgeship, but "I will be more than happy to continue to serve this state if I am asked."

The judge said he talked to Buzhardt last week in his home. "Though he was sick, he was still so happy because he was going to fulfill his lifelong ambition—to sit on the bench," Greneker said.

"He said he desired to render service to his state, and I'm sure he would have done just that," Greneker added.

Rep. Buzhardt, if he had taken office as judge, would have been one of the last jurists in the state able to attain a judgeship without attending law school.

A native of Greenwood, he attended Furman University in 1920–21 then dropped out because he had no money. He went to work as a weaver in Greenwood Mills.

In 1931, he went to Edgefield and for three years studied law under J. William Thurmond, father of Sen. STROM THURMOND. He was admitted to the bar in 1934. In that year, Buzhardt and the younger THURMOND formed a partnership with law offices in McCormick and Edgefield.

The partnership lasted until 1938, when THURMOND was elected to the 11th Circuit bench—the same post to which Buzhardt was named.

Wednesday, Sen. THURMOND said, "South Carolina and our nation have lost one of their distinguished sons in the death of J. Fred Buzhardt."

Calling Buzhardt a strong advocate of constitutional government, THURMOND said Buzhardt was "a man of unquestioned integrity and an able lawyer who would have made an outstanding judge."

House Speaker Solomon Blatt said, "Judge Buzhardt was an outstanding statesman. He served his county and state well and would have made an outstanding judge. He was my friend and I regret so much his death."

Blatt announced he is asking the entire House membership to serve as a committee to attend the services.

He was a member of Mine Lodge 117 AFM, Hejaz Shrine Temple and McCormick Baptist Church, where he had served as deacon for many years.

Surviving are his mother, Mrs. Sara Terry Buzhardt of Greenwood; his widow, Mrs. Edna Hardin Buzhardt; a son J. Fred Buzhardt Jr. of Fairfax, Va., attorney and administrative assistant to Sen. THURMOND; three sisters, Mrs. Fred W. Phillips of Greenville, Mrs. O. C. Lewis of Allendale and Mrs. Carl E. Williams of North Little Rock, Ark.; a brother, O. F. Buzhardt of Vicksburg, Miss.; and four grandchildren.

[From the Augusta (Ga.) Chronicle, July 7, 1966]

JUDGE-ELECT DIES OF HEART AILMENT

MCCORMICK, S.C.—Rep. Fred Buzhardt, judge-elect of the 11th Judicial Circuit, died Wednesday in Self Memorial Hospital at Greenwood where he was admitted last month after suffering a heart attack. He was 62.

He was unanimously elected by the State General Assembly in January to succeed Judge T. B. Greneker, and was scheduled to assume the position in November when Greneker retired.

Funeral services will be held Friday.

A one-time law partner to Sen. STROM THURMOND, Rep. Buzhardt was held in high esteem by officials from all over the state.

Sen. THURMOND issued a statement Wednesday morning which echoed the sentiments of others. Said THURMOND:

"South Carolina and our nation have lost one of its distinguished sons in the death of J. Fred Buzhardt.

"He, like his son, J. Fred Buzhardt, Jr., on my staff was a strong advocate of constitutional government and had the vision to see that the preservation of our Constitution means the preservation of our national liberty and the freedom of the individual citizen.

"He was a man of unquestioned integrity and an able lawyer who would have made an outstanding judge.

"A former law partner and close friend of mine, I feel a deep personal loss in his passing."

House Speaker Solomon Blatt of Barnwell said "Judge Buzhardt was an outstanding statesman. He served his country and state well and would have made an outstanding judge. He was my friend and I regret so much his death."

Blatt announced that he is asking the entire House membership to serve as a committee to attend the funeral services.

A native of Greenwood, he was the son of Mrs. Sara Terry Buzhardt, Greenwood, and the late Joseph C. Buzhardt. He had served in the House since 1963.

He attended Furman University, studied law in the offices of Thurmond & Thurmond, Edgefield, from 1931–34, and began his own law practice after moving to McCormick in 1935. He had served as town attorney since 1936, as county attorney since 1937, and was a member of the American and South Carolina Bar Assns.

He was a member and former vice chairman of the South Carolina Board of Corrections, served as chairman of the McCormick County Democratic Executive Committee from 1942 to 1966, was a member of the Clarks Hill Authority, a former member

of the McCormick School Board of Trustees and served as chairman of the board for eight years.

He was a member of Mine Lodge No. 117, AFM, Hejaz Shrine Temple, and was a member and deacon of the McCormick Baptist Church.

Funeral services will be held at 3 p.m. Friday at the McCormick Baptist Church with the Rev. Henry J. Gambrell officiating. Burial will be in the McCormick City cemetery.

Survivors in addition to his mother, include his wife, Mrs. Edna Hardin Buzhardt; a son, J. Fred Buzhardt, Jr., Fairfax, Va.; three sisters, Mrs. Fred W. Phillips, Greenville, S.C., Mrs. O. C. Lewis, Allendale, S.C., and Mrs. Carl E. Williams, North Little Rock, Ark.; a brother, O. F. Buzhardt, Vicksburg, Miss., and four grandchildren.

The body is at the Strom Funeral Home in McCormick, and will be taken to the residence on Augusta Street at 3 p.m. Thursday. The family is at the residence.

[From the Augusta (Ga.) Chronicle, July 8, 1966]

J. FRED BUZHARDT, SR.

In the death of J. Fred Buzhardt Sr. of McCormick, the entire state of South Carolina has lost an outstanding member of its General Assembly, and his wide circle of friends has lost a man of ability, integrity, and striking devotion to duty.

Fred Buzhardt had made a secure place for himself as a member of the South Carolina Bar, practicing first with J. W. Thurmond Sr.'s law firm in Edgefield in the early 1930s, and later from his own office in McCormick. It was in recognition of his solid professional background that he was named to the General Assembly.

Mr. Buzhardt always carried his part of the extra duties which are expected of the leadership in any community and state. He had devoted time to penal matters as chairman of the state Board of Corrections, to educational tasks as member and chairman for eight years of the McCormick School Board of Trustees, to duties in the Church as deacon of the First Baptist Church, and to economic progress as a member of Clark Hill Authority.

His devotion to the public welfare was rooted in a firm conviction of the necessity of constitutional government. In the words of U.S. Sen. J. STROM THURMOND, with whose father he studied law, Mr. Buzhardt "had the vision to see that the preservation of our Constitution means the preservation of our national liberty and the freedom of the individual citizen."

Mr. Buzhardt had been elected in January to the bench of the 11th Judiciary Circuit, and was scheduled to assume that post in November when the present judge retires. He would have made an outstanding judge, just as he had made an outstanding legislator, attorney and citizen.

[From the Greenville (S.C.) News, July 9, 1966]

J. FRED BUZHARDT

The loss to his county and state in the death of Rep. J. Buzhardt, a good citizen, able public servant and legislator, is doubly tragic.

A Furman graduate who studied law in a law office, an almost unused path to the bar nowadays, Mr. Buzhardt last spring was elected by his colleagues in the General Assembly to succeed in November Judge T. B. Greneker of the 11th Circuit who had submitted his resignation effective at that time.

It was a position to which Fred Buzhardt had long aspired, and he approached the task of sitting as a state judge with the utmost humility and dedication. He would have made a good judge—fair, humane, compassionate, restrained and yet firm.

But death at age 62 after an illness that lasted only weeks deprived him of that climax to a useful life and the state of the services of a man who truly wanted to serve.

Mr. Buzhardt, however, leaves behind him a fine record of public service accomplished. Long before he ever entered the political arena personally, he had for years been active in the campaigns of many able holders of public office and had served as friend and adviser to them after they took office.

Among these was Sen. STROM THURMOND who acknowledged his own debt in his personal tribute.

Prior to his election to office, he had served as a member and vice chairman of the State Board of Corrections, which runs the penal system, during a time of great change and improvements in the institutions which confine and attempt to rehabilitate those convicted of crime.

We regret that this good man's life ended before his career was crowned with its greatest highlight, but most of all we regret the loss of a genuinely public-spirited citizen who served so long in so many ways with no thought of personal reward.

[From the Charleston (S.C.) News and Courier, July 8, 1966]

J. FRED BUZHARDT

Lawyer and patriot, J. Fred Buzhardt of McCormick was an able defender of the U.S. Constitution in a time of constant assault. Both as a private citizen and as a member of the South Carolina House of Representatives, he cast his lot with those who prefer to keep the kind of Republic which made America great.

For years Mr. Buzhardt was associated in the practice of law with U.S. Sen. STROM THURMOND. His son, a member of Sen. THURMOND'S staff in Washington, is one of the best informed men in the United States on subversion and other forms of eroding the Constitution.

Mr. Buzhardt had been elected judge of the 11th Judicial Circuit, covering McCormick, Lexington, Saluda and Edgefield Counties. He would have made a superb judge. His intelligence, integrity and humanity would have set an example for bench, bar and public. As a longtime admirer of this good man and strong citizen, we are deeply grieved by his death at age 62. The state has lost a devoted and useful son.

[From the Greenwood (S.C.) Index, July 7, 1966]

J. FRED BUZHARDT

J. Fred Buzhardt had a long and varied public career, climaxed when he realized an ambition of long standing to be elected to the circuit judgeship.

His service ranged over a wide area, from local positions such as school trustee to legislator and active member of the South Carolina Board of Corrections. He took a keen interest in all public issues, serving as chairman of the McCormick County Democratic Party for years and as an influential member of the state party.

While his association for most of his adult life was with McCormick, he was a native of this city and retained a deep interest in its affairs.

Not many people these days devote the time to public affairs that Fred Buzhardt did. Few South Carolinians, in fact, have had their lives touch on so many different areas of public concern.

He will be missed not only in McCormick, but throughout the state to which he gave so fully of his time and talents.

THE AMERICAN MERCHANT MARINE

Mr. BREWSTER. Mr. President, last month, Russell K. Berg, president of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, testified before the House Committee on Merchant Marine and Fisheries.

I can say with all sincerity that no one has fought harder for the buildup of the American merchant marine than President Berg. He has as fine a grasp as anybody of the myriad problems facing the merchant marine today.

Mr. President, I am sure that the testimony of Russell Berg will be of interest to many of my colleagues. For this reason, I ask unanimous consent that it be printed in the RECORD.

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

STATEMENT BY RUSSELL K. BERG, PRESIDENT, INTERNATIONAL BROTHERHOOD OF BOILERMAKERS, IRON SHIP BUILDERS, BLACKSMITHS, FORGERS & HELPERS, BEFORE THE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES, WASHINGTON, D.C., JUNE 14, 1966

Mr. Chairman, and members of the Committee, my name is Russell K. Berg. I am president of the International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers & Helpers, which represents Construction Work, embracing Erection, Dismantling, Conversion and Repair, and Contract Maintenance—Industrial Plants or Shops, embracing Production and Maintenance Units; Craft Units (production); Craft Units (maintenance); Railroad Craft Units (manufacture, maintenance and repair of railroad equipment); Office and Technical Units; and Diversified Units and Business Equipment—Shipbuilding and Marine Work, embracing Commercial Yards; Naval Yards and other Marine Work.

I am appearing before this Committee as a representative of 35,000 shipbuilding members who work in shipyards throughout the entire United States of America.

I should like to compliment Chairman GARMATZ and the members of this fine Committee for their outstanding devotion to the maritime industry and for their unstinting efforts to solve the present maritime dilemma. Realizing that the Committee has been conducting intermittent hearings since February 8th, and has heard volumes of testimony on this subject, I shall attempt to be as brief as possible.

"The United States must be prepared today—and throughout the foreseeable future—to deal immediately and effectively with any emergency that may be forced upon us. We must be ready at all times to fight limited wars, or general war, or to support our foreign policies under tense conditions short of actual conflict.

"The prosecution of war might employ the full range of our nation's resources. Our entire industrial capability is available to be integrated into our over-all national defense effort. To support sustained combat operations and to project our military power overseas, our armed forces would rely heavily upon American industry. Our maritime industry would play a central role transporting essential materials, not available in the national stockpile, to feed domestic industries and carrying the major portion of our troops, their equipment, and supplies to overseas areas.

"The strategic objectives of the United States in wartime dictate that the United

States have under its control sufficient active merchant type shipping to promptly meet our sealift requirements.

"In an emergency situation involving the NATO Alliance, some reliance might be put on NATO nations to assist in providing our emergency shipping needs. It is probable, however, that the total combined shipping requirements of the NATO nations will exceed the total shipping capabilities available. Additionally, some delay is to be expected before allocation of shipping on an international basis can be fully effective. Of utmost significance is the fact that the interests of the United States are global, and emergencies may well arise wherein our interests would not be identical with those of our European Allies.

"In an emergency situation not involving the NATO Alliance, privately owned shipping under the flags of NATO nations and other free world nations could possibly be chartered. Charter rates and insurance costs would in all probability be very high."

The statement that I have just read is the introduction from a report entitled "Current Appraisal of Ocean Shipping to Support the Defense of the United States" made by Vice Admiral John Sylvester, USN, Deputy Chief of Naval Operations (Logistics) on April 24, 1963.

In my opinion, this statement is just as true today as it was in 1963. In the broadest sense, our national strength is indeed formidable. It is without parallel. We can meet almost any domestic or international crisis.

But, we live in a changing world. Those who would destroy liberty and freedom are becoming stronger. They are expanding their national strength in many ways. Their determination, though for entirely different reasons, is equal to ours in intensity. Their objectives are devious. That is the nature of Communism.

On both sides of the Iron Curtain, the evidences that the Soviet Union is moving to control the oceans of the world—just as she would control the minds of men—are everywhere. The Russians are engaged in what might well be called a lop-sided ocean space race, which on the basis of present entries and at present odds they can hardly fail to win.

The Communists are building ships at levels of construction far exceeding those in this country—the citadel of freedom. That they plan sooner or later to challenge the waning sea power supremacy of the United States is predicted as inevitable. Thus, a contest between conflicting ideologies may occur on the high seas—without a single shot or missile being fired. It will be an economic tug-of-war. And, the outcome could well affect the destiny of Western Civilization.

"Control of the seas can mean peace. Control of the seas can mean victory. The United States must control the seas if it is to protect our security." These words by the late President Kennedy suggest the enduring importance of sea power as a taproot of freedom. But, not only is the national security of the United States at stake in the coming race on the high seas; so, too, is the collective security of the entire Free World.

This morning, I shall endeavor to place shipyards and sea power in perspective in terms of national prestige and the national economy.

I should like to suggest that no war, little or small, is ended with the same hardware with which it was begun. This was dramatically demonstrated in World War II. It is being demonstrated in Vietnam even now. Ships in being are of course important, but shipyards to repair or reconstruct damaged vessels or to build new ones must also be in-being. And, they must be under our own control and maintained at all times in a satisfactory state of readiness.

The Defense Department and the Maritime Administration have refused to withdraw any more vessels from the reserve fleet because they say reactivation costs of approximately $400,000 are too great. Let us picture for a minute where we would have been in the present Vietnam situation if our shipyards had not been available, not been ready to do the reactivation work they were called upon to do. I am sure that if, in this emergency, we had been forced to rely on foreign yards, the cost would have been much greater.

No one can predict with absolute certainty or reliability the "scenario" of the coming race on the high seas. We should not become committed to fixed assumptions that shipyards, for example, are not needed or that national security would not be jeopardized through reliance on foreign construction and repair for our merchant and naval ships. As the distinguished Admiral H. G. Rickover puts it: "A war, small or large, does not follow a prescribed pattern that was laid out in advance. If we could have predicted the sequence of events accurately, we could probably have avoided the war in the first place." He went on to say: "Our weapons are used to the greatest effectiveness possible under the circumstances in which they are employed." Shipyards, then, to be effectively utilized as a weapon of sea power must be available, fully capable of expansion to meet any emergency however severe, and to engage in whatever consequent rehabilitation might be necesary.

I mention shipyards in the context of national security for two reasons. First, because there are apparently those in official quarters who have become committed to the fixed assumption that shipbuilding and ship repair is no longer essential to national defense. Despite the latest policy declaration of the Congress (1946 Ship Sales Act) which prescribes that "It is necessary for the national security . . . to have an . . . American-owned Merchant Marine . . . supplemented by efficient American-owned facilities for shipbuilding and ship repair . . ." The evidences of an officially-inspired campaign to abandon this Congressional mandate have become increasingly evident in recent months.

Secondly, because national security, which of course goes far beyond national defense, is very definitely interconnected and interrelated with national prestige and the national economy.

We have of late been told that arguments in favor of any actions based on national prestige "have the sticky consistency of cotton candy, and are as hard to nail down." These statements have been made by the Maritime Administrator. On the other hand, our participation in the Vietnam situation has been characterized by other Administration spokesmen as a "War of Honor." Our national prestige is very much at stake—and I believe we would all agree—in halting the flow of Communism in Southeast Asia. And our government with the aid of industry is strenuously trying to schedule our limited and neglected shipping capability to protect our honor in a distant and remote country. We have even witnessed the duplicity of some of our usual allies who prefer to serve the cause of the Communists rather than ours.

The history of our great country is filled with instances of national policy being shaped around national prestige. These are not hard to pin down. They are the fabric of the American way of life. They are a part of our rich heritage. And, contrary to the words of the Maritime Administrator, "they do not have the sticky consistency of cotton candy."

One need only begin with the inspiring words of our National Anthem, "The Star-Spangled Banner." The Great White Fleet which went around the world many years ago to "display the flag" is another illustration. Along with the national strength which goes with it, national prestige accounts for the existence and the continual modernization of our Army, Navy, Air Force and Marine Corps. It is reflected in our industrial and economic progress. Our trade and commerce could be a spectacular manifestation of national prestige, but there are still no realistic programs to lift the volume of our exports and imports carried aboard U.S. flag vessels above the present level of about 9%.

Our massive and expensive expeditions into outer space today are largely justified for reasons of national prestige. But, it is never stated that our space programs are totally subsidized by the Federal Treasury. I have yet to hear any public official or private citizen refer to our subsidized outer space efforts. It is rarely pointed out that the annual cost of these programs is in the neighborhood of $5 billion—or approximately 5% of the national budget.

These programs are designed to beat the Soviet Union in the race to the moon—an objective wherein it is suggested our honor and prestige are also at stake. Representatives of the Federal Space Agencies have consistently—and very successfully—pleaded that "You cannot put a price tag on national prestige." Many of us agree with that position, though we also believe that the same rationale, with equal force, should be applied to winning the ocean space race. To do so, more ships—both merchant and naval—will have to be built in our shipyards—but the cost must be approved, without haggling, in the same spirit that the far greater costs for space projects are accepted. Such a disposition has yet to be developed.

It seems to me there is an additional aspect of national prestige in the sea power picture. Panama, Honduras and Liberia have many merchant ships registered under their flags, but none of these countries could hardly qualify as a sea power. Why? Because without—shipyards, resources, naval vessels and manpower under their own control—they have neither sea power, nor standing or prestige as a world power.

Similarly, the relationship between sea power and our national economy should be self-evident. The seas of the globe are some 35 times the size of the United States. Seventy per cent of the earth's surface is water. In times of conflict, these waters belong to the power that can control them. History proves the truth of that maxim.

Freedom of the seas and their control, under hot or cold war circumstances, cannot and never should be taken for granted. Naval power guards the oceans—the 70,000 miles of sealanes that are the arteries of our national bloodstream. If these arteries are cut, the heart of our economy will stop, for we are not a completely self-sustaining nation. We depend on the sea for trade. We need the seas to keep our industry going. We are self-sufficient in terms of only 12 of 77 essential strategic materials required for survival. 65 must be imported by sea.

It follows that in addition to a naval fleet to preserve the sealanes, a U.S. merchant fleet to carry these strategic materials to our shores is essential. It also follows that the American Merchant Marine makes a substantial contribution to the national economy and the balance of international payments. Let us examine for a few moments the impact of shipyard activities as an element of sea power.

During the past year, there have been many inferences, mostly from governmental sources, that utilization of foreign shipyards for the building and repair of U.S. flag ships would create no severe economic disturbances. In all of this, there has been a tendency to minimize the loss of job opportunities for shipyard workers and the resulting repercussions in other supporting industries. There has been a tendency to scoff

at the importance of shipbuilding and ship repairing in times of emergency. And, there has been a tendency to discount the effects of foreign ship procurements on the balance of payments.

It should be noted here that shipyards of the Free World actively solicit Russian shipbuilding orders despite the subsequent effect in terms of military, political and economic advantages gained by the USSR with each ship delivery. Our tax dollars—yours and mine—were used to reconstruct and rehabilitate foreign shipyards damaged or destroyed during World War II. Under mutual security and foreign aid programs more than $1 billion U.S. dollars were spent in this endeavor. In contrast only $700 million in federal funds have been spent in this country for merchant ship construction since the end of the war.

Using the Merchant Ship Construction Program, in which federal funds are invested as an example, there is sufficient economic data to demonstrate that 10,000 workers are directly employed in the shipyards on this work and that another 70,000 jobs in supporting activities are traceable to this program. If the program were to be doubled over the present level of 10 to 13 ships annually—a not unrealistic goal under existing circumstances—these employment figures would also be more than doubled, and the inclusion of repair work would of course result in an even greater increase in direct and consequential employment.

It should be pointed out here that every state of the union provides a component, resource or service that goes into the construction of every ship in a U.S. shipyard. This trend may very well have had its beginning with the actions of the Congress in 1883 and 1886 which led to the creation of a modern Navy. By insistence upon naval armor of American manufacture, the government—through the then Secretary of the Navy, William C. Whitney—encouraged the development of domestic steelworks capable of producing heavy ship plates and huge naval guns, thereby eliminating American dependence upon European steelmakers and other suppliers. No less should be true today. We should continue to encourage primary reliance on domestic production and never be placed at the mercy of foreign sources for instruments of national security.

Furthermore, it should be pointed out that almost 30%—not 5% which has been erroneously advertised—of the aggregate shipyard market for merchant ship construction is attributable to governmental sponsorship and statutory requirements.

The Interagency Maritime Task Force Report, among other things, calls for the construction and repair of U.S. flag ships in the shipyards of other countries. The report has been the subject of much controversy. We have analyzed its recommendations, in some depth, and find that the potential impacts on U.S. shipbuilding and repairing are quite startling.

The Task Force proposes to add an average of 54 merchant ships per year to the merchant fleet in the 1966–1975 period. Of this number, 17 ships would be built in this country, and 37 in foreign shipyards. In other words, shipyards of other countries would be given the opportunity to build more than twice the number of ships for our own merchant marine than would be constructed in the United States. With the inclusion of foreign repair work which inevitably would follow, the loss of work in terms of ship equivalents could be as high as 30 additional vessels per year or more.

It should not be too difficult, at least to this Committee, to equate this loss of work to the loss of job opportunities which will ensue. Obviously, adoption of the foreign building and repair proposals of the Task Force will result in a staggering and likely permanent reduction in market potentials for U.S. shipyards and employment for U.S. shipyard workers which will have repercussions throughout the country. Surely, these proposals will not contribute to economic growth, and every dollar spent for shipyard activities abroad will aggravate the balance of payments problem.

The Maritime Administrator and members of the Task Force, with little appreciation of the consequences of their statements, have promoted the highly improbable idea that perhaps the United States can get by without an American flag merchant marine or without our own shipyards. They seem to be saying, get rid of maritime subsidies, and we will be budgetary heroes—we will have saved less than 3 tenths of 1% of the national budget.

It is in this area of 3 tenths of 1% that all of the recent dialogue with respect to maritime subsidies has taken place. Roughly, 8% of the Federal Budget last year, or $8 billion, represented payments of subsidies of all types. Farm support programs totaled $5.6 billion, or 5% of the National Budget, or 70% of all subsidies. Payments for merchant ship construction totaled $80 million, or 1% of all subsidies. These are not my figures, but those of the Joint Congressional Economic Committee.

The Maritime Administrator and the Interagency Maritime Task Force argue that foreign shipbuilding is warranted just as other modes of domestic transportation are permitted to obtain foreign-built airplanes, trucks, railroad cars, locomotives, and so on. This statement fails to take into account the very special correlation between ships, shipyards and sea power and is typical of the meaningless generalities which have for too long surrounded discussions of shipyard problems. It fails to recognize the role of the shipyard in the sea power equation.

According to published Government statistics, in the years since 1960, the imports of railway locomotives and cars, trucks and buses, and aircraft have been negligible. In each year, in each case, the ratios of imports to domestic production has been less than one-tenth of one per cent. This low level of imports may result from the fact that transportation equipment is subject to customs duties in the range of 9 to 19 per cent. Interestingly, foreign built ships can be brought into this country duty free.

On the contrary, in 1964 alone—the last year we have complete figures on—American shipping interests or their foreign affiliates placed contracts for the construction of 44 ocean-going vessels with shipyards abroad. By comparison, U.S. shipyards receive contracts for only 18 commercial vessels in 1964. The ratio of foreign construction of ships for U.S. interests to domestic construction was thus almost 245 per cent, and there appear to be those who would make this ratio even more devastating—to nearly 400 per cent.

These detractors of U.S. shipyards are not solely in the Maritime Administration or on the Interagency Maritime Task Force. The Department of Defense is perhaps more responsible because of Secretary McNamara's influence with the Administration and his announced affection for transportation by air power.

Together or separately, each of these efforts would weaken U.S. sea power. Taken together or separately, these developments would adversely affect the shipyard capability of our nation and our ability to preserve essential crafts. Together or separately, these possibilities reflect a tendency to sacrifice U.S. shipyards on the altar of expediency without a full appreciation of the potential harm and ultimate consquences which are involved. The implied threat in these developments, has created a state of confusion in the U.S. shipyard industry. Management, labor, suppliers, investors, bankers, naval architects, marine engineers, customers and many others are beginning to view the future with apprehension insofar as our shipyard capability is concerned.

It is extremely probable that one of the oldest and best-equipped shipyards in the United States, the New York Shipbuilding Corporation of Camden, New Jersey will close its gates at the end of this year because of the uncertainty and mass confusion in the industry.

Gentlemen, this means that the 3,500 skilled team of craftsmen that built the NSS nuclear ship *Savannah* will be among the unemployed.

Manpower is a vital asset. Manpower cannot be put in mothballs. Perfection of the state of the art of shipbuilding and repairing requires skilled craftsmen as well as facilities and available work. Productivity of U.S. shipyard workers is at this moment at least equal to and perhaps even better than their foreign counterparts.

A balanced labor force, with ever-increasing productivity, in U.S. shipyards can only be preserved through the availability of job opportunities and assurances of continued employment in the future. This labor force, once dissipated, can only be replaced after costly periods of recruitment and training.

All of the production and natural resources of the United States contribute to the building of ships in U.S. yards. Every trade and skill—from mining and transportation to printing and decoration—are involved, Lower levels of ship construction obviously have far-reaching effects throughout the entire country.

The finest ships in the world are built in the United States. This is no idle comment. It reflects the high standards of workmanship and design which are a by-product of the American way of life. Many of these standards are required by law to guarantee safety for U.S. citizens and U.S. cargoes. The same standards, in most cases, do not prevail abroad.

Ship construction in U.S. yards is governed by the following requirements: Fair Labor Standards Act, Walsh-Healey Public Contracts Act, Longshoremen's and Harbor Workers' Act, Work Hours Act of 1962, Convict Labor Provision, Buy American Act, Small Business Subcontracting Program, Labor Surplus Area Contracting Program, Renegotiation Act of 1951, Utilization of Small Business Concerns, Examination of Records Provisions, Equal Opportunity, Armed Services Procurement Regulations.

Ship construction in foreign yards cannot be guaranteed as meeting these requirements without added costs—and added costs destroy at once the illusion that a bargain is possible through use of foreign shipyards.

The art of shipbuilding is on the brink of dramatic changes and improvement. New concepts and new ideas are being developed. Future progress must not be placed exclusively in the hands of other countries whose political objectives may, in the long run, be different than those in the United States.

Of this subject, the Chief of Naval Operations has said: "We all know that the more ships we have constructed for us in other lands and the more foreign bottoms we use to transport our exports and imports, the less need we have for shipyards in our own country. This, of course, means slow but certain death of those precious skills and know-how so essential to any sea power industry. This we cannot afford. We must become vitally—let me repeat, vitally—concerned with preserving and maintaining our repository of trained manpower resources found in our shipyard facilities."

Our International Union, in searching for a solution to the existing maritime dilemma, sponsored the National Shipbuilding Conference last November, here in Washington, D.C. This Conference was attended by representatives of over 50 labor and management organizations. At the conclusion of

the Conference, those in attendance adopted a Consensus Report entitled "U.S. Shipyards, A Vital National Asset", a copy of which is submitted for the record. We feel this Consensus Report outlines the foundations of a program for stimulating the construction of the merchant and naval shipyards of our country.

Though our purpose is to create expanding job opportunities for our workers with resulting benefits to the national economy and the defense structure, it should also be noted that representatives of management joined in the formulation of this consensus.

The discussions with regard to the nation's shipbuilding requirements and needs for merchant shipping and naval support have for too long been marked by generalities and speculation. There has been a reluctance—either by design or coincidence—to get down to the specifics of effective solutions. There has been too much faintheartedness and pennypinching with respect to the costs of effective solutions. And in the alternative, there has been a quickness to advocate expedient measures which ultimately would destroy the shipyard capability of the United States sea power.

Maritime Administrator Nicholas Johnson has been the principal advocate of expedient actions. His wholly destructive proposal for the construction and repair of U.S. flag merchant ships in foreign shipyards has never been accurately assessed in terms of consequences on the national economy, the loss of employment for shipyard craftsmen, the contraction of essential shipbuilding and ship repairing capabilities to meet national emergencies, and the balance of international payments.

Instead, he has engaged in a mish-mash of erroneous or misleading statistics, curious arithmetic and outright hocus-pocus. He would place shipyard contracts abroad—to the impairment of our national interests—and to the detriment of our shipyard workers. He brands as "too expensive" something which our great nation must have to survive.

For a nation that values dearly freedom and security for all, a price tag should never be placed on anything that contributes to, or strengthens, those prized possessions. Each day, we make a distinction between necessary and unnecessary expenditures, and no informed authority would relegate ships and shipyards to the category of unnecessary. Through the years, it has been proven, time and again, that ships—both naval and merchant—plus shipyards are vital to our survival and to the preservation of our precious liberties.

From the standpoint of things which are necessary and essential, a few comments on the costs of each are important.

Within the framework of our "Consensus Report", we conservatively estimate that an annual expenditure of approximately $200 million could enable construction of ships in U.S. shipyards toward attainment of an American flag merchant marine which could carry an increasing share of our nation's trade and commerce. Included in this amount would be the requirements for domestic shipping. Is this too high a price to pay in an expanding economy and with an ever-increasing trade pattern? We say "no", especially when the expenditures will also have the consequential effects of gainful employment for our people, stability for our shipyards, and yields to the Federal Treasury in the form of personal and corporate taxes.

Certainly, a program in the magnitude of $200 million annually "to enable the construction in United States shipyards of sufficient vessels to accomplish the carriage of not less than 30% of the exports and imports of the United States aboard United States flag ships by 1975", as recommended by the Maritime Advisory Committee of which I am privileged to be a member, must be carefully conceived to permit optimum utilization of facilities and manpower. The program should be divided into logical yearly increments so as to achieve a realistic build-up and so as to achieve desired objectives in a reasonable period of time. On this basis, we firmly believe that Congressional approval will be forthcoming.

In the area of research and development for maritime and shipbuilding purposes, the pitiful level of governmental support in the last decade can only be explained by an absolute failure of federal leadership and bureaucratic bungling. No such mismanagement has been associated with the allocation of federal funds and national resources for aircraft and aerospace research and development, and there is no question about our nation's superiority in these fields. A fraction of what is spent for space research and development would vastly strengthen the American Merchant Marine and we therefore believe that an annual appropriation of $100 million for 5 years for maritime and shipyard research and development is not unrealistic or unreasonable. Here again, a careful program, incorporating the best ideas of labor, industry and government must be devised so as to take advantage of advancing technologies and new concepts. Opportunities for nuclear propulsion and complete transportation systems must be fully explored. Such an effort, however, cannot succeed without government leadership and financial support.

Mr. Chairman, and members of the Committee, I believe I speak most candidly when I say that the shipyard workers of this country—and their counterparts in other American industries—strenuously resent the harangue of a single governmental official—the Maritime Administrator—who would take away all or part of their livelihood through foreign shipbuilding and ship repairing. We are also disturbed by the fact that he continues on this course despite statements of other Administration officials to the contrary. In this sort of vacuum, the Congress must exert leadership—if not, we are fast approaching the point of no return beyond which retrieval of an essential maritime capability will be many times more costly than we presently anticipate—if not almost impossible. We, of the labor movement, are therefore deeply gratified by the Committee's searching scrutiny of the present serious situation—and we are fully confident that your decisions, recommendations and actions will be in the right direction.

Summary of direct and indirect assistance

Country	Direct		Indirect		
	Operating subsidy	Construction subsidy	Tax benefits	Loans and interest on loans	Other
Argentina	X [1]	X [2]	X [3]	X	X
Brazil	X [1]	X	X	X	X
Canada	X [4]	X [5]	X		X
Chile	X [1]		X		X
Colombia	X [1]		X [1]		X
Costa Rica			X		X
Ecuador	X [1]				
Guatemala	X [1]				X
Haiti					X
Honduras					X
Mexico	X [1]				X
Nicaragua					
Panama					X
Peru	X [1]	X [6]	X [3]		X
United States	X	X	X	X	X
Uruguay	X [1]		X [3]		X
Venezuela	X [1]				X

[1] Consists of meeting deficits incurred in the operation of ships owned by the Government or in which they have an interest. No operating subsidy is granted to private companies.
[2] The Government owns and operates the major shipyard.
[3] The Government owned or controlled steamship line is exempt from taxes.
[4] Coastal trade only.
[5] Suspended February 1965.
[6] The Government owns the controlling interest in the major shipyard.

Summary of Government aids to maritime industries

Country	Direct		Indirect			
	Operating subsidy	Construction subsidy	Tax benefits	Depreciation	Loans and interest on loans	Other
Denmark				X	X [1]	X
France	X	X		X	X	X
West Germany			X	X [2]	X	X
Greece			X			X
Italy	X	X	X	X [2]	X	X
Japan	X	X	X [2]	X	X	X
Netherlands				X [2]	X	X
Norway	X [1]		X [2]	X	X	X
Sweden	X [1]	X [1]	X	X	X	X
United Kingdom	X [1]		X [2]	X	X	X
United States	X	X	X	X	X	X

[1] Domestic only.
[2] Not exclusively to shipping.

THE WAR IN VIETNAM

Mr. MORTON. Mr. President, the war in Vietnam is rapidly degenerating to the point where brutal reprisal encourages brutal reprisal, and neither side will any longer be in complete control of its own actions.

The aggressor government of North Vietnam has threatened to escalate hostilities by brutality and threats against captured American airmen, contrary to all international agreements. At the same time, the righteous anger of the American people may well demand re-

taliation beyond the design of our policymakers in Washington.

And once again, civilization will have retrogressed to the level of "an eye for an eye—a tooth for a tooth."

All Americans pray that U.S. leadership will be able to bring about the termination of hostilities in Vietnam, at the earliest possible date. I believe that our citizens, as well as most of the free world, look to Washington to supply the kind of initiative, both military and diplomatic, that will rule out reprisal, and rule in a peace settlement.

Unfortunately such initiative has too often been lacking. Unfortunately the Pentagon and the State Department too often react to crises and opportunities rather than showing the initiative that might bring about an early peace in Asia.

For instance, many of us urged the administration months ago to strike at strictly military targets near Hanoi and Haiphong in order to blunt increasing aggression in South Vietnam, and to persuade North Vietnam to negotiate. If the objective is to save lives and to end the conflict, why were such actions wrong in January but right in July?

Last January, the administration appealed to the United Nations to play a role toward a peaceful settlement of the Vietnam war, and sent its representatives to the four corners of the earth in order to establish a broad basis for peace negotiations. If new initiatives toward negotiated settlement of the Vietnam war were worth trying then, is it not now more important than ever before that the United States exhaust every possibility in the pursuit of an early and meaningful peace?

While I advocated increased air strikes at military targets in January, and I support those actions taken on June 29, there is a mounting danger today that continued military acceleration without an equal acceleration of peace-seeking efforts may well result in the eventual negotiations over a wasteland. If the present situation continues, we may win a military victory—but what will we have won?

Hanoi has made it patently clear that direct negotiations with the United States, at this time, are out of the question. But recent developments in Asia offer a timely opportunity to investigate a new approach to a Vietnamese settlement, one that may overcome Hanoi's objections to direct U.S. involvement, and yet an approach that would guarantee consideration of U.S. interests.

The newly organized Asia and Pacific Council—South Korea, Philippines, Thailand, Japan, Australia, New Zealand, Republic of China, Malasia, South Vietnam, Laos-observer—might well be the instrument through which a new and aggressive peace offensive could be launched. On July 2, Charles H. Percy, Republican senatorial candidate in Illinois, suggested that an Asian attempt at reaching a settlement of the Vietnam conflict might be a valuable addition to the diplomatic arsenal that has so far been unable to breach the wall of Hanoi's obstinance.

In short, I have long objected to a military policy of trying to stem aggression with one arm tied behind our back. At the same time, I am deeply concerned that we are permitting a similar handicap to hinder our efforts to find a just peace.

Mr. President, the statement of Charles H. Percy is the type of imaginative thinking desperately needed, in and out of Government, if our goals are to be realized. Therefore, I ask consent to have his statement inserted in the RECORD at this time.

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

America's escalation of the war in Vietnam in recent days makes it imperative that we now quicken and intensify our efforts to seek a just peace. By bombing within 900 yards of a large civilian center, we have multiplied the risks of this war—the risk of Chinese intervention, the risk of enemy escalation, the risk of still more casualties among innocent men, women and children. If we must accelerate the war—as the Administration believes we must—then let us also accelerate the pursuit of peace.

As we all know, the enemy has indicated that he is not prepared to negotiate directly with the United States. Therefore, I urge a new approach to end this tragic war.

I earnestly suggest that a conference of all Asian nations be called to work toward a settlement of the Vietnam war. I further suggest that such a conference could be called by U Thant, Secretary-General of the United Nations. Himself an Asian, U Thant, enjoys the confidence of both East and West, and would exert an influence clearly free of national self-interest.

An all-Asian "peacemaking" conference would allow those most directly endangered to deal directly with the problem at hand. Its recommendations would reflect an understanding of the region which is essential to the restoration of peace. It would serve to find an Asian solution to a problem in Asia which threatens the peace of the world.

No one could guarantee the success of such a conference, but it is an approach worth trying. Perhaps an Asian conference would be only a beginning. But let us begin.

WHIRLWIND

Mr. BYRD of West Virginia. Mr. President, a thought-provoking and timely editorial titled, "Whirlwind—Dr. King May Reject It but He Helped Sow the Wind That Bred It," appeared in the Wheeling, W. Va., Intelligencer, on July 18. I commend to the attention of my colleagues this editorial, and I ask unanimous consent that it be included in the RECORD at this point.

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

WHIRLWIND—DR. KING MAY REJECT IT BUT HE HELPED SOW THE WIND THAT BRED IT

That is a fine and deceptive line the Rev. Martin Luther King draws between racial violence and civil disobedience.

In the King formula you make certain demands on Government in the name of a minority group. The demands may be, frequently are, beyond the legitimate power of Government to bestow. So you "demonstrate" in support of them. You march en mass. You lie down in the streets and block traffic. You overrun a Court House. You obstruct the public in use of sidewalks. You interfere with the transaction of legitimate business. You court arrest.

Your conduct is deliberately provocative. It inspires rebellion by those you represent. When tolerated it leads to new excesses on the part of those into whose consciousness has been hammered the notion that they are an oppressed people. Its inevitable fruit is violence. And when it comes and the authorities try to restore order you shout of police brutality.

Dr. King may preach non-violence, but it is hardly coincidence that wherever he moves, violence follows. He may talk of peace, but his exhortations and demands breed riots.

Never before in the history of this or any other Country has so small a minority won so many concessions in so short a time from so large a majority.

In successive years Congress enacted sweeping laws in behalf of our Negro citizens which, in the judgment of many legal authorities and fair minded citizens, go far beyond both constitutional authority and a realistic concept of civil rights. And at the moment the lawmakers have under consideration in the name of racial justice a third piece of legislation in this series that unquestionably does violence to even a rudimentary sense of property rights.

In spite of all of this, indeed perhaps because of it, there is less satisfaction in the Negro community today than ever before, as witness such outbreaks as that now rocking Chicago and less spectacular manifestations in other parts of the Country. The appetite for concession is insatiable.

It all raises the very serious question, a question which should command the thoughtful consideration of every citizen in the land whose sense of justice has not been warped, whether or not it is possible within the framework of an orderly society to satisfy these people at all.

Back in 1964, when racial disorder had not yet reached the peaks it since has attained, there was an ominous phrase that fell from many lips. It was "White Backlash."

Today, a phrase more often heard is "Black Power."

Dr. King and those who join him in public rejection of Black Power and its connotation of violence may be sincere. They may have fathered something they cannot control. But if the excesses of this offspring bring down on them and on the Country the full fury of the thus far controlled Backlash, thus setting back a full generation the conquest of racial intolerance in this land, on them will fall a major part of the responsibility.

CHUCK THOMPSON: VOICE OF THE BALTIMORE COLTS AND ORIOLES

Mr. TYDINGS. Mr. President, every sports fan in Maryland knows the voice of Chuck Thompson. He broadcasts the games of both the Baltimore Colts and the Baltimore Orioles. He is the only television newsman in the country to handle both major league baseball and football in the same city.

Many indelible memories are etched in the minds of Baltimoreans with the voice of Chuck Thompson as an accompaniment. Those who watched it will never forget the great sudden-death playoff of 1958, when the Colts beat the New York Giants for the National Football League championship. Chuck Thompson called that game for the nationwide audience.

This summer, Chuck Thompson seems to be successfully cajoling the Orioles toward their first American League pennant. We Marylanders hope that the Nation's viewers will again hear his voice in October during the World Series.

In recent years, Chuck Thompson has won recognition as one of America's best sportscasters. Mr. President, I ask unanimous consent to insert into the RECORD an article from the April 1966, issue of Baltimore magazine, which describes his outstanding achievements.

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

[From the Baltimore Magazine, April 1966]

WHY MISS AGNES WENT TO WAR

(By John C. Schmidt)

Here's the TV announcer doing a pro football game, all but chained to his seat in front of a microphone for three hours on a Sunday afternoon. A million or more people in his home town and along five or six regional networks are hanging on his every word as he describes the fast-moving game unfolding on the field. Most of the time, however, he doesn't look at the field—his eyes are on four TV monitors arrayed in front of him. To do the job he has to be able to instantly associate names and numbers for up to 80 men, half of whom are relative strangers. As a further test of his concentration, he wears bulky earphones through which the program director talks to him in one ear and the producer in the other, passing along upcoming camera shots, commercial roll cues and directions for station breaks. At times, it's enough to make you throw up your hands and shout: Go to war, Miss Agnes!

Chuck Thompson, the name inseparably joined with that usually jubilant cry in Baltimore, has been the play caller for the Colts since 1949, and for the Orioles since 1955. He is the only sportscaster in the country to do both major league football and baseball in the same city. He is probably on the air longer than any other broadcaster in the region, in terms of actual time on mike, since he does the full slate of 165 Oriole games and 14 Colt games during the regular season, as well as most of the two teams' exhibition contests. On fall weekends when the two sports overlap, he'll do them both when jet travel makes this possible. In the off-season, he may sandwich in an occasional basketball game, hockey game or golf match. No matter where he goes or what he does, he's recognized by a colorful topper—the hat section of his wardrobe contains about a dozen *specimens* at any given time, not including straws.

Chuck's finest hour on the air to date has to be the 1958 sudden-death playoff for the National Football League championship between the Colts and the New York Giants, a clash which has unashamedly been called The Greatest Football Game Ever Played. It was seen all over the country, and its high points were recorded and distributed by his employer and sponsor, the National Brewing Company. In addition, he has been named Outstanding Maryland Sportscaster for four of the last five years by his local contemporaries. In a national poll several years ago, Chris Shenkel, who broadcasts for the New York Yankees, and Chuck finished 1 and 2 among all the sportscasters in the country.

Such stature suggests permanent entrenchment in the sports life of Baltimore, but Chuck is realistic enough to admit that there is no security in his line of work. "None whatsoever, and that includes my arrangement with National, which I think is one of the finest anywhere. For everybody in this business, whether you work for a sponsor, an agency, a network or a ball club, how long you last depends on how the public accepts you. If the public likes you, you work. If they don't, you're not going to work very long."

While it lasts, though, it's a great life—isn't it? Take the year as a whole. From mid-January to mid-March, he doesn't have to go on the air once. Of course, there is the Colt highlight film to do and some commercials to make, plus a lot of personal appearances along the rubber-chicken circuit, since this is the only time when the people who like to hold banquets and luncheons can get baseball and football personalities together at the same time. "And so they have quite a few banquets," says Chuck. "The brewery tries to limit me to about three appearances a week, but it seldom works out that way. Take a week in the middle of February for example, Monday night I went with the baseball caravan to Gettysburg. Tuesday I was in Norfolk for a dinner with the Sportsmens Club there. Wednesday I had a luncheon in Baltimore during the day and the Football Foundation Scholarship Athlete Awards banquet at night. On Thursday, I m.c.'d another luncheon, this one for the brewery's salesmen. Friday I didn't have a thing."

At the end of February, Chuck and his partner, Frank Messer, take off for the Orioles' spring training camp in Florida. There they broadcast exhibition games, renew acquaintances with team regulars and get to know promising newcomers well enough to fill in the hometown fans on those who make the squad. The regular season will bring a game averaging 2½ hours in length almost every day—twice on Sunday—from mid-April to the end of September. Half of them are in Baltimore, the others on a road that runs all the way to the West Coast. In the course of a season, Chuck will travel 75,000 miles.

Then comes the interesting part, the time when baseball and football overlap. Says Chuck: "That's the time of the year when you're more tired than any other. You drop off the baseball club on Friday or Saturday and go do football on Sunday. Then back to baseball on Monday, maybe in a city 2,000 miles away from where you were. This goes on for up to three weeks. Believe me, it's a tough schedule to carry."

There's no letup when baseball ends, because by then the NFL schedule is hitting its stride and usually getting more and more hectic as the weeks go by. Besides sending the Colt away games back to Baltimore, Chuck does TV for opposing cities when the Colts are home, as well as two or three games not involving the Colts. By the time it's all over in mid-January, he admits, you're really tired.

As true as this may be, it's not an impression that listeners to Baltimore baseball and football are likely to get from tuning in. Chuck is regarded as one of the most glib and pleasant announcers in the business, not to mention colorful. "Go to war Miss Agnes" is by now a classic—it came from a former neighbor and golf partner of Chuck who would yell it every time he missed a putt; since he was a pretty bad putter, Chuck heard it a lot and it stayed with him. "Ain't the beer cold" means things are pretty good for our side, and when an Oriole home run ties a game at 1–1, it makes the folks as good as the people. A tense Colt situation might give Chuck goosebumps as big as hard-boiled eggs, and they might not make that first down by more by more than the length of his nose. On a hot night in D.C. Stadium, you can get warm just shaking hands, and the opposition might take the lead with a bleeding-heart single that wasn't hit hard enough to break a paper cup. When right-fielder Bowens chases a high fly ball toward the seats, Chuck won't allow him a chance at it, at least not without a ticket.

Without this knack of Chuck's for bringing the game down to earth, listening to broadcast sports would be a lot less fun for the Baltimore fans. And without a lot of behind-the-scenes legwork and a firm set of ground rules which the veteran sportscaster has developed, his relaxed yet informative delivery might be altogether different. There's a lot more to it than meets the ear.

Before a game, both Chuck and Frank Messer make up lists of the opposing team members and their corresponding numbers. In the case of football, they carry this list with them all week and in spare moments, such as sitting at a red light or waiting for service in a restaurant, they'll take it out and study it. Chuck also makes up what amounts to his own spotting board, containing any important records the players may have achieved or be about to achieve, whether or not a man has been All-Pro, his hometown and any unusual personal traits. "This is entertainment, you know, and you've got to sell it. You can get too cute, but I try to keep it a little light whenever I can."

Chuck's basic play-by-play style goes back to Reading, Pa., where he learned the ABC's of play-by-play from Les Quailey, a representative of the N. W. Ayer Agency. Ayer had the Atlantic Refining Company account to sponsor high school and college football throughout the East, and Quailey had worked some years before with Ted Husing in the days of broadcasting's infancy.

"Quailey's golden rule in football was 'down, yardage and team possession'," recalls Chuck. "Not just once in a while, but every time they break the huddle. He was also a firm believer, in baseball, that you identify by position first, name second. You never assume that every one of your listeners knows that Jerry Adair is a second baseman, and so it's not a ground ball hit to Adair—it's a ground ball hit to second and Adair fields. Also in basketball, Quailey always felt it was extremely important that your possession be determined by team: Johnson doesn't rebound—the Bullets rebound with Johnson in possession.

"These are little hard and fast rules he made us abide by, and I still do to a great extent because I believe they're sound. He also insisted that when doing a football game, you chart the game. So I have a downs chart that I make up on which I write every play, so I can keep the yardages straight. This is very important if you have to recap the game. Not many years ago I did a Thanksgiving Day game between Detroit and the Green Bay Packers. The game ran just long enough for us to run about two minutes into a new quarter-hour segment. Now whether you use two minutes of the segment or all of it, you have to pay for the whole thing, so naturally you're going to use it. I had a recap of about twelve minutes that day, and without the chart I couldn't have done it."

The easiest sport to call, as far as Chuck is concerned, is basketball. Football is next, and the toughest is baseball. "The baseball season is so long. You're on the air every day for up to 3 hours, and so much of the game is repetitious. An average pitcher will throw—if he has a pretty good game—say 120 pitches. Well, the other guy's also throwing 120 pitches, so you're going to have the very same thing happen maybe 250 times per game. If you were to describe it the same way 250 times, you'd drive your audience right out of their minds. So every spring, I sit down with Frank and we try to think up as many different descriptive phrases for the pitcher delivering the ball as we can. A master at this was a fellow I had the great advantage of working with some years ago in Philadelphia, Byrum Saam. I took notes on him one afternoon and in the course of the game he used 86 different descriptions for the pitcher throwing the ball to the plate. This variety is most important when you're on radio, of course."

Another problem occasionally posed by baseball is how to fill time on TV when a game is delayed by rain. The longest fill Chuck ever did was an hour and 45 minutes (TV does not revert to local stations during such delays because cable charges must be paid whether the facilities are used or not, and it is also more difficult for a television

station to fill an indeterminate period of time than for a radio station). Frank Messer describes Chuck as a real master at filling, because of his fund of stories about players and his broad knowledge of sports in general. The hardest thing to do in baseball is call a game in which one side has an overwhelming lead, both announcers agree. On the other hand, you never mind an overtime game—it's got to be tense and an attentive audience is a sure thing.

Football presents a whole set of different problems, in that it is a much faster-moving game and it is covered on television with a lot more electronic showmanship than baseball. When Chuck does an NFL game, he has two monitors which show the picture going over the air. He keeps his eyes on one of these and makes all his call from what he sees on the screen, with two exceptions—when the ball is thrown or kicked. This is in accord with another cardinal rule: never talk about anything that isn't on the monitor; it makes your audience furious. You have to watch the live action on a pass because the cameras do not always catch what goes on between passer and receiver, and it would be easy to miss a deflection or interception.

In addition to these monitors, there is one on which videotape replays are usually given a quick preview before being aired, and another screen for the stop-action feature that was introduced last year. These monitors aren't 21-inchers such as you have at home, either. They are less than half that size and can sometimes be in a position where the sun reflects off them. So if Chuck occasionally calls a tackle by Stonebreaker and it was really Gaubatz, it doesn't mean his eyes are going bad.

With so much to watch and with the various instructions coming in on earphones, Chuck says calling a football game reduces itself to 2½ hours of absolute, all-out concentration. It's so intense, in fact that after a game he will find it impossible to recall specific plays, unless they were positively sensational, without first going over his chart or reviewing the game films. And this can be embarrassing at post-game cocktail parties.

Any announcer gets to know a lot about the sport he does, but Chuck has found that there is danger in becoming too knowledgeable, because then you begin to anticipate, "I don't want to know before a ball game any specific play that Don Shula and Unitas may have prepared, because if I know that this play is available, and this is something they've never used before, I'll begin to look for it, and then I get myself in trouble. You've got to let it hit you the way it hits the listeners, so you are just as surprised as they are."

Like other broadcasters, Chuck gets his share of criticism for being biased, but in his case, more often than not he'll be called down by Baltimore fans for not being enthusiastic enough about the Colts or Orioles. What these fans don't know is that most games, especially televised football, go to a large area of the country and are seen by people who wouldn't know Gary Cuozzo if you hung a neon sign on him. Colt games seen in Baltimore are usually relayed as far south as Florida and sometimes as far west as Mississippi. The broadcaster has to be impartial and give credit to both sides when due.

Something else in baseball telecasting that most fans don't realize is that out-of-town games are picked up by crews from the city of origination. Chuck gives an example of the headaches this can create. "Let's say you're in New York and you're televising. Well, Joe Garagiola, the New York announcer, may have talked to Mantle of Kubek or Pepitone before the ball game and set up some little gimmick that he'd like to try, something he can talk about to *his* audience. Well, that's fine. Here we are doing the game, using the New York crew and New York pictures, and all of a sudden we get the whole screen full of Pepitone's shoe. This is great if I know what Garagiola and Pepitone have talked about, but I haven't got the slightest idea. So what am I supposed to say about Pepitone's shoe? It's a size 10½?"

Pitfalls like these are legion to a sports broadcaster. There are situations in baseball where the bunt is all but mandatory. Chuck can suggest the possibility of a bunt but he'd better not say any more, because if he says it's a bunting situation and they *don't* bunt, then 10,000 fans are instantly angry: "Thompson said they should have bunted and they didn't and now they're out—what the hell's the matter with them?"

Everybody talks about the weather? The sports announcer had better not. It may be 90 degrees at 8 o'clock when Steve Barber takes to the mound, his shirt soaked with sweat before he throws the first pitch, and the natural inclination is to talk about how uncomfortable it is at the old ball park tonight. But this is not in the best interests of the ball club or the sponsor, so restraint is in order. Similarly, when the club has been playing good ball and only 3,500 fans turn out for a home game, it's hard to keep from chiding the stay-at-homes. Chuck pleads guilty to this occasionally, even though he knows it violates another ground rule—you never tell the public what to do.

Savvy like this is the product of long evolution—it was nearly 30 years ago that Chuck broadcast his first football game. He was paid $5 for it and was overpaid at that, he says. He was born in Palmer, Mass., grew up there and got his first job driving a milk truck, which he believes responsible for his being able to get along on 4 to 5 hours sleep a night even now. In 1927, the family moved to Reading. Not until his last year in high school was Chuck able to persuade his mother to let him play football—she wanted him to be a singer. He did do some singing with his high school band, then on a dare took a radio audition and got a job at WEEU at $14.20 a week.

There was something about radio in Reading in those days, because at one time, between two local stations the personnel included—as Chuck would say—the likes of Bailey Goss, Galen Fromme, Mel Quinn, himself and an announcer now on network TV whose professional name is Charles Stark. Thompson stayed in Reading until 1942, then moved to Philadelphia as staff announcer for WIBG. World War II intervened, and he saw infantry service in Europe before it was over.

He went back to Philadelphia and began doing play-by-play for both the Phillies and Athletics in baseball, Eagles' football, Warriors' basketball and Rockets' hockey. His first network crack at play-by-play came by accident in Baltimore in 1948. He was hired to do the color and commercials for a Navy-Missouri game at the Stadium, and when he finished his opening color bit, he said, "Now here's your play-by-play announcer, Connie Desmond." But Desmond had been taken suddenly ill and said, "Thank you, and now, here's your play-by-play announcer, Chuck Thompson." Chuck's call of the game amounted to an on-the-air audition for the agency handing the Gunther beer account, and as a result of it, Chuck was hired to do the International League Orioles, replacing Bill Dyer.

For the next three years he was also the voice of Naval Academy football games, and in 1955, he joined the National Brewing Company's team of sports announcers to do the Colt games and those of the new American League Orioles. Since that year, Chuck and his wife, Rose, have lived in the Dulaney Valley section. They have three children: a married daughter, Sandy; Susan, who is 18, and Craig, 14.

Chuck has seen the broadcasting of sports come a long way since the days of telegraphic reconstruticon of baseball, and he did his share of this, too. Some of the greatest changes have been in the last few years since the television networks have dominated the picture. Television has done a great deal to build today's sports, particularly pro football, Chuck says, and some of the new techniques like instant replay can add a great deal to the enjoyment and understanding of the games. But they must be used with discretion, he believes, something which is not always the case now.

How far can you go with gimmicks? He tells where *he* would draw the line: "Take the business of wiring the quarterback. I'm a little bit of a hero worshipper and even though I've been in the game a long time, these professional athletes never cease to amaze me. I think there should be some areas that are sacred to these men. Only a professional football player should ever be allowed into a huddle. Television and the public, I think, have no right to be there. Only that man who has the unique ability to play professional sports belongs in a clubhouse, or on the bench. Suppose you took the public into every huddle, into every conference on the mound. Pretty soon they'd be as knowledgable as the professionals, and then who'd watch it? With parabolic microphones, you now hear the quarterback's call. So you hear it. What does it mean to you? The public should always have a little bit to wonder about, I believe."

He also thinks there is some danger of overexposure to sports via television. "The major leagues, when they undertook their Game of the Week series, would not allow the telecasts in any major league city, but they sent them into minor league cities all over the country. So what happened? The fan, rather than pay his money to support the local team, stayed home and watched the big league teams on TV. This contributed as much as anything else to the downfall of minor league baseball.

"The football people, under Bert Bell, had a very sane television policy. Bell would not allow any home game to be televised locally, and this is now being relaxed somewhat. Next season, the network that controls NFL television will send another game into the Baltimore area on Sunday afternoons when the Colts are playing at home. I don't think this is wise. One reason why they're doing it, of course, is to compete with the American Football League game that is on locally at the same time. I think the NFL wants an all-out conquest of the AFL. They've been much more successful in signing their college draft choices, and the TV ratings have greatly favored the NFL. Now, by televising every week in NFL cities, they will have head-to-head competition with the AFL on television. It would seem to me that the fan who has the right to buy one of the 10,000 Colts tickets that are put on sale for every home game, and even the season ticket holder to an extent, when a Sunday comes up that's going to be cold or uncomfortable, I feel that he'll be content to stay home, listen to the Colt game on radio and watch the other game on television."

Chuck feels there is plenty of room for two leagues in pro football and that the AFL is here to stay, but that sooner or later, there will have to be some kind of merger with the NFL. It could start, he thinks, with a common draft, which would relieve the clubs of having to pay the fantastic bonuses for unproven players which have become fashionable lately. Beyond a common draft, he foresees the possibility of something similar to what happened when the All-American Conference went out of existence; certain of the teams, including Baltimore's, joined the NFL.

For baseball, he predicts a great future, says the sport has weathered some of its toughest times in recent years. As exemplary, he cites the efforts of Gabe Paul and the Cleveland Indians' ownership to rebuild their

organization, win back the fans and emerge as a fine ball club. "Here in Baltimore, we can be grateful to Lee MacPhail for building one of the most solid baseball organizations in the league. I truthfully think that the new ownership and the new front office people are going to reap the harvest of what MacPhail has done for a long time to come."

And it is baseball that is occupying Chuck's attention at this time of the year at least, most of his attention. It is the best time of all for a sports announcer, he says. You work only three days a week, do very little traveling, enjoy the warmth of Florida while the north worries about late snowstorms. And you fish—it's his main recreation now (he used to golf constantly with Bailey Goss, but since Bailey was killed in an automobile accident four years ago, Chuck has just about quit the game).

Now it's fishing. "I fished a lot with my dad when I was young but gave it up when I got married. Then, when Frank joined me two years ago, he got me started again, and I've got it worse now than I ever did. During the baseball season when I'm home, I'll fish Loch Raven four times a week. When I'm down south I fish Okeechobee, Biscayne, the Everglades. The thing about fishing—once the boat leaves the dock, there's no recall. They can't bring a caddy cart out to get you and take you back, and there are no telephones. Plus the excitement of the unknown. You fish Key Biscayne or Flamingo in the Everglades—son-of-a-gun you don't know what's going to hit your line. It could be a sea trout, or a kingfish, a bonefish, any number of different fish. I dearly love to fish, and I love the warm weather. Believe me, there's nothing like it."

And ain't the beer cold.

PROPOSED BRIDGE CANYON AND MARBLE CANYON DAMS ON THE COLORADO RIVER

Mr. CASE. Mr. President, the proposed plan to build two power dams in the Grand Canyon of the Colorado has stirred an intense national debate.

News stories as well as editorials have been written in profusion. In addition, thousands of individual Americans have been moved to write to their representatives in Congress.

My own mail box has been bulging with constituent mail on the Grand Canyon dams and, I might add, this stream of mail has been running overwhelmingly against the proposal.

It is clear, I think, that the American people are opposed to any dams in the Grand Canyon and, in fact, wish this unparalleled national treasure to remain inviolate.

In a recent article carried by the Washington Post, columnist Marquis Childs provided a most interesting analysis of the modern-day pressures on the canyon, as well as an even-handed summary of the pros and cons of the controversy over the proposed dams. I ask unanimous consent that Mr. Child's column of July 15, 1966, be printed in the RECORD after my remarks.

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

[From the Washington (D.C.) Post, July 15, 1966]

GROWING PRESSURE ON GRAND CANYON

(By Marquis Childs)

GRAND CANYON, ARIZ.—Down at the bottom of the canyon is the dark impenetrable rock that is at least a billion years old. To a crowded room full of tourists of every age the ranger is giving the daily lecture on the story of the earth as written in this astonishing spectacle like nothing else made by nature or by man.

"You know," he says in conclusion, "our time on this earth is very short. I have just one suggestion for you. Try to find a little place on the rim where you can be alone and there for a little while think about how long this process has been going on."

Since tourists are coming into Grand Canyon National Park at the rate of up to 15,000 a day this advice is not easy to follow. It suggests the struggle to preserve a sense of wonder—the majesty of this phenomenon defying these puny newcomers to earth—in the face of a mass invasion. And just now something new has been added with the proposal to build two high dams at each end of the canyon.

The powerful forces driving for Bridge Canyon and Marble Canyon dams have touched off a classic combat between the conservationists and the Bureau of Reclamation in the Department of Interior. The Bureau, with the backing of every political figure in Arizona, including Barry Goldwater, is pushing the project with what the conservationists charge is propaganda defrayed by taxpayers' money.

Gov. Samuel Goddard of Arizona, a Democrat, belittles the conservation argument. He says that the reservoirs to be created by the dams would affect only a few miles of the Colorado River as it flows through the national park. And the reservoirs would not be visible at any point to which tourists now come. Moreover, he says that the lake created by Bridge Canyon dam would eventually attract 600,000 visitors.

But for the passionate conservationists, led by David Brower of the Sierra Club, it is the living river itself that is threatened with destruction. They hold sacred every mile of the canyon whether visible to the average tourist or not. If the two dams are built—to help arid Arizona solve its water problem—they will be a precedent and no national park will be safe from the dam builders and the exploiters.

As the combat reached a critical stage the Bureau of Internal Revenue cracked down on the Sierra Club, ruling that contributions to the club were not tax deductible, since it was trying to influence legislation through newspaper ads. Conservationists are convinced the crackdown was inspired by the two Udalls, Secretary of Interior Stewart and Congressman MORRIS K., both Arizonans. Bower says the ruling is costing the club $5000 a week as contributors cannot afford to give unless the gifts are tax deductible.

People versus nature—that is the frame in which the conflict over the dams belong. Mobile America is on the move. They come with every kind of trailer and house caravan, tents and camping equipment, to occupy sites prepared by the National Park Service. Space is always short even though camp sites and motels are constantly being expanded.

On the whole, the Park Service seems to have done a good job here. The camp sites and the motels are set in stands of ponderosa pine, back from the rim of the canyon so that they are more or less concealed. The rangers do all they can to keep the tourist invasion from overwhelming the natural setting of one of this Nation's greatest scenic treasures.

But the time is not far off when restrictions will have to be imposed on the mass movement that each summer swells in volume. The three most crowded national parks—Yosemite, Yellowstone and Grand Canyon—each had last year around 1,700,000 visitors. About 90 per cent came in their own cars, making at the peak for bumper-to-bumper traffic which hardly fits the concept of the great open spaces.

Here at Grand Canyon the increase this year is running at about 18 per cent. They are talking of requiring tourists to leave their own cars outside the park and come in on buses. While this would relieve the congestion it would bring an outcry from hardy travelers carrying their own camping equipment.

Secretary Udall has gone further than this. He suggested recently that in the not-too-distant future a reservation system must be imposed. If you want to visit Yellowstone or Grand Canyon you will have to make a reservation several years in advance and perhaps pay a deposit to insure a camp site or a motel room.

ADDRESS BY REPRESENTATIVE EDWARD GARMATZ, OF MARYLAND, AT GRADUATION EXERCISES AT U.S. MERCHANT MARINE ACADEMY

Mr. BREWSTER. Mr. President, the chairman of the House of Representatives Committee on Merchant Marine and Fisheries, the Honorable EDWARD A. GARMATZ, is one of the greatest experts on merchant marine problems to serve in Congress for a long time.

Not long ago, Congressman GARMATZ delivered the main graduation address at the Merchant Marine Academy in Kings Point, N.Y.

As on past occasions, he delivered a succinct, timely analysis of the crisis facing the American marine transportation industry today.

I should like to point out one especially significant passage in Congressman GARMATZ's speech:

To provide the United States with a merchant fleet adequate to transport a reasonable percentage of our peace-time commerce and to support our military forces in time of need, we must embark on a large-scale shipbuilding program in American shipyards now.

In simple terms, this is the crux of the merchant marine issue facing Congress. Nobody understands this issue better than Congressman GARMATZ. Nobody has the interests of the American merchant marine, and of American overseas commerce and defense, more sincerely at heart than he.

Mr. President, I ask unanimous consent that the remarks of Congressman EDWARD GARMATZ at the Kings Point graduation ceremonies be inserted in the RECORD.

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

REMARKS OF HONORABLE EDWARD A. GARMATZ, CHAIRMAN, COMMITTEE ON MERCHANT MARINE AND FISHERIES, AT GRADUATION EXERCISES, U.S. MERCHANT MARINE ACADEMY, KINGS POINT, N.Y.

Gentlemen of the Graduation Class, Admiral McLintock, distinguished guest, relatives and friends of the graduates, it is a great pleasure to be heard today.

I bring with me the greetings and best wishes of my colleagues in the Congress, who represent as you do all areas of our great nation. On their behalf, as well as my own, I take pleasure in extending congratulations to you young mariners of the Class of 1966 and to those who have guided, taught, and counseled you in preparation for this day—your parents and your teachers.

The world of today is one of shifting power alliances among nations, exploding popula-

tions, and social revolution. We are living in a period of great and rapid change in every aspect of life and endeavor. The great technological achievements of recent years give promise of even greater progress in the years to come toward the goal of providing a better life for the people of the world.

In the field of marine transportation during the past decade, we have witnessed the successful application of nuclear energy to power an American merchant ship, the development of hydrofoil vessels and the general acceptance of new methods of transporting cargo by sea. Examples are vehicle carriers of roll-on, roll-off design and the large scale movement of general cargo in containers. A number of new semi-automated cargo ships have been placed in service carrying the flag of the United States on the trade routes of the world.

Oceanography—a field of rapidly growing importance—is the counterpart of space exploration. It is perhaps even more important to our economy as we seek methods of obtaining more minerals and food from the world's surface. With modern oceanographic research vessels, manned by merchant mariners and scientific personnel, we are probing the ocean's depths.

Yet, in this period of technological accomplishment and research, it is surprising that the merchant marine of the United States has steadily declined and the problems facing the marine industry have grown in number and gravity. Seventy-two percent of our present merchant fleet is composed of obsolescent, inefficient, and un-economical ships built during World War II. Our one nuclear powered ship, the Savannah, and the other ships built during the past decade show what can be done. Nevertheless, the world's most powerful nation, our country, has a fifth rate merchant marine because of too little, too late.

Instead of replacing our merchant fleet on a realistic basis, we have built a hand-full of new ships annually and allowed our shipbuilding industry to shrink to fifteenth place among the nations of the world—an all time low.

Nearly three-fourths of the surface of the globe is covered by water. Ships plying the seven seas still, and will for the foreseeable future, transport the majority of raw materials and finished products that must move from nation to nation. Commerce is the lifeblood of our economy and every citizen of this great nation is affected by the type and volume of our imports and exports. We must export our manufactured products and our agricultural surplus if our domestic economy is to flourish.

To facilitate our commerce, we have been blessed with some of the world's finest coastline and endowed with natural deepwater harbors. We are proud of our ports on the Atlantic and Pacific Oceans, on the Gulf of Mexico and on the shores of the Great Lakes. Yet, less than nine percent of the tonnage moving through these harbors comes or goes on United States' flag ships. This is where we were in 1909. It is unbelievable that a nation so amply provided by nature with all that is necessary to be the leading maritime power would be content with being fifth rate.

The United States has historically been a maritime nation. After the Revolutionary War, when we found ourselves excluded by the European nations through shipping cartels and discriminatory navigation laws, we undertook a strong merchant marine building program at the direction of Congress. Early in our history a number of laws were enacted to protect and support our commercial shipping endeavors. And so our merchant marine flourished under sail in the ear of the clipper ships. Unfortunately, even though we invented the steamship, we ignored its promise and lost our lead.

If we need a commercial shipping capability in time of peace how much greater must our need be in time of hostility?

In every major and most minor conflicts in which the United States has been engaged since the Revolutionary War, the American merchant marine has had a major role in the transportation and support of our military forces. Recent history has recorded "The Bridge of Ships" of World War II fame with which the United States merchant marine transported the materials of war, not only to our forces overseas, but to our allies. Since that time, these same ships have provided the essential sea-life capability needed in the conflicts in Korea, Lebanon, and today in Vietnam. In fact, over 90 percent of the men and material in Vietnam today arrived by sea.

Yet, because of obsolescence, the majority of the American merchant ships used should be scrapped within the next five years. They will no longer be economic units. It is inconceivable that we should permit the United States to be dependent upon foreign shipping in time of peace or war.

To use a popular phrase of today "would you believe" that American shipyards delivered sixteen new ships in 1965 while over one hundred ships were delivered to the Russian merchant marine? It is a startling and depressing fact that Japan with a large shipbuilding program will construct a single tanker of 300,000 tons while the entire merchant ship program of this country will produce only 13 ships totaling less than 200,000 deadweight tons in 1966.

We live in a period of specialization and the ships of recent construction and those to follow will reflect this fact. In addition to modern cargo liners, we require ships to carry containers and other to transport vehicles. We must also have new bulk carriers for the transportation of ore, coal and grain and tankers for the carriage of liquid gas as well as petroleum products.

To provide the United States with a merchant fleet adequate to transport a reasonable percentage of our peace time commerce and to support our military forces in time of need, we must embark on a large-scale shipbuilding program in American shipyards now.

I believe I speak for the vast majority of my colleagues in the Congress when I say that such a program will be welcomed and have bipartisan support. The hearings of the Merchant Marine and Fisheries Committee, of which I have the honor to be Chairman, have clearly shown that the present U.S. flag shipbuilding program is totally inadequate.

A few years before the outbreak of the second world war, in a situation much like the present, Congress recognized the need for a revitalized merchant fleet, and passed the Merchant Marine Act of 1936. This year marks the 30th anniversary of this law which still reflects the will of our Congress, but which unfortunately, is not being fully implemented at present.

The provisions of the Merchant Marine Act of 1936 for the development of a merchant fleet may be expressed as follows:

(1) sufficient to carry the domestic waterborne commerce and a substantial portion of the foreign commerce of the country;

(2) capable of serving as a naval auxiliary in the time of war;

(3) owned by and operated under the United States flag by citizens of the United States;

(4) composed of the best equipped, safest and most suitable types of vessels; and

(5) manned by trained and efficient citizens of the United States.

These objectives are as valid today as they were in 1936.

We need more ships, and we need them now! The United States of America is the wealthiest, most powerful, nation in the world, and it has the technical know-how and capability to produce the fastest, most productive, and efficient vessels in the world. I can assure you that the Congress of our great nation, as represented by my Committee, as well as myself, will not sit idly by and allow our merchant fleet to disappear from the trade routes of the world.

United firmly in pursuit of our goals, and with the skillful hands of qualified and competent seamen like yourselves manning our merchant ships, we can forge ahead with the kind of maritime program needed to keep the American flag participating proudly in its traditional and rightful role as a leader on world commerce.

I do not wish to give the impression that all of the problems besetting the American Merchant Marine will disappear with a ship building program, but it is my conviction, which is shared by many of the leaders of the maritime industry, that this would be the most important step forward that could be taken at this time.

Problems of crew reductions brought about by automation introduced in new ships have caused labor unrest and resulted in ship "tie-ups." I believe any reasonable evidence of a forward looking program would cause these problems largely to disappear. Naturally, ships are of little use without skilled officers and seamen to man them.

The United States Merchant Marine Academy had graduated only two small classes when World War II commenced. Yet, 10,000 Kings Pointers moved through this young institution during the war years to our Merchant Marine as deck and engineering officers, and in many instances to ultimately command these same ships.

Today, in another period of hostilities, you join the Alumni of this Academy and the thousands of other Merchant Marine officers and seamen who are transporting on American flag ships the supplies needed by our military forces in Southeast Asia and elsewhere. Others are engaged in the carriage of grain, petroleum, and a myriad of other products throughout the world.

You young men have been trained by your Government for the Merchant Marine. I look to you to fulfill your obligation to the service for which you have studied—to show your dedication to and belief in our great seaborne heritage. Your service afloat in this essential adjunct to our naval forces will justify the nation's faith in you and provide you with the experience and knowledge essential for future leaders of the marine industry.

Consider yourselves fortunate to be coming into the industry when it is on the verge of dramatic rebirth—when the promise is bright for our Merchant Marine to go forward and play a powerful role in our national destiny.

I wish each of you fair winds and following seas on the many voyages ahead of you.

I sincerely hope that each of you deck officers graduates will rise to your own command, and each of your engineering graduates will become the Chief Engineer of a modern, automated merchant ship flying the flag of the United States.

When added to the excellent theoretical training that you have obtained here at Kings Point, the experience afloat that you will obtain during the next several years will permit you to make a significant contribution to the growth and progress of the United States Merchant Marine, and thus to the continued greatness of this nation.

In conclusion, I think that I could find no finer thought to leave with you than the words of the late Dag Hammarskjold, a great world citizen who gained international respect and admiration while serving as Secretary General of the United Nations. He wrote, and I quote:

"Do not look back, and do not dream about the future. It will neither give you back

the past, nor satisfy your daydreams. Your duty, your reward—your destiny—are *here* and *now*."

RESPONSIBLE BUDGET ESTIMATES OF THE PRESENT ADMINISTRATION

Mr. DOUGLAS. Mr. President, once again the White House has sent us good news on the budget.

For the third year in a row the year-end budget deficit is smaller than originally forecast.

It was not always thus.

For many years the budget seemed to follow a consistent pattern—it gave us good news in January and bad news in July when the books were closed. The deficit estimates were always optimistic, but the final results proved embarrassing.

Nobody expects budget estimating to be accurate to the dollar. The President proposes, while Congress disposes. Between those events, a lot can happen and usually does. In a $100 billion budget, a variance of 1 percent can throw the estimates off by a billion dollars.

We understand this. But the arithmetic of previous administrations always seemed to tilt the uncertainties in favor of underestimating the deficit when the budgets were presented to Congress.

What is so striking is how much more credible the budget estimates have become in the present administration. If the President thinks his proposals will produce a large deficit, he is frank to say so. I think we in Congress strongly prefer his approach. We respect him for it.

I suppose the historic low point in budget estimating was reached when the budget for 1960 estimated a surplus, only to end up in the red to the tune of $12½ billion. That record will stand for a long time.

But even if we take a period as long as the 10 years prior to fiscal 1964, we find that underestimating of the deficit was consistently practiced. Over those 10 years, the actual budget outcome averaged $2.9 billion worse than the original *budget estimates.*

Look at what has been happening since then.

In fiscal 1964 the actual deficit was $3.7 billion smaller than the original prediction.

In fiscal 1965 it was $1.5 billion smaller.

And now the President reports that for fiscal 1966 the deficit is the smallest since 1960. Eighteeen months ago when the 1966 budget was submitted to Congress, it estimated a deficit of $5.3 billion. This past January, the 1966 estimate was revised to take Vietnam hostilities into account, and the estimate of the deficit was upped to $6.4 billion. The President laid it on the line as he saw it. But the final outcome is very good news indeed. The deficit for 1966 is just under $2.3 billion—$4.1 billion smaller than he expected only last January, and $3 billion lower than he estimated 18 months ago.

Some will say it is just a bookkeeping fluke.

But that is not the explanation.

The deficit is this low, despite the heavy burdens of Vietnam operations, because—

First, the economy is getting stronger every year and tax revenues are rising more rapidly than before.

Second, the President has held spending below authorized levels in order to minimize the deficit and restrain inflation.

Third, he has pushed harder than any previous President for cost reduction and efficiency—and he has made it pay.

This is the kind of careful and responsible fiscal management that we have come to expect from President Johnson.

We are all taxpayers—and there can be no more welcome news than to discover that the Government's deficit has been cut 65 percent below the January estimates.

"DIRECT" RETURN OF FEDERAL INCOME TAX TO LOCAL UNITS OF GOVERNMENT—RESOLUTION BY COMMON COUNCIL OF BUFFALO, N.Y.

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD the text of Resolution No. 207, relative to " 'Direct' Return of Federal Income Tax to Local Units of Government," which was adopted by the Common Council of the City of Buffalo, N.Y., at its meeting held on June 28, 1966.

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

CITY CLERK'S OFFICE,
CITY HALL,
Buffalo, July 8, 1966.

To Whom It May Concern:

I hereby certify, That at a Session of the Common Council of the City of Buffalo, held in the City Hall, on the 28th day of June 1966, a resolution was adopted, of which the following is a true copy:

"No. 207.

"By Mr. Franczyk:

"Re: 'Direct' Return of Federal Income Tax to Local Units of Government.

"Whereas, the City of Buffalo and many other cities within the United States are in dire need of additional financial assistance to meet ever growing personnel payroll needs, educational and urban renewal costs; and

"Whereas, the Federal government is the only governmental enterprise capable of providing this badly needed financial help; and

"Whereas, the current methods of distributing Federal aide funds result in the creation of costly Federal bureaucracy and unjust allocations for cities of different sizes; and

"Whereas, a per capita or percentage distribution of a portion of the Federal income tax directly to local units of government would alleviate these problems and provide a greater measure of local control over the use of such funds; and

"Whereas, the Mayor of Dearborn and Ann Arbor, Michigan and the respected City Councils involved have already gone on record in favor of this plan; and

"Whereas, this plan was favorably received by a Presidential Task Force when it was studied under the origination of Walter W. Heller, former Chairman of the Council of Economic Advisers of President John Kennedy and President Lyndon Johnson; and

"Whereas, the United States Conference of Mayors endorsed this program at their convention this year; and

"Whereas, this type of 'Direct' Federal Tax return plan would be of great benefit to the City of Buffalo: be it

"Resolved, That the Common Council of the City of Buffalo does hereby urge the President of the United States and the Congress of the United States to adopt the necessary legislation to provide for an equitable return of government funds on an annual basis; and be it further

"Resolved, That the City Clerk is hereby directed to certify passage of this resolution and send copies of it to the President of the United States, the Clerks of the House of Representatives and the Senate of the United States, Senator JACOB JAVITS, Senator ROBERT KENNEDY, Congressman THADDEUS J. DULSKI and Congressman RICHARD MCCARTHY, as soon as possible.

"Adopted."

Attest:

STANLEY MOLIH,
City Clerk.

A FRIEND OF THE THIRSTY

Mr. TYDINGS. Mr. President, it is indeed an honor for me to rise to bring to the attention of my colleagues the career of a truly remarkable man, Dr. Abel Wolman. Dr. Wolman, professor emeritus of sanitary engineering at Johns Hopkins University, has spent most of his lifetime solving problems of water supply and pollution all over the world. Dr. Wolman is one of the world's leading authorities on water problems. He had never shirked civic responsibility and has consistently accepted the challenges placed before him. Dr. Wolman's 73 years have been extremely active and productive ones.

Mr. President, I ask unanimous consent to insert in the RECORD a recent article from Baltimore magazine which illustrates Dr. Wolman's many accomplishments.

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

ABEL WOLMAN: "FRIEND OF THE THIRSTY"

(By John C. Schmidt)

Baltimore is privileged to be one of the few large cities in the United States which is not today facing a problem of water supply. With the completion of the Susquehanna River pipeline in January, water needs of both the growing population and expanding industry of the area can be met without foreseeable difficulty until at least the turn of the century.

Key responsibility for this enviable state can be traced to the expertise and persuasive power of one of Baltimore's most distinguished citizens: Dr. Abel Wolman, professor emeritus of sanitary engineering at Johns Hopkins University. He has served under many offices and won numerous accolades, but his personal favorite is the way the New York *Times* summed him up in a profile last year. The *Times* called him "a friend of the thirsty."

Dr. Wolman is indeed a friend of thirsty people not only in Baltimore and New York, but across the country and around the world. A simple list of consulting jobs and advisory posts he has held runs to five pages. He has served such government agencies as the Public Health Service, TVA, War Production Board, U.S. Geological Survey, Atomic Energy Commission and Defense Department. He has lectured at Hopkins, Princeton, the University of Southern California and the University of Chicago. New York, Richmond, Seattle, Detroit and Indianapolis are among the U.S. cities which have sought his help. He has worked for the governments of Israel, Thailand and Ceylon. For the United Nations World Health Organization he has led

teams of water experts to India, Brazil, Chile, Formosa and other countries.

He spent last December in Geneva, updating for a 120-nation W.H.O. conference a series of proposals he had made several years ago relating to water supply on a global scale. He is intimately involved with the International Hydrological Decade, a ten-year period similar to the International Geophysical Year to coordinate efforts on the long-neglected science of hydrology.

Along with these activities, Dr. Wolman still does some specialized teaching at the Hopkins' School of Public Hygiene and Health. His biographical summary lists membership in 26 technical and professional associations, as widespread geographically as the Faraday Society in England and the Mexican Society of Hygiene. His desk in his Homewood campus office is piled so high with to-be-read papers and journals that he cannot see over it sitting down. Consulting assignments and other duties keep him on the road about 70% of the time, and his calendar is booked up a year in advance. All this is taking place in what he calls his third retirement—he is 73 years old.

"I've been doing more recently because of certain emergency situations which take up the slack time I had set aside for my recovery," he says with an undertone of humor. "I've done more since my retirement than I ever did before. People have the strange theory that when you retire you ought to have more time, and therefore why shouldn't you be willing to do this or that. Between these two situations—one that you've retired and the emergency—I've just been working like the devil."

The emergency he refers to was his appointment last year by Mayor Wagner to a four-man panel to investigate New York City's water problems and recommend corrective measures. It was the second time he had been summoned to New York's aid. In 1949, he served on a board of consultants which recommended, among other things, that the city tap the Hudson River and institute conservation measures by going after underground leaks. Neither was done.

His view of the present difficulties is different from the way they have generally been presented in the press and popular journals, as he is quick to point out. "The situation in the northeast last summer was greatly overdramatized. People of Saudi Arabia look at us with utter astonishment when we speak of an 'emergency water shortage' in the northeastern United States. This is one of the richest water resource areas in the country, if not in the world. You're down to 30 inches of rain this year, these people say. They have less than six!"

As Dr. Wolman sees it, the "emergency" in the northeast is not one of resource but delayed use of a resource—delayed planning and delayed execution. He points out that at the very time President Johnson was expressing such concern late last summer, New York City had flowing by it in the Hudson all the water it could conceivably use but which it had failed to put into service. At the time Governor Hughes of New Jersey was asking Washington for help, that State's reservoirs were overflowing, but political obstacles had delayed completion of a pipeline and the water was just running way. "The northeast *is* in a drought," says the Hopkins expert, "we accept that. But water is there. You and I had simply neglected to provide a tin can to carry it to the consumer. Despite the impression given in many articles, our country is not running out of water. Of course, if you were in Death Valley or the Sahara Desert, you'd have a water problem. But my contention is that if I really *needed* water in Death Valley, I could get it."

The panel working on New York's problem had the initial objective of devising and implementing conservation measures to prevent waste of existing supplies—to find drops of water to keep you in motion, as Dr. Wolman put it. At a news conference, a reporter asked what would happen if all the water in New York were turned off. The Hopkins professor replied that he could not think in terms of that kind of chaos—it would make the power blackout seem like a paradise by comparison. The aim, he said, was to prevent such a thing, and he expressed confidence that they could do it.

"The first step was to re-evaluate the existing resources—what were they good for in terms of what we call a reasonable safe yield? Then, what do you need over the next 20, 30, 50 years? If the two don't match, where else can you go, and there are plenty of places to go. There's the Hudson to turn to, the Delaware, the Susquehanna, the St. Lawrence—prodigious amounts of water. The obstacles? They are physical, financial, legal. But they don't worry me too much because we always have those. They are negotiating situations, and our business is how to resolve them. You have competitive uses and forces, but what I say, and what our board says, is get at it."

Water supply, although the dominant interest in his life, has not been the exclusive interest. He describes his work as embracing the total environmental field, including waste disposal, problems of disease in relation to water, problems of housing in relation to health. For the Air Force during the Korean War, he toured Korea, Okinawa and Japan, studying operational bases from the standpoint of environmental control to see how well our troops were being protected from such hazards as typhoid, cholera and malaria—hazards virtually eliminated in this country years ago.

But the problem of finding and delivering water at a cost man is willing and able to pay is one of the great issues of our time, and one which has absorbed a great amount of Dr. Wolman's energies over the years. "I would remind you that the United States and a few west European countries are practically the only places where you can turn on a spigot and have water that is safe to drink. That is rare. Our people, of course, don't realize it, but in most places in the world, the bulk of the people—hundreds of millions of them—simply don't have easy access to water. They've got to carry it, and they may carry it two blocks or two miles, just to be able to drink. Our country has this major distinction which is not often pointed out; namely, that it has developed over 20,000 local community water systems which serve a little short of 170,000,000 people. This is on a scale that no other country in the world has done, and it was done here largely through local forces, almost completely through local money. Someone, a foreigner, once suggested that we ought to export this concept along with all the high principled ideas we try to get across to other nations."

Through his many consulting and advisory posts—which at last count have taken him to 37 countries—Dr. Wolman has actually done this exporting job on a one-man basis. For example, many of the vast water development projects undertaken in Israel since that nation came into being were either originated or worked on by the Baltimore expert. As a result of such measures as nationalization of water, strict rationing, tapping the Sea of Galilee and creating a network of modern wells and pipelines, 98% of the population today enjoys running water. By contrast, in nearby Iraq, water is so scarce that the penalty for maliciously damaging irrigation works is death. Dr. Wolman deplores personally the fight now going on between Israelis and Arabs over the River Jordan, but observes that men have been fighting over water since pre-Biblical times.

Some progress is being made on an international approach to water problems, however, best illustrated by the International Hydrological Decade, for which Dr. Wolman has served on a committee for international cooperation. "What we are suggesting is that our country participate in a variety of activities which have international implications in the field of hydrology," he explains. "One obvious one, of course, is the meteorological area. To the surprise of many people, weather is rarely generated in the United States. If you look at a weather map, what you see is either Canada-generated or Siberia-generated, or comes from the Gulf of Mexico or way out in the Atlantic. We are the beneficiaries, as well as the victims, of this truly international behavior, which at the moment is uncontrolled."

Also on the international level is the Hopkins professor's work for W.H.O. Late last year, the conference at Geneva reviewed and updated his original proposals and considered programming necessities for the next five years. Dr. Wolman says, "This is all mixed up with the whole institutional problem, and by institutional I mean how do you *do* these things in India, how do you do them in Formosa? Where is the money coming from? I deal in a field where the capital money involved is enormous—the United States alone spends $10 billion a year in this field. So how do I get the money, and more important, and I insist on this, how is it repaid?"

He continues, "And this is the key—this is where we've had some very important success: *pry 'em loose from free water*. This is almost a universal conception. Even in New York City, no politician has been willing to insist that you've got to pay for what you get, and except for industry, water is unmetered and paid for at a flat rate. This is part of their problem, because when you don't do it and run a deficit all the time, it forces you to delay your execution. It's unpalatable. Each mayor tends to push it off on his successor—it's a simple game."

With the world's fresh water supply needs destined to double in the next two decades, and with 40% of the total already going to industry, there has been much interest in building desalinizing plants and tapping the oceans themselves. Dr. Wolman does not share the belief that desalinized ocean water will become a major competitor for natural fresh water, at least for many years. He agrees that in places like Aruba where there is no fresh water, or Israel where the supply is extremely limited, desalinizing will have to be resorted to. But it is very expensive water, he notes, probably too expensive to use for agriculture or irrigation. In areas like the United States and Europe, he believes it will be much cheaper to transport natural fresh water from sources as distant as 500 miles than go to desalinization. He recently completed a survey of all the plants now in operation and found they produced a total of less than 50,000,000 gallons a day. Compared to the consumption of a city like New York—a billion gallons a day—desalinization plants are presently producing a tiny drop in a very large bucket.

The extensive global and national commitments which Dr. Wolman has undertaken have not prevented him from keeping an eye on the needs in his own back yard. He has served the Baltimore Board of Public Works as consultant since 1931, and was chairman of the consulting board which recommended tapping the Susquehanna. "I'm kind of proud of the fact that here our availability of water has been ahead of the demand. Of course, we have been criticized by some for proceeding five years ahead of the event, but it has put us in a position in this drought—which is the worst the east has had in 100 years—that we don't have to worry about it. If you look over the record, you will find a whole series of programming for Baltimore which we were able to sell to the mayors and to the electorate. Once or twice we were set back, but fortunately, not too

much. Delay was costly to us, because any year you delay in our kind of society, it costs you more the following year. But we're ahead of the game now. The Susquehanna on our present estimate will carry us until 2000 or 2005, and if we grow faster than expected, we have a built-in answer: duplicate the pipeline. Our source is good to 2050 and beyond. That's as far as my visibility can take me."

Baltimore enjoys another distinction which is the result of a Wolman proposal in the 1940's: it has the largest system for re-use of a city's waste water in the world. Virtually all of the treated sewage water from the Back River plant, an average of 130,000,000 gallons a day, is used in cooling and processing operations by Bethlehem Steel's Sparrows Point plant. These mills use as much as 45,000 gallons of water per ton of product, a total of about a billion gallons a day or four times as much as the entire metropolitan area. Without the city's treated waste, which is of excellent quality for the purpose to which it is put, this amount would have to be made up from wells and other sources. The arrangement also saved the city the expense of building an elaborate pipeline to carry its waste into the Chesapeake Bay, since the Back River area has nowhere near the dilutant capacity to handle. On Dr. Wolman's recommendation, the company does not take this water free but pays an average of $100,000 a year for what it uses. This avoids what he calls a lot of political monkey business. The plant could use more, he notes, placing the city in the unique position, in a sense, of needing more sewage.

The consultant has been involved in another important re-use project for the city of Tel Aviv, where the sewage will be reclaimed, treated and used to replenish ground water in the sand dunes along the Mediterranean coast. "The same thing's beginning to be done in California," he says. "For years, I have argued with them about bringing their water in from 500 miles away, using it, then running it as fast as we can out into the Pacific Ocean. And where do we run it? Right through the industrial section that is now having trouble getting water. I say, don't throw it away. At least use it to replenish the ground water. Then you will not only be able to reclaim it at a later time, but you establish a fresh water barrier against the Pacific. The ocean never sleeps—you pull too much on your wells and it will come in. This is what was happening at Sparrows Point—the ground water was getting salty—and this is why we recommended what we did."

Dr. Wolman's frequent use of "we" is partly editorial, partly modesty, for through his career as advisor and consultant, he has by and large been a lone worker. He stepped into the consulting field in 1927, having graduated from City College and Johns Hopkins and done several years of teaching. He returned to Hopkins again to teach in 1937, at which time he had Lawrence Fowler, chairman of a board of architects for the Homewood campus, design a town house for him and his wife, Anne, across Charles Street from the university. "For this I think we ought to get a distinction and a medal," he jokes, "for it was the only town house built in the inner city in decades. We chose the location because it was near the university, near the Pennsylvania Railroad station and not too far from the airport. Those three considerations, as you may guess, determine my existence."

Time is a precious luxury to a man in his position, and he estimates that conferences and committee meetings and the like take up easily 25% of his year, about equally divided between this country and abroad. "One is always caught in the question of whether you have the right *not* to participate, on the assumption—which is usually pressed on you—that if you've lived through 40 or 50 years of this experience, you ought to share it. This is an impressive reason for doing it, but often when you come through a three or four-day meeting exhausted, you can't escape saying to yourself, I wonder whether it's worth all this energy. I suppose it is—I'm not sure. But you continue to do it, as you know.

"Now and then you're in for a surprise, because at an off moment, somebody will turn up and say, 'Well, you said nine years ago that we ought to build this way, and we tried to pursue it.' And this sets you back a little bit in your feeling of resistance. It's the same kind of thing that happens in teaching. Many people have the feeling that perhaps the most useful thing you can do is spend your time in teaching, because here you're dealing with young people, and they're the ones who are going to do the job. Perhaps you get your greatest impact, your greatest return, via those young people. I've always been torn between whether that should take up most of the energy or whether something else should take up most of the energy."

If you can catch up with him between jets to Latin America or the West Coast, train trips to New York and weekend walks in Gwynns Falls Park, he will admit that his supply of energy is not what it was five or ten years ago. "There was a time when I could keep going all day at this and a large portion of the evenings, but I need more recovery periods now." His wife is a great help with his elaborate travel schedule, he says, and she goes practically everywhere with him. He says she is an excellent traveler who makes her way easily with other people. Still another factor that eases the burden of travel is that they can land at practically any major airport in the world and have friends or former students waiting to greet them.

Having worked and seen conditions in so many parts of the world over the past half century, Dr. Wolman has reached a conclusion for which he almost feels a need to apologize, because it sounds too much like a cliche. Still, he expresses it rather eloquently: "There is no place in the world I would choose to live over this, because there is no country that has what we have. I don't mean material wealth, which is one of the ingredients, but which has the natural beauty, the freedom, the opportunities. And I've never come back that I'm not again impressed with that difference.

"This is not to say that I don't find England beautiful; I do, and it's one of my favorite countries. Or that I don't find France exciting. Or that I don't find completely fascinating the drive downtown from the Calcutta airport; it's one of the few places where you're completely overwhelmed by humanity. But you can't escape the fact that ours is in many many respect a blessed land. It's an amazing country—a country which in many ways is envied, and we seem to generate dislike or even hatred on occasion. I think part of it is due to the fact that here we sit: rich, relatively happy, with certainly all the more obvious material things that everybody would like. But move around amongst people who have never been anything but half-starved, who no day in the year have enough food, who don't have enough clothes, who've never had a job. One looks at it and wonders: what can we do about that? In my work it's always puzzled me. I'm in a sense a perennial optimist, or else I wouldn't be able to stand it. I'd have to quit."

Besides optimism, patience is another essential ingredient in Dr. Wolman's outlook and in his resistance to quitting. As he tells his students, in his field he measures the time between idea and execution in geological terms. "People ask me, do you find any difference throughout the world in the last five or ten years? I say yes. To me, it's quite measurable and quite gratifying. Not as fast as I'd like, but I've seen many very important, almost quasi-revolutions in my field. And since I battled for that, I say it's all to the good."

BIG BROTHER

Mr. LONG of Missouri. Mr. President, as the Senate Subcommittee on Administrative Practice and Procedure continues its study and investigation of invasions of privacy, it is extremely encouraging to learn that we are receiving support from all walks of life. Recently, the Communications Workers of America, meeting in the Kiel Auditorium in St. Louis, Mo., passed a number of resolutions out of their 28th annual convention.

One of these resolutions dealt with the area of "invasions of privacy." The 28th convention of the CWA went on record as opposing the "spreading use of wiretapping and eavesdropping equipment by Government and industry, and supports the efforts of those congressional leaders who advocate strong legislation to license the manufacturer, regulate the sale, and prohibit the indiscriminate use of eavesdropping and wiretapping equipment."

I ask unanimous consent to insert, at this point in the RECORD, the resolution of the 28th Annual Convention of the Communications Workers of America issued in June of 1966.

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

INVASIONS OF PRIVACY RESOLUTION

Big Brother is not only watching, he's listening, too. Mounting evidence of widespread wiretapping has been gathered by Congressional committees. Senator EDWARD V. LONG has charged that the "net effect of the widespread use of wiretapping and eavesdropping equipment unfortunately is to create an atmosphere of fear on the part of our citizenry."

As chairman of the Senate Subcommittee on Administrative Practice and Procedure, Senator LONG has probed deeply into the invasions of privacy which have become so commonplace a threat to democratic principles and individual privacy.

"During the course of hearing," Senator LONG has said, "we discovered that many people—both in and out of government—resort to tapping of telephones for the purpose of obtaining information. Sometimes the phone tap is used for industrial espionage purposes. And, more often than not, our police and federal agencies resort to eavesdropping and wiretapping in criminal and national security cases."

Senator LONG and others have pointed out that the interpretation placed on current legislation by the Justice Department gives little or no practical protection against wiretapping.

Since many of our members work in the telephone industry, where wiretapping techniques are readily at hand, the Communications Workers of America has a complete and historic awareness of the threats posed by the ease with which such invasions of privacy can be accomplished.

Also, our own members often are subjected to surveillance by means of monitoring devices which are now available to organizations outside the telephone industry. And our own members occasionally have been approached by unscrupulous operatives who have sought skilled technicians to tap

the phones of telephone company subscribers.

It is well over a year since CWA President Beirne's Senate testimony on wiretapping drew national attention. Since that time, major magazines, frequent newspaper features and a national television documentary have highlighted the problem. Nevertheless, corrective action has been slight and sporadic.

The moral fabric of American society is being steadily corrupted by the temptations created by wiretapping and other snooping devices that are both simple in application and sophisticated in effectiveness. The time has come to call a halt. Therefore, be it

Resolved, That this 28th Annual Convention of the Communications Workers of America opposes the spreading use of wiretapping and eavesdropping equipment by government and industry, and supports the efforts of those Congressional leaders who advocate strong legislation to license the manufacture, regulate the sale and prohibit the indiscriminate use of eavesdropping and wiretapping equipment.

Further, we urge the enactment of legislation prohibiting the use of monitoring equipment in connection with any employer-employee relationship.

ADDRESS BY W. AVERELL HARRIMAN, AMBASSADOR AT LARGE, BEFORE ASSOCIATED HARVARD ALUMNI

Mr. MONDALE. Mr. President, the Honorable W. Averell Harriman, Ambassador at Large, recently gave a most perceptive speech before the Associated Harvard Alumni in Cambridge, Mass. He recognized in his speech that we live in a most extraordinary century—at a time, in the words of John Kennedy, in which "if we cannot help the many who are poor then we surely cannot save the few who are rich."

The Ambassador said in his speech:

The great task—the overriding challenge—for mankind in the rest of the twentieth century is to do in the world what we began to do a generation ago in the United States: to help build a world society where everyone can start to hope for a better life, if not for himself at least for his children and his children's children.

We cannot survive as an island of safety and prosperity, aloof from poverty, wretchedness and strife elsewhere on this small planet. We must offer a helping hand to those who ask our aid to fulfill their hopes. . . .

Mr. President, the world is in a revolution. This Nation must share in the hopes, the passion, and the action, the imagination, and the peril of this revolution.

Ambassador Harriman pointed out in his speech that George Woods, President of the World Bank, recently stated that by the turn of the century at the present growth rates the poorer countries will increase their per capita annual income by no more than $50 while we will add $1,500.

We cannot allow this disparity to grow, Mr. President. Yet Ambassador Harriman recognized the danger present today. He said:

Unfortunately I detect a new mood in some quarters today—a retreat from the idea of larger responsibility, a desire to return to our own concerns, almost a neo-isolationism. One can understand the causes of the mood because the burdens have been heavy, the problems intractable, the results slow. Yet we cannot let frustrations become the ruler of our judgment, or fatigue the arbiter of our policy.

Mr. President, something like this is happening today with the retreat by some from the concept of foreign aid. Our aid alone will not capture the imagination of the peoples of the world, but our failure to carry on a useful aid program in the midst of our prosperity would condemn us in their imaginations, and would severely hamper us politically.

I ask unanimous consent to insert the text of Ambassador Harriman's speech in the RECORD, Mr. President.

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

ADDRESS BY THE HONORABLE W. AVERELL HARRIMAN, AMBASSADOR AT LARGE, BEFORE THE ASSOCIATED HARVARD ALUMNI, HARVARD YARD, CAMBRIDGE, MASS., JUNE 16, 1966

I come before you as a Yale man who has spent the best years of his life working for Harvard Presidents.

But, now that you have made me a Harvard man today, at last, I am beginning to feel legitimate.

The nation has owed a good deal to Harvard in these years—not only two great Democratic Presidents but any number of Democratic brain trusters on the faculty—as well as even more Republican voters, I am reliably informed, among the alumni.

But one thing stands out: in one way or another this university seems to have taught its graduates that there are more important things in life than purely personal gain. It has held out an ideal of public service and established a record of public achievement. Its graduates work for the community, the nation and the world—who knows how many governments, beside our own, are influenced by Harvard men?

No men in our time have better exemplified this tradition of public service than Franklin D. Roosevelt, Class of 1904, and John F. Kennedy, Class of 1940. It has been my good fortune to have served them both.

Both these Harvard Presidents were distinguished, among other things, by their precise and vivid understanding of history. They understood that change in the world was inexorable, that the velocity of history has never been greater, and that our nation can keep abreast of history only as it presses ever forward to new deals and new frontiers.

They knew also that the changes were not only in man's machines and his institutions but, even more, in his aspirations and values. They understood that the towering fact of the 20th century has been the awakening around the planet of the masses of humanity, so long the victims of misery, exploitation, and oblivion.

President Roosevelt used to speak of "the forgotten man." In our own country we have begun to remember the forgotten man: the unemployed and the impoverished; the sick and the aged; the man whose color consigned him to second-class citizenship; and the man whose lack of education denied him opportunity.

As President Kennedy said: "For one true measure of a nation is its success in fulfilling the promise of a better life for each of its members. Let this be the measure of our nation."

In the more than thirty years since I first went to work for Franklin Roosevelt in the National Recovery Administration—the old NRA—our country has made steady progress in widening the promise of American life. Today President Johnson's determination to make all American citizens full members of the national community—to strike down the barriers which hold men and women back for reasons beyond their own control—is carrying this effort toward its fulfillment in the goals of the Great Society.

In so acting in our own society, we are recovering the sense of public purpose—we are reclaiming our moral heritage.

Yet, even as we make progress at home, we find ourselves confronted by the same problems on a far larger scale in the world outside.

In the thirties Franklin Roosevelt told us that the nation as a whole could not move ahead so long as one of its parts lagged behind in poverty and underdevelopment. In the sixties John F. Kennedy told us that the world could not move ahead if one part lived in affluence and the rest in squalor.

The great task—the overriding challenge—for mankind in the rest of the 20th century is to do in the world what we began to do a generation ago in the United States: to help build a world society where everyone can start to hope for a better life, if not for himself at least for his children and his children's children.

We cannot survive as an island of safety and prosperity, aloof from poverty, wretchedness and strife elsewhere on this small planet. We must offer a helping hand to those who ask our aid to fulfill their hopes for a better life, in freedom from outside interference.

At this same gathering nineteen years ago, General Marshall pointed to the needs of a war torn Europe, and proposed a cooperative plan for European recovery. This combined with the North Atlantic Treaty made possible the revival of the genius and vitality of Western Europe. Now Western Europe is more vigorous and dynamic than ever.

Today we are reviewing the relationship within the North Atlantic Community and the role of NATO which has served us so well in the past. In looking ahead, we find a wide measure of unity of purpose among 14 of the 15 allies. It is agreed that our integrated strength continues not only to give essential security but greater opportunity for progress. In the political field this unity can contribute to breaking down the unnatural barriers of the Iron Curtain—the strong desire of the peoples of both East and West. It can provide, as well, combined economic resources needed to assist the developing countries of the world "in attacking the fundamental problems confronting" them.

Nineteen years ago the acute problem compelling our concern was a stricken Europe. Today it is the plight of the underdeveloped countries. Many of these have only recently attained their independence.

I vividly recall President Roosevelt pressing Prime Minister Churchill during the war to grant India independence. This advice, I might add, was not at the time fully appreciated. Roosevelt's influence and the example of our actions in the Philippines have contributed to the rapid emergence of 57 new nations from colonial status.

President Kennedy stated our position in the United Nations in unequivocal words: "My country intends to be a participant, not merely an observer, in the peaceful, expeditious movement of nations from the status of colonies to the partnership of equals."

These 57 newly independent nations are now faced with the staggering problems of self-government combined with the need for rapid economic development. These are formidable tasks and outside help is needed to deal with them.

In recent years we have undertaken to give a helping hand both through our support of international organizations as well as through bilateral assistance. Much constructive work has been accomplished, but the dimensions of the problem are greater than the means provided to meet it.

Unhappily the gap between the poorer countries and the richer is increasing. Countries which have about half the population of the free world have an average per capita gross national product of $100 or less, compared to ours of over $3,000.

The President of the World Bank, George Woods—a product of Boston—recently pointed out that by the turn of the century at present growth rates the poorer countries will increase their per capita annual income by no more than $50 while we will add $1,500. Similar comparisons are applicable to the other industrialized nations. Mr. Woods, therefore, calls for a sharp increase in the flow of capital to the developing nations and on better terms, together with greater consideration for the acute problems created by the instability in the terms of trade.

A former World Bank President, Eugene Black is taking the lead in formulating plans for the cooperative development of Southeast Asia and the new Asian Development Bank.

It may be reassuring to some to realize that these two men are not academic brain trusters but hard-headed successful bankers with whom I used to work during the years I was involved in international banking.

Clearly, both moral obligation and political necessity require us to do all we can to join in helping the awakening peoples to move as rationally and quickly as they can into the 20th century. Unfortunately, I detect a new mood in some quarters today . . . a retreat from the idea of larger responsibility, a desire to return to our own concerns, almost a neo-isolationism. One can understand the causes of this mood because the burdens have been heavy, the problems intractable, the results slow. Yet we cannot let frustration become the ruler of our judgment, or fatigue the arbiter of our policy.

I feel that something like this is happening today when men who have previously fought for foreign aid now regard these programs with indifference or reject them with indignation. For foreign assistance is one essential way in which we can meet our responsibilities to the developing world and thereby protect our national interest.

No doubt the aid programs have had their defects and failures—though they have never been better directed than they are by a Harvard man today. Certainly they have not wrought magic or passed miracles, although the Marshall Plan was in fact a miraculous success. Yet they are the means by which we can join in partnership with brave and patriotic men in other lands, working for the modernization of their countries. To cast off this hope of a constructive relationship would be a blow not only against our national security, but against our moral identity.

Economic aid, I have said, is one indisputable way by which we can associate ourselves with those seeking national and social fulfillment.

There is one other way, even more profound, and that is the influence of our democratic ideals. Our leadership in the world does not rest ultimately on our material wealth or on our military power. It rests—in any enduring or significant way—on the extent to which our society and our policies embody aspirations which touch the minds and hearts of the rest of mankind.

I was in Moscow when Franklin Roosevelt died—and I will never forget the shock and sorrow of the Russian people, the weeping in the streets, the sense of desolation. Roosevelt represented a hope of peace and friendship, even in Stalin's Russia.

And no member of the class of 1966 will ever forget when and where he heard about the death of John F. Kennedy.

Yet yours was not a private grief. Shock and grief encircled the world. Today, in hovels and shanties in Latin America, Africa, Asia, I am told, photographs of President Kennedy, torn from newspapers, still hang, recalling the faith forgotten men everywhere had in his purpose and leadership. Even behind the Iron Curtain, people still feel and speak of his loss.

This, I would like to think, is the Harvard heritage, the legacy of Franklin Roosevelt and John F. Kennedy. It is a challenge to self-satisfaction and complacency. It is a summons to generosity and magnanimity. It is a call to action—bold action, gallant action. It carries us beyond the narrow confines of our personal lives and private concerns. into a realm of higher and deeper fulfillment. It reminds us that we live in the most extraordinary century in history—and that, as another Harvard man, Mr. Justice Holmes, once said: "As life is action and passion, it is required of a man that he should share the passion and action of his time at peril of being judged not to have lived."

This is the meaning of the lives of Franklin Delano Roosevelt and John F. Kennedy. They shared the actions and passions of their times. They knew there was nothing to fear but fear itself. They asked not what humanity could do for them, but what they could do for humanity. As Harvard men, you inherit an inspiring tradition.

Let us recall the words John F. Kennedy, while still a Senator, used at Hyde Park in tribute to President Roosevelt:

"It is essential, from time to time, that we pay tribute to past greatness and historic achievement. But we would betray the very cause we honor if we did not now look to the future as well. We would be unfaithful to the man we honor if we did not look beyond his work to the new challenges—the new problems—the new work which lies ahead. For the last public message he ever wrote, on the morning of his death, closed with these words to the American people: 'The only limit to our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith.'"

MAN, AIN'T THIS GREAT?

Mr. BYRD of West Virginia. Mr. President, a news story appeared in this afternoon's Washington Star carrying the headline "Looters Go on a Spree." I ask unanimous consent that the story be inserted in the RECORD.

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

MAN AIN'T THIS GREAT?—LOOTERS GO ON A SPREE

(By Austin Scott)

CLEVELAND, OHIO.—"You know, said a man at my elbow, "I bet this riot is the first time in a long while that some people have had enough to eat."

As he spoke, a dozen young Negroes, many in their early teens, were struggling to twist the metal grating from the door of the Sav-Mor food store, a dingy building in the rubbish-strewn heart of the Hough Negro slum.

Rioters had smashed all windows in the one-story brick building the night before, and the plywood panels that had taken their places provided good cover for those bent on looting.

After a brief struggle, the metal grating gave way. The young Negroes shoved the door open and rushed inside, cheered on by a crowd of perhaps two-dozen neighborhood residents behind a line of cars across the street.

They stopped first at the check-out counters to grab shopping bags, then ranged quickly up and down the aisles, loading their arms with canned and baked goods, paper products and household accessories. As each bag filled, it was brought across the street and placed on the ground behind the line of parked cars. In less than three minutes the number of bags had grown to more than a dozen.

"Get some of them cans of beer," a woman shouted to a youth who looked to be about 16. He smiled at her, danced on tiptoe across the street, and returned with a bag full of cans, which he deposited on the ground at her feet.

"At your service," he said, smiling and taking an exaggerated bow. "Anything you want, Madam, just you ask."

A man in his 30s sporting a bright red shirt smiled and, commented, "Man, ain't this great!"

The line of shopping bags kept growing. A man in his 20s stuffed the rear seat of his car full of looted merchandise. Another piled bag after bag on an overloaded shopping cart. Children shouted with excitement as the looters ventured farther and farther toward the back of the store.

"Don't y'all get too far back," a teen-aged girl yelled. "That's the way the cops catch you."

Almost all the spectators were smiling with approval, enjoying the spectacle, when a siren suddenly shrieked nearby and two police cars roared around the corner. Instantly the looters scattered, but many weren't fast enough.

One policeman grabbed his gun, headed straight for the store door and trapped five looters inside. Another leveled his revolver at a fleeing man in his early 20s, who ran the other way, only to discover a rifle barrel poking into his stomach.

The spectators scattered, too, leaving in such haste that they knocked over several of the shopping bags, spilling the contents.

"They got my sister," said one girl who looked to be no older than 14. "My sister is in there. I told her not to go out, but she went anyway. I wonder what they'll do to her?"

A policeman came over and began carting the shopping bags back across the street to the store.

"Don't they know they're just makin' trouble for themselves?" he asked. "They do that, and all of their friends have got to suffer the consequences."

THE CZECHOSLOVAK NATIONAL COUNCIL OF AMERICA AND THE RECENT VISIT OF HIS EMINENCE JOSEPH CARDINAL BERAN OF PRAGUE

Mr. PELL. Mr. President, it is a privilege for me to speak of the Czechoslovak National Council of America and the recent visit in this country of His Eminence Joseph Cardinal Beran of Prague.

The Czechoslovak National Council of America is a nonprofit organization of people dedicated to halting Communist suppression of democratic freedom.

The visit of Cardinal Beran was a significant event for the crusade of the Czechoslovak National Council of America.

Cardinal Beran—then Archbishop Beran—spoke out courageously for freedom of mind when the Nazis overran Czechoslovakia in 1939 and when the Communists took over in 1948.

Cardinal Beran survived the threat of death plus 12 years of arrest by the Communists.

The cardinal's survival of these trials is significant to the freedom of mind from Communist domination for which the Czechoslovak National Council of America is constantly working.

I am appreciative of the efforts of the Czechoslovak National Council of America particularly because of my work in establishing the American Consulate General in Bratislava, Czechoslovakia, and my duties as Vice President of the International Rescue Committee heading their Hungarian refugee program in Austria.

I am very pleased to support the dedicated work of the Czechoslovak National Council of America in its determined effort to relieve the burdened minds of people suppressed under communism in Eastern Europe and, with a full heart, welcome Cardinal Beran to our country.

MASSIVE GRASSROOTS SUPPORT FOR SENATE VERSION OF H.R. 13881—THE ANIMAL PROTECTION BILL

Mr. BREWSTER. Mr. President, on Thursday of this week the appointed conferees from the Senate and the House are scheduled to meet to work out a final wording of H.R. 13881, the much-publicized animal protection bill.

As you may know, Mr. President, I am vitally interested in this legislation. As a member of the Senate Commerce Committee I was privileged to give my support from the very beginning to the wise amendments of the distinguished Senator from Oklahoma [Mr. MONRONEY].

In essence, the Monroney amendments extended H.R. 13881 to cover research animals in the laboratories while they are waiting to be experimented on, and while they are recovering from an experiment. Not a syllable of the Monroney amendments referred to the period of actual experimentation, to the time when the animal is on the operating table, so to speak.

It seems to me that without the Monroney amendments, which were, fortunately, incorporated into H.R. 13881 by an 88–0 vote of the Senate, H.R. 13881 would be a halfhearted and inadequate piece of legislation.

Mr. President, I am encouraged to find that the vast majority of the American people agree with me on this point.

If the quantities of mail that I receive can be taken as an accurate indication, most of the people interested in animal welfare want to see the Senate version of H.R. 13881 become law. I am hopeful that the conferees from the House, in response to massive grassroots interest, will view the Senate-passed Monroney amendment as an improvement to their very praiseworthy bill.

In this connection, I should like to call the attention of my colleagues to a brief but poignant editorial that appeared in the Birmingham Post-Herald on Saturday, June 25. This editorial points out that—

> If humane treatment is the goal it is senseless to exempt the laboratory facilities. Certainly there should be no interference with the research itself. But crowded, dirty, ill-tended kennels are as inhumane in a laboratory as they are elsewhere and should be forbidden.

Mr. President, I recommend this sensible editorial to my colleagues, and therefore ask unanimous consent that it be printed in the RECORD.

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

[From the Birmingham Post-Herald, June 25, 1966]

KEEP THE MONRONEY AMENDMENT

The long uphill fight for a law to insure humane treatment of laboratory animals is nearly won. Both House and Senate have passed bills, differences in which now must be ironed out in joint conference.

Both bills authorize the Agriculture Secretary to draw up standards for humane treatment by dealers, to license dealers in dogs and cats, and to require both dealers and research facilities to keep records of their animal purchases.

But the Senate bill contains an amendment by Senator MONRONEY of Oklahoma providing also for standards of humane treatment in the laboratory itself—not, of course, during experimentation but while the animals are kenneled before and after. If inspectors find evidence of inhumane treatment a cease-and-desist order could be issued.

The House rejected any such provision in response to arguments that it would hinder research. The Senate by an 85 to 0 vote this week adopted the Monroney Amendment. The Senate was right.

If humane treatment of laboratory animals is the goal it is senseless to exempt the laboratory facilities. Certainly there should be no interference with the research itself. But crowded, dirty, ill-tended kennels are as inhumane in a laboratory as they are elsewhere and should be forbidden. The conference committee should keep the Monroney Amendment in the bill.

CAPTIVE NATIONS WEEK

Mr. KUCHEL. Mr. President, 10 years ago this month, the Communist Party organ Pravda clearly restated the totalitarian philosophy of the Soviet rule when it said:

> The Communist Party has been and will be the only master of the minds and thoughts, the spokesman, leader and organizer of the people in their struggle for Communism.

Ten years ago the people of Poland answered 30,000 strong when they stood up to tanks, artillery, and troops of the Polish Communist regime in the city of Poznan, and let the world know that they abhorred the Communist philosophy and domination. The story has been the same in East Germany and Hungary. There is no universal political doctrine under which one power can subjugate another people without eventual insurrection by those oppressed people.

The Communist doctrine cannot endure. In its 21 years of hegemony in Eastern Europe, it has failed to establish the political control and economic success predicted by its leaders. In other parts of the world, in Ghana, the Sudan, Malaysia, the Philippines, and Indonesia, the people have actively rejected communism, whether Soviet, Chinese, native, or of any other origin.

These events dramatize a weakening in the foundations of the supposed Communist monolith. President Tito of Yugoslavia has continued to take actions inconsistent with Communist doctrine. Rumania will no longer meekly comply with the Moscow-dominated Warsaw Pact. The Kremlin must still turn to the capitalist nations for grain to make bread for the Russian people.

Although signs of disenchantment with communism are becoming widespread, the dream of the freedom of all mankind is far from being achieved throughout the world.

Since 1917 many nations have been forced to become part of the Soviet Union. Although these people were supposedly accorded full Soviet citizenship and privileges, the majority of top jobs and governmental positions were given to "Great Russians"—those people from around Moscow. Aside from this more subtle methods of systematic discrimination, antireligious, and virulent anti-Semitic feeling have been widely practiced by the Soviet Government. Racial discrimination has been experienced by African students who have attended schools in Communist countries.

America must make its position clear that it respects the rights of all the people under Communist rule. Last year I cosponsored in the Senate Senate Concurrent Resolution 6, calling for national independence and self-determination for the brave Baltic peoples of Estonia, Latvia, and Lithuania. I urge the Senate Foreign Relations Committee to deal favorably and expeditiously with this bill.

The United States must pursue our course with an awareness of the complexities of the realm of international relations, and with a perceptive and steadfast foreign policy. It must help insure the freedom of weaker nations, and continue every meaningful effort to keep alive the spirit of freedom among the people living under the ironclad domination of the Communist bloc.

SENATOR McGOVERN SPEAKS OUT ON VIETNAM

Mr. NELSON. Mr. President, the March 1966 issue of Mademoiselle magazine contains an excellent article on Vietnam written by the distinguished junior Senator from South Dakota [Mr. MCGOVERN].

During the course of the article, Senator MCGOVERN points out that our military action in Vietnam may alienate more people than it helps.

I ask unanimous consent that the article be printed in its entirety at this point in the RECORD.

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

AN OPINION: GEORGE S. MCGOVERN ON VIETNAM—OUR MILITARY ACTION IN VIETNAM MAY ALIENATE MORE PEOPLE THAN IT HELPS

(ED. NOTE.—In January, Mlle presented "An Opinion" that discussed the whys and wherefores of our Vietnam position. Mlle here presents on opposing view. GEORGE S. MCGOVERN (Dem., S.D.) was elected to the U.S. Senate in 1962—the first Democratic senator from that state since 1936. He is also the author of War Against Want: America's Food for Peace Program (1964).)

There is an old tale of a hopelessly lost traveler who inquired of a farmer the directions to Junction City.

"Mister," said the farmer, "if I were going to Junction City, I'd never start from here."

I suppose that President Johnson and every other American who has grappled with

the problem in Vietnam would readily agree that the path to solution does not begin from a very desirable vantage point.

Vietnam has been torn by conflict continuously for a quarter of a century. A part of the French colonial possessions, it was occupied by Japan during World War II. With the end of the war in 1945, France launched a long and bloody struggle to reassert her control—financed largely by the United States—which ended in victory for the Vietnamese under the leadership of Ho Chi Minh.

The Geneva settlement, which ended this conflict in 1954, provided for a temporary military demarcation line at the 17th parallel, with elections to be held two years hence to determine the leadership of a united Vietnam. It was generally anticipated that Ho Chi Minh, the hero of the war for independence, would easily win the election, and that was doubtless a major reason why he agreed to the settlement.

The prospect of such a Communist victory disturbed Secretary of State John Foster Dulles and American policy planners, as well as some Vietnamese. So, with strong U.S. support, Ngo Dinh Diem was brought back from a monastery in the United States to head an anticommunist government in Vietnam. Assisted economically, and advised by U.S. military officials, Diem avoided trade relations and political contact with the North. Supported by the U.S., Diem refused to go through with the election that was to be held in 1956.

Frustrated by the breakdown of the Geneva settlement and Diem's oppressive political tactics, dissident elements in South Vietnam, supported by Ho Chi Minh, began in 1959 to harass the Diem regime. This was the beginning of the Viet Cong guerilla movement now in control of two-thirds of the terrain and a third of the population of South Vietnam.

Until early 1965, the United States limited its military assistance to the Saigon government to a gradually increasing advisory role, embracing some 25,000 Americans. Beginning in February of 1965, however, U.S. bombing attacks on both North and South Vietnam and a buildup of combat troops have brought American forces to a total of some 200,000, with another 60,000 in naval units offshore.

Why are we now involved so heavily in this struggle? What are our goals? Does our interest there justify such a massive commitment of American life and treasure—a quarter of a million men and expenditures of *$2 billion per month*.

It is appropriate to state before answering these questions that I have never accepted the foreign-policy assumptions behind our deepening involvement in Southeast Asia.

Our policy planners say we are in Vietnam in defense of freedom. One wonders, however, how American troops can strengthen the cause of freedom by intervening on behalf of a government which has never had the broad support of its own people, which abolished local village government, and which seemed to have no more appeal to its citizens than the guerrilla forces that challenged it.

Administration spokesmen also say we are in Vietnam to honor the commitments of three American Presidents. It is true that shortly after the Geneva settlement in 1954, President Eisenhower offered economic assistance to the government of South Vietnam, *providing* it would undertake substantial political reforms. But those reforms were never carried out.

President Kennedy insisted that our effort be limited to an advisory role. "In the final analysis," he said, "it is their war. They are the ones who have to win or lose." This view was held also by President Johnson, Secretary McNamara, and other Administration officials until the various regimes in Saigon demonstrated repeatedly their inability to secure sufficient popular backing to win either a political or a military victory without massive U.S. military intervention. We have clearly gone far beyond our offer of 1954 and the advisory role that we played for ten years thereafter.

Perhaps the most vigorously expressed explanation of our present heavy involvement is the danger that Chinese power and influence would otherwise topple the countries of Southeast Asia like so many dominoes. To be sure, China speaks with a belligerent voice, but it is also a poverty-stricken country, beset by enormous problems at home and a bitter dispute with the Soviet Union for leadership of the Communist world. Furthermore, the countries of Southeast Asia have resisted Chinese interference for centuries. Countries are not dominoes—in Southeast Asia or in any other area. They are proud nationalistic powers, jealous of their sovereignty.

I do not believe that Ho Chi Minh of North Vietnam, or the volatile Sihanouk of Cambodia, or Thailand, or any other government in Southeast Asia will be a patsy for Peking. At one time we assumed that Yugoslavia and the other countries of Central and Eastern Europe would be manipulated by Moscow. Instead, those countries have moved steadily toward an independent course. We have demonstrated that even a Communist government such as Tito's can be influenced toward independence through intelligent diplomatic, political, and economic policies on our part.

There is no reason why similar U.S. policies could not encourage the nationalistic tendencies of countries in Southeast Asia to remain free from Chinese manipulation. Furthermore, Russia, and likewise Japan and India—the two key noncommunist powers of Asia—have a desire to foster independent states in Southeast Asia. All of these countries oppose our increasing military involvement in Vietnam as the very course that may pull China into a more aggressive interference in their affairs. They see American military pressures forcing North Vietnam into a closer dependence upon China rather than acting as a natural buffer against Chinese penetration.

It is possible that we could win a military victory of sorts in South Vietnam. But to do so would require us to pay a price in blood and resources out of all proportion to our interests. The Viet Cong guerrillas are so completely intermingled with the civilian population that to destroy them would require killing the very people whose support we seek. Furthermore, some of our greatest generals—Matthew Ridgway, Douglas MacArthur, and Omar Bradley—have all warned that it would be disastrous to our security for U.S. troops to be drawn into a major war on the Asian mainland. Senator MANSFIELD and his colleagues warned after their recent tour that such a war would involve our soldiers in a conflict that is open-ended—where each new commitment of American soldiers would be offset by additional forces from the limitless manpower of the enemy.

Recognizing that, like the lost traveler, we were not in a very desirable place to begin a journey, I took the Senate floor last July to describe the alternatives:

(1) Do we continue to accelerate the struggle toward a major war?

(2) Do we call it off and withdraw our forces? Or:

(3) Do we consolidate our present position, keep our casualties at a minimum, and hold out indefinitely for a negotiated settlement?

I strongly recommended the third course.

Now, seven months later, after increased military efforts, the testing of diplomatic and political strategies, and a personal tour of war-torn Vietnam, I again suggest the third alternative as the most realistic.

I recommended last July, as I do now, that we stop the bombing attacks in both North and South Vietnam. In the North, they have not been effective in halting the flow of soldiers and equipment southward. They tend to unify the enemy and prompt him to put more forces into the fray. In the South, the bombing missions frequently kill or maim innocent civilians, as I saw all to painfully last December in the crowded hospitals of South Vietnam.

We ought also to stop our offensive ground operations. Those actions subject our soldiers to ambush and jungle engagements advantageous to the enemy.

Instead, let us consolidate our military position in the cities and the coastal enclaves that we now hold. We can defend, supply, and patrol these areas, with a minimum loss of life. They would offer a haven for the anticommunist, pro-Saigon forces standing with us.

Such a strategy faces up to present political reality, which finds us in control of the cities and the other side dominant in the sparsely populated jungle and rural areas. It minimizes the risk that we will be drawn into endless war in Asia, involving eventually the armies of mainland China.

While I believe that our unilateral involvement and its recent acceleration has been a mistake, we have made public and private commitments that must be considered. A holding action, which reduces the loss of life and protects our position for whatever time is necessary to secure an honorably negotiated settlement, is now the most realistic strategy.

Such a policy requires patience and restraint, qualities not easily summoned in wartime. But the alternative may be an incredibly bloody, inconclusive war that would claim the sons of America and of Asia for years to come. In the end, such a conflict could create conditions of hatred and chaos that would insure the tyranny it is designed to prevent.

In Korea, our efforts to drive the North Korean aggressors back to the 38th parallel succeeded with a moderate loss of life until General MacArthur pressed an offensive action far into North Korea toward the borders of China. Then came the intervention of Chinese troops—a million strong—and the resulting years of bloodshed and death. All of this might have been prevented and a more favorable settlement secured had we remained with our original limited objective.

I pray that by the time these words appear in print we will be moving in the direction *not* of an escalating war but of an escalating peace offensive. It will not be easy to negotiate a satisfactory end to this tragic struggle. It will be even more difficult to assist effectively the building of institutions of political stability and freedom. There are enormous problems, too, of poverty, illiteracy, and disease that the Communists will attempt to exploit, but we are not powerless before such problems. We have the agricultural skill, the food abundance, the medical knowledge, the technical know-how to influence the course of Southeast Asia toward a better life for its people. This is the war we ought to wage in that troubled land.

Although it hurts our pride, we need to recognize realistically that there is very little support around the globe—even among our oldest friends—for our present course in Vietnam. But, a war-weary world would applaud our initiative for peace.

And however slow the road, we may get to Junction City after all.

CENTENNIAL ANNIVERSARY OF ROODHOUSE, ILL.

Mr. DOUGLAS. Mr. President, the city of Roodhouse, located in my home

State of Illinois, is this week observing its centennial anniversary.

The history of this energetic community is brief but, indeed, brilliant. Located in the richly fertile and rolling prairieland of west central Illinois, Roodhouse seemed destined to maintain a pastoral way of life for its inhabitants. But a select group of able and ambitious men, including the city's founder, John Roodhouse, harbored far grander aspirations for this infant community. Aroused by the intriguing possibilities and potentialities of the railroad, these men sought to secure its advantages for Roodhouse. The railroad was at that time, it will be remembered, swiftly transforming the complexion of this Nation, aiding the westward movement and establishing thriving and bustling centers where quiet and meek communities had existed but shortly before.

These foresighted men did indeed acquire the desired railroad facilities for their community, and Roodhouse quickly became a railroad center. Expanded population, new and flourishing business, and marked improvement in the quality of existence attended the arrival of the railroad and flourishes till this day.

And, Mr. President, I am proud to observe that the same energetic, foresighted, and industrious attitude which characterized the early history of this community still prevails undiminished to this day. I welcome this opportunity to congratulate these fine people and wish them continued success and prosperity.

FORCED HOUSING BILL AND COMMUNITY DEVELOPMENT BILL—RESOLUTIONS OF RICHARDSON, TEX., CHAMBER OF COMMERCE

Mr. TOWER. Mr. President, the board of directors of the Richardson, Tex., Chamber of Commerce was kind enough to furnish me with copies of resolutions it approved recently.

In view of the fact that they pertain to matters of national legislation, I ask unanimous consent that the two resolutions be printed in full in the RECORD so that Senators may be informed of their nature and content.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RICHARDSON, TEX., CHAMBER OF COMMERCE RESOLUTION OF THE BOARD OF DIRECTORS

On June 27, 1966, the Board of Directors of the Richardson Chamber of Commerce duly considered and unanimously passed the following resolution:

Resolved, That the Richardson Chamber of Commerce publicly register its opposition to the proposed legislation now being considered by the Congress of the United States, under the title of H.R. 14765, Title IV, and sometimes called the "Bill for Relief against Discriminating Housing Practices" and sometimes called the "Forced Housing Bill" and a part of the "Civil Rights Act of 1966"; and,

That, all available means to inform appropriate congressional representatives be used to fully relate this Chamber of Commerce's views on this subject to such distinguished legislators.

E. G. GATLIN,
President, Board of Directors, Richardson Chamber of Commerce.

RICHARDSON CHAMBER OF COMMERCE RESOLUTION OF THE BOARD OF DIRECTORS

On June 27, 1966, the Board of Directors of the Richardson Chamber of Commerce duly considered and passed the following resolution:

Resolved, That the Richardson Chamber of Commerce publicly register its opposition to the proposed legislation now being considered by the Congress of the United States, under the title of S. 2934 and H.R. 12466, and sometimes called the "Community Development Bill"; and,

That all available means to inform appropriate congressional representatives be used to fully relate this Chamber of Commerce's views on this subject to such distinguished legislators.

E. G. GATLIN,
President, Board of Directors, Richardson Chamber of Commerce.

HOW TO CREATE POVERTY

Mr. SYMINGTON. Mr. President, it is with pleasure that I ask unanimous consent to have inserted in the RECORD a thought-provoking talk "How To Create Poverty" by Walter Hoving, chairman of Tiffany & Co., delivered at the commencement at Long Island University last month.

Long known as one of America's most successful businessmen, Mr. Hoving is also a profound student of the American way of life.

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

HOW TO CREATE POVERTY

(Commencement address at Long Island University by Walter Hoving, Chairman, Tiffany & Co.)

President Johnson has made poverty a major concern in this country today. I believe he will go down in history as the first head of a great nation to even mention the word. The word "Poverty" has been taboo for hundreds of years.

So let's take a look at poverty. How did it start? What causes it? And what can we do about it?

Under the hunting and nomadic civilization, there was no such thing as poverty. It came into being with the advent of the agricultural civilization about four or five thousand years ago. Men who wanted to be rich and powerful in those ancient times could become so only by forcing other men into poverty. This was first accomplished by the inauguration of the Slave System.

After being the prevailing system for two thousand years, slavery began to disappear with the gradual spread of Christianity and the fall of the Roman Empire. This resulted in a transition period called the Dark Ages. But the age-old urge of some men to be rich and powerful was always present and a new system to achieve this end was created—The Feudal System. As the land was the main source of wealth, the noble families who possessed land created serfdom and ground the peasants under their heels for their own benefit.

The termination of the feudal system began about two hundred years ago when the industrial revolution started with the invention of the steam engine. Of course, the evolution was slow, but the world gradually, nevertheless, passed into another transition period, which we are still in today. It is hoped this period won't last as long as the Dark Ages before the next system finally crystalizes, but it will probably last another fifty or one hundred years.

So let us look at the misconceptions, which are largely the remnants of the feudal system, that plague us today. They all tend to perpetuate and create poverty.

1. Under-education

The first one, I am sure we all agree, is under-education. There is no question that this is and has always been one of the main reasons for poverty. Under-education was a deliberate policy under feudalism and it still is today in many places. There is also a great deal of education that is not relevant to present day needs. Nor have we learned how to exaluate people and tailor their education to their abilities and aptitudes. Much needs to be done in this field.

2. Death Control Without Birth Control

One of the important causes of poverty is lack of birth control. We have, however, made great progress in death control. Through sanitation and through medical science, we have prolonged the life of man. We have, however, largely underplayed the fact that, if we don't do something about the intake, we are going to have more people than we can feed. And this is already true in many places. China today has 200,000,000 more people than it had ten years ago, but its agricultural output is exactly the same. Many prejudices and beliefs need to be modified before we can make significant progress in this field.

3. State Capitalism vs. Private Capitalism

Another problem is the belief held by many people that state capitalism is better than private capitalism. I call it state capitalism advisedly because actually all systems, whether they be communist or private, use capital. It is only a question of who owns it. If the Government owns it, it is state capitalism; if people own it, then it's private capitalism. There isn't any question that after forty years of experimentation in Russia, state capitalism, whatever else it might do, breeds poverty. But many other variations of state capitalism are practiced today. Socialism or modified socialism is evident in most countries in Europe, and almost all the new nations in Asia and Africa are believers in state capitalism in one form or another. Until we explode this misconception, we will make very little progress in preventing poverty.

4. The Resentment Against Profit

Number four is the resentment against profit. There is widespread misunderstanding about profit. Most people don't really comprehend what it is. Surveys were taken in several factories in America, Europe and South America. Workers were asked how much profit they thought their company made after taxes. The answers were astonishing. The United States averaged 21 per cent, Europe 32 per cent, and in South America the replies were as high as 72 per cent.

Now it is common knowledge that the average net profit for all reporting corporations in the United States is slightly over 3 per cent. If employees feel that net profit runs as high as 21 per cent or 32 or even 72 per cent, obviously they have a right to be resentful. Few seem to realize that all wages, salaries and taxes come out of gross profit.

It is amazing that not only in the communist states, but even in the United States, people show such hostility about profit. This is unfortunate because without profit the capital needed to put people to work would not be created.

5. The Fear of Machines.

Many people think the machine is their enemy. So few seem to have any comprehension that the machine is the most important factor in the gradual demise of feudalism. For the first time in human history it has become possible for people to be well off without exploiting others. Without machines, you cannot have general prosperity.

Right now there is a newspaper strike in New York and one of the key points of disagreement is that the unions do not want typesetting machines. Labor is fighting this because they feel it will put their members out of work. It will, of course, put some of their members out of work temporarily, but in the long run, it will create much more work and many more jobs. So the fear of machines has always been one of the real causes of poverty.

6. The Obsession with Production.

Number six is the obsession with production. People feel that production is all important and that all other economic factors are just rather unnecessary. Some of you might not know that today there are many more people employed in distribution and the service trades than in production. About thirty years ago, there was something like 40 per cent of the workforce in the United States employed in production; today it's under 20.

However, when a union talks about retraining people, they invariably want to retrain them for other production jobs. This sort of ignorance is one more reason for poverty.

7. Monopoly Practices.

Number seven is monopoly practices. I don't need to say much about this. We have laws against monopoly in this country. Sometimes businessmen feel they are enforced unfairly, but they are, nevertheless, constructive laws. But in other countries monopolies are still the rule rather than the exception. This again is another leftover of the feudal system.

8. Restrictive Labor Practices.

Restrictive labor practices are an important cause of poverty. So-called featherbedding, overmanning, slowdowns, restrictions against taking on apprentices and 30 or even 25 hour weeks tend to restrain trade. For instance, union rules that prevent a man from taking a package from one side of the aisle in a department store to the other if he happens to be an executive will restrain trade. Such practices make for waste, inefficiencies, high costs and inevitably cause unemployment and, therefore, poverty.

9. Social Rigidities

Number nine is social rigidities. By this I mean race prejudices, religious prejudices and class prejudices. The caste system in India is one of the biggest factors in preventing that country from going forward and creating jobs for more people. And in this country, of course, we have prejudices against Negroes by both employers and unions.

In Spain, for example, Protestants cannot hold office in the state, are often prevented from owning property and are even denied the right of legal marriage. This has mitigated against Spain's economic expansion.

Superstitions such as sacred cows which eat the grain that the people themselves sorely need in India also add to the pathetic poverty in India.

All such social rigidities produce poverty.

10. Inflation

Inflation, of course, should be included in our list because it is one of the most devastating forces producing poverty. All fixed incomes are affected by inflation. Inflation has ruined more economies and created more poverty over the years perhaps than any other cause.

11. Restrictive Tax Devices

Restrictive tax devices often prevent legitimate business expansion and trigger poverty. In England they are just imposing a new tax of $3.50 on each worker. But they are going to pay back $4.50 per worker if they are employed in production, thereby penalizing the service and distribution sector of the economy.

This is one of these unintelligent taxes that tries to turn back the clock. It is bound to dislocate the economy of Britain and do people out of work.

Sales taxes in such areas as New York City also produce poverty by driving business away from the city, thus causing less employment in many industries.

Minimum wages that are set too high cause unemployment among new workers. Unquestionably the high unemployment rate among Negro teenagers is largely caused by our minimum wage laws.

12. The creation of Mini-Nations

Number twelve is the creation of small nations. There are many of these so-called nations in Africa and Asia, and they are created for sentimental and ethnic reasons, or because some tribe wants to be autonomous.

This is already creating great economic havoc and poverty. A mini-nation can exist only as long as it gets help from us. But they are not constructive and realistic entities and cannot last.

What is the solution?

The solution is that we must makeup our minds that fighting poverty is not just a question of sticking a finger in the dike in Harlem, Watts, or Appalachia, or simply appropriating money and parceling it out in certain places. We must try to stop doing the things that create poverty if we want to make progress, and do those that create wealth and well-being for all.

It is my judgment that we must realize that socialism and communism were created out of the inherited resentments of the past and that capitalism contains too many flaws which we have carried over from the days of exploitation. The answer is that we must try to accelerate the transition stage we are now going through and get all nations to realize that "The Freedom System" is the only one that can produce the maximum well-being for the largest number of people. And that is the Herculean task which all of you must face up to for a better future.

CAPTIVE NATIONS WEEK

Mr. ALLOTT. Mr. President, the observance of Captive Nations Week reminds us that we must not relent in our efforts to provide every political and moral encouragement to the heroic peoples of the captive nations in their struggle for freedom and independence from Communist tyranny.

In the past year, the so-called liberalization of Communist policy toward the captive east-central Europeans has, in effect, been characterized by increased repressive measures and a toughening of the Communist line. In a determined effort to keep the captive peoples under the restrictive harness of the state, the Communist regimes have attacked intellectuals in Bulgaria and Czechoslovakia, arrested dissident citizens in Hungary, and intensified their crusade against the religious hierarchy in Poland. Under the guise of "liberalization," the Communists have instead reaffirmed and reinforced the old policy of regimentation, tyranny, and suppression of basic human rights and fundamental freedoms.

We in America cannot and must not stand by silently as long as the ruthless oppression of our eastern European friends continues. Rather, it is our duty to press forward in a united effort to assure the right of national independence, self-determination, and freedom for all men and all nations.

When I, like millions of free men everywhere in World War II fought for freedom, I did not then nor do I now, take the principles and commitments of the four freedoms or the Atlantic Charter, lightly. Yet, the four freedoms and all other international agreements to which the Soviet Union was a party, were soon made a mockery by tyrannical action on the part of the Communist regime. And, the captive peoples' freedom, purchased at the cost of blood and sacrifice, flickered but a moment before it was extinguished by the Soviet aggressors. The subsequent captivity of these freedomless peoples must lie heavily on the conscience of every freedom-loving American. We cannot ignore our historic commitment to over 100 million people who have proven, time and again, their own deep commitment to the very principles we cherish.

Nationalist sentiment in east-central Europe has not been deterred or softened by the lack of response by the respective regimes to the need for a more rapid and meaningful national evolution. Rather, there is a wealth of evidence that nationalist sentiment has been strengthened and encouraged. It is, therefore, especially imperative that we reaffirm our steadfast determination to lend our moral and political support now, while the polarity between the ambitions and aims of the captive peoples and the ambitions and aims of the Communist leadership is becoming more pronounced.

The observance of Captive Nations Week is an appropriate time to affirm and strengthen our dedication toward seeking all peaceful means to the end of eliminating the specter of totalitarianism from the captive world.

OPERATION HEADSTART

Mr. BREWSTER. Mr. President, the Senate will soon be considering the appropriations for the war on poverty for the coming year. There have been successes and failures in this program. One of the brightest successes has been Operation Headstart, the program to provide preschool training for needy children.

A recent editorial in the Baltimore Evening Sun points out the achievements of this project. As the editorial very accurately states:

> The biggest shortcoming of Head Start must be measured in the quantity, not the quality, of its success.

In other words, the program needs to be extended to reach more of the 4 million children who could profit from it. Before Senators decide on the amount of funds they will earmark for this vital purpose, they should read the editorial carefully.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

TOO FEW OFF THE MARK

"Reports on last summer's Head Start program abound in case histories of children who had never seen book, a pencil, a grapefruit or a doctor before they were enrolled; children who did not know how to play or laugh or eat with utensils; children who were virtually mute because of a lack of conversation at home and who risked being misdiagnosed as mentally defective when they entered school."

So writes Erwin Knoll in the *Southern Education Report*.

Operation Head Start, the most widely acclaimed of the Government's anti-poverty campaigns, has been conspicuously successful in dealing with such children. Even the Republicans like it, for in a recent critique of Poverty War programs they claimed to have originated the idea four years before the first pre-school classes were held in 1965.

There is abundant evidence that Head Start children have experienced a marked rise in I.Q., that they have learned better how to get along in groups and in many cases have been found by first-grade teachers to be "more proficient in learning, more intellectually curious and better adjusted to the classroom than children who had not participated in the program." Another measure of Head Start's success is that its example has stimulated many school systems to initiate or expand pre-school programs.

The program is not without its shortcomings, of course. There have been enough administrative mistakes, confusion, and delays in processing project applications to lend at least some support to the Republicans' recommendation that Head Start be transferred from the Office of Economic Opportunity to the Office of Education. Mr. Knoll also says there has not been enough "follow-through" in treating the physical and emotional defects of Head Start children after the initial treatment.

But the biggest shortcoming of Head Start thus far must be measured in the quantity, not the quality, of its success. For it is a sad fact that fewer than one sixth of the nation's 4,000,000 children who could benefit from Head Start are able to do so under its present scope.

SAFE-DRIVING CAMPAIGN OF THE NATIONAL AUTOMOBILE DEALERS ASSOCIATION

Mr. PELL. Mr. President, I should like to offer support for the efforts of the National Automobile Dealers Association to encourage safe driving habits among teenagers.

The National Automobile Dealers Association is running a series of advertisements in the Saturday Evening Post concerning the problem of teenage driving.

The Saturday Evening Post is an excellent publication in which to run these advertisements in view of its strong editorial policy toward safety.

The National Automobile Dealers Association and the Saturday Evening Post are to be commended for this new effort to understand the critical safety problem on our Nation's highways and how young people can be functional in helping to improve upon the present situation.

I ask unanimous consent that the text of a recent advertisement be inserted in the RECORD at this point.

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

"Gee, Dad, you're gonna take my license away for one lousy ticket?"

The young man is 16. He was doing almost 80 when they caught him. His father went to juvenile court with him. The judge said next time the boy's license would be suspended. His father didn't wait for a next time.

The boy didn't like the idea. "O.K., so I was speeding a little. I knew what I was doing."

He missed the point. Sure, he knew what he was doing. He's young, he has perfect vision and quick reflexes. He knows he reacts faster than many others on the road.

But perfect vision or not, he's blind to the most important rule of the road: responsibility!

The responsible teenage driver knows his limitations. He knows he lacks experience, and drives accordingly. He drives carefully. And with judgment.

By just being 16, he's earned the privilege to drive. Now he has to earn the right to drive.

If he violates that right, even once, he's got to see the wrong of it. A ticket and fine aren't enough. Take his license away, and he'll see.

Sure it's a hard way to learn traffic safety. But it's a lot easier than learning it by accident.

Your teenager's driving can be one of the biggest problems you'll ever face. It's a problem that can't be solved by rules alone. He must *want* to be a safe driver. Your neighborhood new car dealer hopes this series will help you to help him. The National Automobile Dealers Association commends the *Saturday Evening Post* for their cooperation.

THE CAUSES OF INFLATION—ADDRESS BY BEN H. CARPENTER

Mr. TOWER. Mr. President, there have been charges and countercharges concerning the causes of our present inflationary problems. Steel producers have been blamed, union officials have been blamed, the President has been blamed, Congress has been blamed, agriculture has been blamed, big retail outlets have been blamed, even the housewife has received a drubbing for not being budget conscious enough.

About the only thing clear to all concerned is that prices are rising, our currency is declining in buying power, and some Americans on fixed incomes are being hurt.

Inflation is a tragic thing; presently it is an American tragedy. Other countries—both friendly and unfriendly—are experiencing monetary problems of even greater magnitude. But inflation in the United States today is a symptom that we are pursuing wrong policies of some sort.

It has been demonstrated time and time again that inflation is the result of certain ill-advised fiscal policies of Government, since the Government is the sole and exclusive manager of the currency.

I think it is a very great error to assign the cause of inflation to those who must simply adjust to its effect. The businessman who must market the finished product to consumers can no more act against a general rise in prices than can the consumer cease all buying until price levels subside.

Food prices have not been exempt from the present rash of incriminations. Food producers have been attacked by those who do not understand the situation, for the increasing cost of living. But food producers—farmers, packagers, and retailers—have had their own rising costs to pay, including increased labor costs. Because meat is a major factor in food budgets, those who raise cattle and who market meat products have received a certain amount of criticism recently—criticism which is unjust and which I believe reflects a lack of basic economic understanding.

At a meeting last month in Wichita Falls, Tex., the president of the Texas and Southwestern Cattleraisers Association delivered some comments in relation to this problem. The president of the association is Mr. Ben H. Carpenter, and I believe his comments to be quite germane to this problem and worthy of the attention of every Member of the Senate who is concerned over the increasing cost of living, as I certainly am.

I ask unanimous consent that Mr. Carpenter's remarks be printed at this point in the RECORD.

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

COMMENTS BY BEN H. CARPENTER, PRESIDENT, TEXAS AND SOUTHWESTERN CATTLE RAISERS ASSOCIATION AT ITS BOARD OF DIRECTORS MEETING, JUNE 18, 1966, WICHITA FALLS, TEX.

I am sure you are aware of the wave of publicity that has recently been sweeping the nation regarding food prices. Meat prices have been singled out as a major contributor to higher consumer costs and inflation. Spokesmen for government bureaus and agencies have contributed to a rash of inaccurate statements and inadequate comparisons in newspaper stories throughout the nation referring to so-called high costs of meat.

Even the President of the United States was widely quoted as urging housewives to purchase only the lower priced cuts of meat in order to hold down the food bill and combat inflation. Typical of some of the headlines recently seen are these, "Meat's the Black Sheep of Food Costs, Budget Brigade Finds" and "Rocketing Food Costs May Beat Man to the Moon."

In spite of the fact that readily available government statistics refute the statements that recently improved beef prices are major contributors to the current inflationary trends in the country, these articles and comments have implied that the farmers and ranchers of the nation should be condemned by the consuming public.

A recent report on food costs and farm prices released last week by the House Committee on Agriculture reveals some most interesting statistics that refute completely the popular contention that agricultural prices in general, and those of meats in particular, are major contributors to inflation. Let's examine some of these facts and figures contained in this report which made comparisons over the period of the last 18 years.

Prices received by farmers and ranchers in 1965 were 10% lower than those received 18 years ago, while prices paid at retail by consumers for food increased 33% in these same 18 years.

While retail food prices have risen relatively steadily over the past 18 years, none of the increase in retail prices accrues to the farmer and rancher. In fact, prices received by farmers and ranchers in 1965 were 10% less than in 1947 and 13% less than in 1952. Retail food prices, however, in 1965 were 11% higher than in 1952 and 33% higher than in 1947.

The net income of farmers and ranchers declined by 18% from 1947 to 1965 even though the volume of farm produced foods sold to consumers had increased by 44% during that same period of time.

Compare this to the fact that salaries and wages to employees in all manufacturing industries increased by 113% from 1947 to 1965.

A part of the 33% increase in overall food prices paid at retail by consumers over the

past 18 years has resulted from the development of new food products, new techniques of processing and packaging and changes in family food buying habits.

In 1947, most housewives selected their beef from a refrigerated, glass case and the grocer weighed and wrapped it on the spot. Now they find several pieces of the same cut of beef neatly placed on the individual trays, transparently wrapped, weighed and priced, in advance.

Brightly lighted, air conditioned stores with wide aisles and attractively displayed products processed with new techniques are what the food shopper expects and demands. These demands from the consumer, not the producer, account for much of the increase of food prices.

However, a statistical study by the Economic Research Service of the U.S. Department of Agriculture indicates that the average household paid 17% more and farmers and ranchers received 7% less in 1965 for the same kinds and quantities of foods purchased in 1947, 18 years ago.

With regard to specific food items the report reveals that, in the 18 year period studied, the farm price of wheat has dropped 3% while the retail price of cereals and bakery products has increased 47%.

When city families purchase bread and prepared cereal products, they pay mostly for processing, packaging, and distributing the products; very little goes to the farmer for raw materials. For example, there is only 2.6¢ worth of farm-produced corn in a 29¢ package of corn flakes. The one pound loaf of bread that sold at retail for an average price of 20.9¢ in 1965 contained wheat having a farm value of 2.7¢.

In 1965, the farm price of dairy products was 6% below 1947 and the retail price of dairy products during the same period increased by 19%.

During the 18 year period from 1947 to 1965 retail prices of meat products increased by 16%. The farm value of meat products in 1965 was 5% less than the farm value in 1947. Much attention has been focused on the fact that prices paid to farmers and ranchers for animals producing meat products have increased substantially since 1956. However, there has been a tendency to overlook the fact that the farm value of meat products in 1956 had fallen 29% below 1947 prices. Current prices of beef cattle, while substantially higher than the low point reached in 1956, are still considerably below the price levels 15 years ago in 1951.

While the general economy of the nation was prosperous and advancing, the beef cattle industry suffered a serious price depression during the five years of 1952 through 1957 and again during the last part of 1963, 1964, and into the early part of 1965. The cattlemen of the nation operated during those periods taking severe losses as they were squeezed between higher costs of production and lower prices for their cattle. The recent price improvement in beef cattle does not represent a full recovery and the profit balance is still very delicate.

The evidence is very conclusive that prices received by the farmer and rancher have not contributed whatsoever to the increases in food prices paid by consumers. A comparison of the 10% decline in prices received by them during the last 18 year period with other economic trends is most interesting.

The report reveals that rail freight rates on farm products increased 45% during the same period. Prices of such services as rent, property insurance, property maintenance, and telephone services increased an average of 69% during the same period and unit prices of new plant and equipment were up 55%. Salaries and wages of employees in manufacturing industries increased during the same period by 113%.

In the nine years since 1957 prices paid by farmers and ranchers for clothing has increased 15%, for motor vehicles 17%, for farm machinery 22%, for advalorem and miscellaneous taxes 65%, and interest payable on farm real estate debt 132%.

Therefore, if viewed in the correct perspective the prices paid by consumers for food products cannot be singled out as a major contributor to inflation. U.S. consumers have available the highest quality food products in the world, and the important fact is that they can obtain this food by working less time than persons living anywhere else on earth.

During 1965, American consumers spent 19% of their take-home income for food. Twenty years earlier this figure was 26%. Pay for one hour's factory labor today will buy 2.4 pounds of round steak, whereas, in 1942 it would buy only 2 pounds, and in 1932 1.5 pounds. One hour's factory labor today will buy 3.2 pounds of bacon, whereas, in 1942 2.2 pounds and in 1932 1.8 pounds. Pay for one hour's factory labor today buys 12.5 loaves of bread, whereas, in 1942 only 9.8 loaves, and in 1932 6.3 loaves.

In the light of these facts one may wonder why certain government bureaucrats and politicians single out the farmers and ranchers of the nation to be the scape-goats upon whom inflation is blamed. Why is it that agriculture seems to continue to be the easiest target on which to blame the inflationary spiral that has been existing for the last 15 or 20 years, even though there are no real facts or evidence to support this contention? The answer probably lies in the fact that a lesser percentage of the people of the nation are directly involved in agricultural production, and therefore, agriculture is losing its political significance.

As the country's population has grown during the last few decades a situation has developed in which an extremely small percentage of the people of the country are familiar with the actual conditions existing in agriculture. For example, in 1950, although 64 percent of the country's population was urban and 36% was rural, only 42% of the rural population was actually involved on a farm or ranch, in other words only 16% of the total was involved in agricultural production.

Ten years later, in 1960, 69.9% of the U.S. population was urban, 22.6% was rural-nonfarm, and only 7.5% was actually involved on a farm or ranch. This trend has continued in the 1960's.

In this atmosphere a great deal of misleading and erroneous information has appeared in newspapers and other publications throughout the country, much of which is harmful to the farmers and ranchers of the nation.

For example, many consumers and taxpayers generally are led to believe that the total annual appropriations to the Department of Agriculture are subsidies. The report released by the House Committee on Agriculture last week reveals that actually nonfarmers participate in a larger share of the Department's expenditures than farmers themselves, and that about two-thirds of Department of Agriculture expenditures, in the 1967 budget, are for services which are of primary benefit to the general public. Most housewives and urban consumers are unfamiliar with the fact that the cattle industry itself has vigorously opposed price supports and subsidies for beef cattle and has done so successfully thus far, in spite of the efforts of federal administrators in the past to apply them.

The American cattle producer has confidence in the free enterprise system which has made this nation so significantly different from the other nations of the world. He doesn't want any price subsidies from the American taxpayer, but he does expect a fair and profitable price for the beef cattle he produces. However, he doesn't expect federal agencies, whose purpose it is to safeguard his interests as an American Citizen, to instead take actions, such as was witnessed earlier this year to drive down the price of beef, when it is still substantially below price levels of fifteen years ago.

Above all, the cattle producer doesn't deserve to be falsely accused of contributing to inflation. The real major cause of inflation is the federal government itself, as currently being administered. The real culprits of the inflationary spiral of the present and of the future are gigantic federal programs like the unnecessary and unneeded medicare program recently authorized, titles 18 and 19 of which it is now estimated will cost more than a billion dollars a year in the state of New York alone, federal programs of accelerated unemployment compensation, and federal programs designed to blanket the country with built-in wage increases. Giant federal programs of this type pump literally billions of dollars into the economy, yet they do not create to any degree new permanent plant capacity which can add to the total productive output of the nation, and therefore they only create taxspenders instead of taxpayers.

This is the area in which restrictions should be urged to combat inflation, instead of government officials urging the American housewife to restrict her purchases of meat at a time when the average price of beef cattle is only 85% of parity.

ADDRESS BY DEPUTY POSTMASTER GENERAL FREDERICK C. BELEN AT DEDICATION OF COLUMBIA, S.C., POST OFFICE

Mr. RUSSELL of South Carolina. Mr. President, the fine, modern, new post office in Columbia, S.C., was dedicated on Sunday, July 17. I consider it a measure of the growth and progress of Columbia and South Carolina.

We were privileged to have with us on that occasion the distinguished Deputy Postmaster General of the United States, the Honorable Frederick C. Belen. I take great pleasure in placing in the RECORD the text of Mr. Belen's remarks on this occasion.

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

ADDRESS BY DEPUTY POSTMASTER GENERAL FREDERICK C. BELEN AT THE DEDICATION OF THE COLUMBIA, S.C., POST OFFICE, 3:30 P.M., SUNDAY, JULY 17, 1966

Governor McNair, Senator RUSSELL, Mayor Bates, Reverend Clergy, Postmaster Callahan, members of the Johnston family, distinguished guests, ladies and gentlemen:

It's good to be back in South Carolina again.

You know, I've visited your state so often, I'm beginning to feel like a native. And I like the feeling.

It occurred to me the other day that I have spent more time in South Carolina in the past five years than I have in my own home state of Michigan.

In fact, I've been here so often, some people can't tell whether I'm coming or going! As I arrived at the depot early this morning, a young man saw me standing on the platform with my suitcase and said, "Good morning, Mr. Belen. Are you taking a trip?"

I've traveled the length and breadth of your wonderful state—sometimes on business, sometimes purely for the pleasure of it—and at no place in the world have I been treated so hospitably.

I've spoken at conventions at Clemson and Charleston, dedicated the post office in Sumter, attended a dinner in Columbia with former Postmaster General Farley not too

long ago, and, just last month, I attended a wedding in Anderson.

And I've fished at Hartwell, Clark Hill and Santee-Cooper.

There's an old saying—probably coined by a fisherman's wife—that the size of fish a man can catch depends upon the length of his arms. Well, I have relatively short arms, but I'll tell you I've caught some big ones down at Santee-Cooper!

Your home town of Columbia, and my home town of Lansing, Michigan, have something in common. They were both among the first cities in the United States to get four-hour, downtown mail service.

Now, some pundits have reasoned that more than mere coincidence was responsible for this development, and perhaps they were right.

We had to try out Accelerated Business Collection and Delivery somewhere, to see if it would work, and if it was economically feasible to provide this type of service.

Your late Senator, Olin Johnston, who was chairman of our Senate Post Office and Civil Service Committee, said: "Well, don't use my state for a guinea pig. Experiment in your own state!"

So that's what we did.

After the Lansing experiments proved that the four-hour mail service would work, Senator Johnston said, "Now I want you to establish this service in South Carolina—in Columbia, Greenville and Charleston!"

So we did that, too!

Your Senator Johnston just wasn't the type of man you said no to, without a very good reason.

During my recent trip to Anderson, I made a pilgrimage to Senator Johnston's grave at Barker's Creek Cemetery, to pay my respects to a man whose total impact upon the civil affairs of the nation will be studied by your grandchildren.

While I was there, thinking back over the many years of personal friendship I shared with Olin Johnston, I tried to place him in his proper historical position.

It occurred to me that perspective is like a gigantic cone, and your opinion of the person you're looking at depends upon which end of the cone you're looking through.

If you look through the large end, you see the man alone, and you make a judgment, based upon what you see, as to whether he is a good man or a bad one; a kind man or a ruthless one; an industrious man or a dawdler.

If you look through the small end of the cone, you get the big picture—you see the man in relation to his time and place in history; his impact upon his contemporaries; the esteem in which he is held by his countrymen and what he has done to improve their lot. You see not only the man, but his works and the potential effect of those works upon mankind.

Olin Johnston is one of the few men I have ever known who stands the test of analysis from both ends of the cone.

The Washington Daily News once commented that Olin Johnston had sponsored more legislation to improve the lot of the common man than anyone who ever served in the United States Senate.

That's quite a tribute.

And I'm sure there's not a federal worker in the United States who did not regard Chairman Johnston as a knight in shining armor, where the welfare of civil servants was at stake.

Olin Johnston labored long and hard to secure for Columbia this magnificent new Post Office. Time and again, he and your distinguished mayor, Lester Bates, were on the telephone to the Post Office Department, or were firing off letters to us, or were making personal visits to us, to argue the merits of larger, more modern facilities to handle Columbia's mounting mail volume.

The fact that we are gathered here today attests to the persuasiveness of those arguments.

You beautiful new post office stands for progress. It symbolizes the growth of your community and the steady expansion of a postal system that today processes a volume of mail about equal to that of the rest of the world combined.

Our national mail volume this year is more than 75 billion pieces. By 1980, your Post Office Department will be handling over 100 billion pieces of mail a year.

This means that unless we devise new programs and new techniques—unless we speed mechanization and modernization of the postal system—we will literally be buried under an avalanche of letters.

In this rapidly moving world, with the galvanic development of its economy and its dramatic changes in population and transportation patterns, we cannot hope to get by with the horse and buggy methods of the 18th or 19th or even the 20th century.

We live in a computer age, and we must adapt to the technological advances that are available to us if our postal system is to survive and flourish.

Fortunately for all of us, we have in Postmaster General Lawrence F. O'Brien a restless man and a no-nonsense Administrator, whose background and temperament equip him well to undertake the gigantic job of moving the government's largest civilian department into the mainstream of space age progress.

Unlike most of his predecessors, Mr. O'Brien came to the Post Office Department with a ready-made national reputation for his outstanding work as a key personal advisor and organizer for two Chief Executives—President Kennedy and President Johnson.

This is an important factor, because it has affected his approach to postal problems. He is not in the Office of the Postmaster General to establish a name for himself. He is there to improve the postal service.

Thus he can devote his considerable talents to long-range planning which may not take full effect until years after he leaves office.

Postmaster General O'Brien has attacked our immediate problems—the day-to-day bottlenecks that impede mail delivery—with a tenacity unequalled in our time. But he has also been willing to inaugurate programs which may not bear fruit for five or ten years—programs from which some of his predecessors shied away because there were no obvious, immediate advantages.

This proclivity for long-range programming and budgeting—this willingness to invest in plans that will pay future dividends—is what, I believe, will distinguish Larry O'Brien as one of our great Postmasters General.

And it is this same approach which will ultimately provide you with the finest postal service you have ever known, and the finest the world has ever devised.

Former Postmaster General John Gronouski—Mr. O'Brien's immediate predecessor—established the goal of overnight delivery of 95 percent of the nation's first-class mail as the paramount objective of the postal establishment.

Everything that he did as Postmaster General, and everything that Mr. O'Brien is now doing, is aimed at reaching that objective. And we are making slow, but decided progress.

Already, in your own state of South Carolina, 95.1 percent of all first-class letters destined to addresses within the state are delivered overnight.

With facilities such as this ultra-modern post office that we are dedicating today, we hope to improve even that record.

Yours is one of the largest post offices in the South—comprising 200,000 square feet of building floor space, a 9,279 square foot garage, and 276,758 square feet of parking and maneuvering area—not including this fine parking lot erected by the City of Columbia. That's nearly a half-million square feet of space you have in your new post office! Compare *that* with your living room!

But that's only part of the story.

When the new Eau Claire postal station is finished, about September 1, your city will not have one postal facility in the metropolitan area more than five years old. And, come to think of it, that's how long Bill Callahan has been Postmaster of Columbia.

I doubt that there is another city in the country of comparable size that could make such a claim.

I believe this gives the Post Office at least some right to share in your pride in having been selected as the All-America City.

And I hope you will share with us the great pride we have in your magnificent new post office.

I'm sure Senator Johnston would be delighted if he could see today the end result of his efforts.

I think it only fitting that we dedicate this fine building as a living memorial to one who dedicated his life to the people of South Carolina and to the welfare of his country—the late Senator Olin D. Johnston.

CAPTIVE NATIONS WEEK

Mr HART. Mr. President, "It is true that liberty is precious—so precious that it must be rationed." The words are Lenin's to more than 100 million Europeans now living under Communist domination. Lenin's meaning is clear.

We who enjoy freedom counter this philosophy with our own—that liberty is not the exclusive property of a few. And to these millions of captive people we offer words of sympathy—fully cognizant that no mere words can comfort—and tender our expressions of hope that one day their hope for freedom will be replaced by its actuality.

During the observance of Captive Nations Week all Americans—in fact all freemen everywhere—are solicited for their "support to the key objective of an east-central Europe free of totalitarianism." Of equal importance, I feel, is the need for us to continue to express our support throughout the entire year. Only then, can we discharge fully our responsibility to these enslaved nations to see that their desire for freedom remains our constant concern.

SENATOR ROBERT KENNEDY CALLS ATTENTION TO THE NATIONAL SHORTAGE OF NURSING HOMES

Mr. TYDINGS. Mr. President, Congress took a great step toward providing decent medical care for our older citizens when it enacted medicare last year. That program, among other things, provides that citizens over 65 may receive as a social security benefit convalescent care in a qualified nursing home.

But the promise of nursing home care held out by the Medicare Act will turn out to be an empty promise to too many Americans. The fact is that there exists today a shortage of nearly half a million nursing home beds—a shortage that will surely be aggravated by the coming of medicare. What is worse, many of the existing homes provide so few or such

poor medical services that they will fail to meet the minimum standards laid down in the act.

The shortages and inadequacies of nursing homes in this country are eloquently set forth by Senator ROBERT KENNEDY in a speech delivered at the Judy Holliday memorial dinner in New York City on May 15.

The Senator reaches the conclusion that a massive Federal program is needed to alleviate the nursing home shortage. In enacting medicare Congress made a promise to the American people—a promise that the medical care covered by that act would be available to those who need it. In this speech Senator KENNEDY sketches out a challenging program for keeping that promise.

I ask unanimous consent that the Senator's remarks be printed in the RECORD.

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

ADDRESS OF SENATOR ROBERT F. KENNEDY, AMERICAN MEDICAL CENTER, JUDY HOLLIDAY MEMORIAL DINNER, WALDORF ASTORIA HOTEL, NEW YORK CITY, MAY 15, 1966

I am delighted to be with you. Tonight is a very special occasion, as the presence here of so many of those who loved Judy Holliday indicates. We have gathered to honor both a very special person and a distinguished medical center. We mark with pleasure a combination of events—the fact that those who were close to Judy Holliday chose the American Medical Center at Denver as an appropriate place to honor her memory; and the fact that the officials of the American Medical Center chose so fittingly in wanting to name their new wing after Judy Holliday.

The American Medical Center is notable for both medical and humanitarian reasons. Long one of the outstanding tuberculosis treatment centers in the country, it has in recent years become a leader in cancer treatment and research. This terrible disease, which now claims the lives of 300,000 Americans every year, took Judy Holliday from us while she was still in the prime of her life. So it is most fitting that a new wing for cancer treatment and research will bear her name. And it is appropriate for another reason. Those who knew Judy Holliday knew a warm, kind, generous person. It is fitting that the hospital which honors her is a hospital that charges no fees, treats only those in financial need, and does these things without regard to coloration of skin or belief.

But if those close to Judy Holliday chose well, the American Medical Center did so, too. If the atmosphere in the Judy Holliday wing is at all influenced by the memory of the woman it honors, it will be filled with her warmth and generosity. She made audiences glow night after night on Broadway—they would stand in Shubert Alley after her performances, basking in the warmth she gave them, their lives brightened just by having spent the evening with her in the theatre. If care in the Judy Holliday wing is rendered with the same warmth and tenderness—and I know it will be—it will truly be a living monument to the talented lady who has been taken from our midst.

The Judy Holliday wing will help in satisfying the need for long-term care beds in our country. But the fact is that as we meet tonight we are on the eve of a national crisis in medical facilities. A historic enactment in the medical care field—I refer, of course, to Medicare—will go into effect on July 1. With it will come an immediate, marked increase in the demand for medical treatment. There are already great shortages of doctors and nurses and beds in our nation. The implementation of Medicare will intensify the shortage—particularly in nursing home beds—to a critical level.

It is this impending crisis that I want to discuss with you this evening. Medicare fulfilled a dream of a generation's standing, for social progress moves slowly and statutory reforms often lag behind scientific achievement and popular will. Its enactment took time, but it finally came, reflecting once again, as the Social Security Act did thirty years before, a recognition by twentieth century Americans that old age should be a golden span, an ever-lengthening period of health, happiness and productivity.

But Medicare also imposes a great responsibility on us. It summons us to the task of ensuring not only that the cost of medical care is no longer a burden upon those who need but cannot afford it, but that good medical care itself is available. The bright hopes of Medicare can be dashed if we fail to achieve this availability.

What, after all, is the value of offering medical treatment to our aged if there are no doctors available to administer it? What is the value of offering nursing home care to our old people if there are no nursing homes where they can go? What is the value of offering hospital treatment to those aged who are seriously ill if there are no hospital beds waiting for them? The dream quickly becomes a nightmare; the bright promise becomes a dreary broken pledge; the loud trumpets announcing victory slide into a lower key of despair. Unless we as a nation are prepared, right now, to ensure that we have the facilities needed to implement the Medicare legislation, we would almost have been better off to have done nothing. If we are not prepared to move forward, energetically and imaginatively, to build on the blueprint of the Medicare legislation, then we had better be prepared for some very serious problems.

Let us take our stethoscope to Medicare and check up on those symptoms which suggest oncoming problems. Loud and clear, we hear the word, "shortage." The root problem is insufficient doctors, nurses, hospital beds, and facilities.

Machines and management engineering, computers and automation, can help to a limited extent in meeting some of these problems, but the major need is a massive long-range program of education, training, and building. There is an immediate and desperate need for expanded and additional medical schools, for a stepped up recruiting and training program for other medical personnel, for hospital expansion and the building of new hospitals, and for creating nursing home facilities.

What is needed will be partly supplied by money, but that is not the whole answer. There must be imaginative and intelligent planning and administration, and there must be vigorous action to insure a high standard of care.

There is already a doctor shortage in many communities in the United States today. We have read about it and we have experienced the jammed waiting rooms and the difficulty of finding doctors to make house calls, particularly at night. Medicare will only increase the patient load.

Merely to maintain the presently existing population-physician ratios by 1975, we will need to be graduating doctors at a rate of 11,000 a year. In 1964 we graduated 7300. In 1959, the Surgeon General's Report stated that we needed twenty new medical schools. Since that time, only ten have opened or are on the drawing boards. Experts in medical manpower have examined the picture and have concluded that, at best, with the new medical schools and expansion of older schools now projected, we will still be 2000 graduates a year short of the 11,000 needed annually by 1975. In other words, at our present pace, the doctor shortage that does exist will be multipled by 1975.

Further compounding the problem is the marked change in physician practice. In 1930, seven out of ten new physicians entered family practice; today the rate is four out of ten, with two of these four being internists. Over 60 percent of doctors now practicing are specialists, and only 18 percent of the fourth year medical students indicate they will become general practitioners, an accumulation of figures which makes it all the more unlikely that we will be able to provide enough doctors for our people at the present rate of growth.

We have an equally pessimistic report on nurses. An American Nursing Association study shows that at typical hospitals around the country, 20 percent of the positions for professional nurses are vacant, and there is an 18 percent vacancy rate for practical nurse positions. In New York City, one-half the openings for professional nurses in public hospitals are unfilled. In 1962, there were 550,000 professional nurses in practice. The Surgeon General's Consultant Group on Nursing reports that we need another 300,000 nurses in the next five years. Even if we settled for half that, we would have to achieve a 50 percent increase in admissions to nursing schools within the next two years.

These statistics refer only to registered nurses. Practical nurses and nurses aides, who require far less training, are in equally short supply. And there are similar shortages of clinical psychologists, occupational therapists, physical therapists, and social workers.

Many of these shortages are compounded by the loss of people who quit in protest against low salaries and unsatisfactory working conditions. For example, 25,000 registered nurses quit their field every year for these reasons. And two out of three change their jobs annually. This 67% turnover rate reflects the low morale in the profession, contrasted to a turnover rate of 18% among women school teachers. The churning, unsettling, interrupting aspects of nursing job changes suggest that hospital efficiency is lower than even the shortage in numbers would suggest.

The nursing situation is particularly serious. Hospital administrators striving to cut down spiralling costs are often guilty of treating nurses as second class citizens. Doctors swamped with patients have delegated to nurses many of the duties they used to perform, an acceptable medical delegation, but an unacceptable numerical one because nurses are just not available for these extra duties. Hit from both sides, by both administrators and doctors, the nurse suffers doubly. She cannot maintain the image of a perfect nurse who "must feel like a girl; act like a lady; think like a man; and work like a horse".

And nurses themselves have sometimes resisted new techniques designed to employ hospital facilities more efficiently. Team nursing, arising out of the need to concentrate attention on critical cases without neglecting other patients, has not been readily adopted by all registered nurses. They are sometimes reluctant to yield traditional prerogatives to practical nurses who would thereby seem to intrude on the professional status of the registered nurse.

Nor is nursing any more the only career with a professional status open to women. Other careers, more rewarding materially and less wearing physically and spiritually, beckon to otherwise dedicated women. Our health conscious society seeks more and better medical care, but it persists in refusing to accord even minimum recognition to the material and spiritual needs of a key group of participants in the provision of that medical care.

In New York City at this moment, unsatisfactory working conditions in the public hos-

pitals have brought the nursing situation to a state of crisis. Registered nurses, who are professionally trained people with three years of schooling, start at $5100 a year in the city's hospital—$396 less than a garbage collector receives—and can only reach a maximum salary of $6500. The city gives no credit for experience outside of its own hospitals, so every new nurse, regardless of her prior experience, starts at $5100. Working conditions are very bad. It is no wonder that the city hospitals are understaffed by a third. And now, because of a dispute over pay, 20% of the already inadequate nursing staffs have submitted their resignations, effective next week. As a result, a number of the city hospitals are asking to be allowed to limit their new admissions to emergency cases. This is what the nursing situation has come to in New York City. The payment of more adequate wages will hardly solve the entire problem, but it would be a good beginning.

The Federal government has tried to cope with one problem in the nursing situation by authorizing appropriations of $283,000,000 during the next five years for new schools, grants to graduate nurses, scholarships and loans. This will help attract more nurses, but if our needs are going to be adequately met, the public must be willing, through taxes, to establish tuition free courses in community colleges. And we must be willing, through voluntary contributions and fees, to permit higher wages so that we can hold the nurses we do attract in their profession.

The blunt fact is that some of the most attractive benefits of Medicare will be nullified by the shortage of registered nurses. Under the law, everyone over 65 is entitled to 100 free visits at home each year by nursing personnel. An additional 100 visits will be available, the bill says, to those who pay $3.00 premium. It is absolutely predictable that to many thousands of older people, both the free and the insured visits are an empty promise.

The nursing shortage will affect the nursing home services available under Medicare, too. The fact is that many existing homes—let alone those that will be built to satisfy future needs—do not have even a single registered nurse on their staffs. And the regional heart disease, cancer, and stroke centers authorized by Congress last year may well have to operate at far less than capacity owing to unavailability of nurses.

But despite the shortage of nurses, the single most acute problem for Medicare is in the inadequacy of facilities for longer term medical care. I refer primarily to nursing homes, although long-term care also includes facilities like the American Medical Center. And if all voluntary institutions had shown the initiative and the dedication of the American Medical Center, the problem would be far less pressing.

As it is, however, the picture is bleak. There are a little over half a million long-term care beds in the country, and only three fifths of these are acceptable by any minimum standards. The Federal government estimates that we need another half a million beds right now.

The shortage of nursing home facilities has repercussions all around the cycle of medical care. The patients eligible for nonexisting nursing homes are too sick to live at their own homes unattended, and yet not sick enough to require acute care in a general hospital. But they do need care, they will often occupy hospital beds under Medicare, and behind them the long line will form for other patients, of all ages, who require hospital treatment.

And the quality of the nursing home care now available is appalling. By 1961, after exposé, scandal, and shock, all of the States had enacted licensing regulations. However, these regulations were for minimal provisions dealing mostly with building requirements rather than the physical and psychological needs of patients. Even today, and even in the enlightened state of New York, public authorities have called many of our nursing homes "shocking and almost medieval in their lack of respect for human dignity". One New York Health Department investigation on nursing homes turned up conditions so deplorable that the patients were ordered evacuated in 48 hours.

I have looked into these deplorable conditions. The other day, for example, I visited a privately operated nursing home where there is one nurse for the 86 patients, where a doctor visits once a month, where there is no laboratory and almost no recreation facilities. The residents patiently wait out their lives, slumped in chairs, unattended. The overcrowding is spectacular—one 16 by 20 foot room had six beds—none of them hospital beds and all of them inaccessible on three sides. And the whole building is not fireproof.

By contrast, I also visited another home the other day, this one run on a non-profit basis, this one with 15 nurses for its 500 patients and a full-time staff of 10 physicians. Here there is a full recreation program, a full range of social services, a complete physical therapy plant, a vocational rehabilitation program. A band composed of the residents playing "Seventy-six Trombones" as I walked in. There are paintings on the walls. The place is cheerful.

Four-fifths of the patients in both places are paid for by public funds. The privately run home gets a little over $12 a day per patient, and makes a profit of about $2 a day, or $700 a year per patient. The nonprofit home gets nearly $16 a day in public funds for its needy patients, and loses about $2.50 a day on each patient, which it must make up from other sources. The difference is in the quality of care. And the sad thing is that about half the nursing homes in the country are like the first one that I visited.

While I have spoken mainly tonight about our medical needs as they will be swelled by Medicare, I would emphasize that adequate facilities and personnel to care for the aged are by no means our only health problem. Our prenatal and child care, for example, are shockingly inadequate for the richest nation in the world. More than ten countries in the world have lower infant mortality rates. As one writer put it, "Belgrade, which was bombed to rubble twenty years ago, has an infant mortality rate of 30 per thousand while in wealthy New York the rate is 38.1 and in Washington it is 35.2." These disparities are directly related to the quality of prenatal care. It is estimated that mental retardation could be cut in half if we adequately applied what we already know about such hazards as faulty metabolism and German measles. And child care is equally deficient. Half of our youngsters reach the age of fifteen without ever seeing a dentist. The vast majority of children are never given a simple visual test to detect a condition that had damaged the vision of 4 percent of our draftees in World War II.

The problem is not one of medical knowledge. It is one of facilities and access to facilities, and, even more basically, one of prevailing philosophy. As one doctor put it, "American medicine at its best is not available to a large proportion of the 194 million people in this country." We have grave shortages, but in addition we have as a people never quite accepted the idea that those in financial need should get care as a matter of right. The quality of care for the poor and the attitude of those who treat the poor too often reflects this almshouse attitude.

We have a responsibility as a nation to rectify these shortcomings. I am presently studying legislation on some of these matters, and I will shortly submit a bill which deals particularly with the shortage of nursing homes and the scarcity of nurses for these kinds of facilities.

This bill will, first, encourage the construction of long-term care beds through grant assistance. By these grants, the federal government would allocate, over a 10 year period, $1,800,000,000 to non-profit, voluntary organizations for the construction of facilities for 200,000 long-term care beds.

The bill will make it easier financially for the poorer States to participate, since they lag even further behind on both facilities and personnel. First priority for aid in all states will go to voluntary non-profit hospitals and voluntary non-profit nursing homes wishing to expand or replace present long-term care facilities. A high priority will also go to non-profit voluntary health organizations established by unions, and farm or fraternal groups which have established programs for their aged or infirm.

A final aspect of the bill would be $200,000,000 in research and education funds for study and development of new long-term care practices, experimental architectural nursing homes, establishment of criteria to evaluate the quality of care and the cost, and the training of nursing home directors and their staff of nurses and technicians. This training would be conducted by schools of medicine, nursing, public health and hospital administration. Funds would also be available to help these schools establish departments in long-term medical care, with the objectives of acquiring top faculty and developing training programs in a master's and where appropriate, the doctoral level.

Critical to the entire legislation will be the authority it gives to the Secretary of HEW to determine standards of construction and care and to conduct follow-up reviews of the quality of care in those institutions that avail themselves of the grant funds.

My bill, I believe, would solve the most pressing problems of nursing home care and the nursing shortage related to that care.

Victor Hugo once said, "Do you realize what progress is . . . call it tomorrow." We cannot afford to wait until tomorrow to remedy the problems I have raised with you this evening. We must care enough to act today.

Old age is something that happens to everybody, and if we are wise enough and unselfish enough and effective enough, then we can make those years a time in which to live, not just linger. If we can all develop the commitment that the American Medical Center has had, if we can all act out of the warmth that characterized Judy Holliday, I know we will do the job that has to be done.

AN EXECUTIVE SERVICE CORPS

Mr. GRIFFIN. Mr. President, on June 23, I made a report to the Senate concerning certain deficiencies and shortcomings in the administration, control, and auditing of the U.S.-financed commodity import program in Vietnam. My remarks were based on my observations and upon evidence gathered during a factfinding mission which I made to Vietnam in mid-May as a member of the House Foreign Operations and Government Information Subcommittee.

In that report to the Senate, I made several recommendations for improving our civilian economic aid programs, particularly in Vietnam. One of my recommendations called for establishment of an Executive Service Corps, patterned somewhat along the lines of the Peace Corps, which would offer recognition and incentives to stimulate more American businessmen to serve their country overseas in civilian capacities.

As I stated when I first discussed this proposal: "The U.S. Government needs to put to work the best talents and genius of American enterprise in the administration and implementation of our economic assistance programs. Such an infusion of talent would provide a real 'shot in the arm' for our aid program in such critical areas as Vietnam and, at the same time, could open the way for more meaningful cooperation between the business community and Government in the whole field of economic development."

Mr. President, in the Foreign Aid Authorization Act of 1963, the Congress provided for establishment of an Advisory Committee on Private Enterprise in Foreign Aid. This Committee was charged with the responsibility of coming up with recommendations for a larger role of American private enterprise in the foreign assistance field.

In July 1965, the Committee issued an excellent report, setting forth its recommendations in considerable detail and urging, in the words of its chairman, Arthur K. Watson, that the U.S. Agency for International Development—AID—"put increasing stress on its role as catalyst and energizer for private effort" in our foreign aid endeavors.

One of the Watson Committee's recommendations came close to the proposal I have made for establishment of an Executive Service Corps.

The Committee's report in 1965, stated, and I quote:

> One measure which the Committee regards as indispensable is the strengthening and extending of the present (AID) private enterprise staff, both in Washington and in the field, so that it is effectively represented throughout the administration of the aid program. The difficulty in carrying out such recommendations in the past has principally been one of recruitment: With a few notable exceptions it has been extremely difficult for AID to secure men with the appropriate background from the nongovernmental sector.
>
> We believe that business organizations, labor unions, foundations, and other organizations would be prepared to assist in the recruitment of such personnel, in a framework in which the men involved were rotated back to their respective organizations after a period of time in the service of AID. Such tours of duty would be of value not to AID alone, but also to the organizations and individuals concerned. Further, we believe that this need is particularly urgent in relation to foreign enterprise development and that recruitment of seasoned business executives with broad international experience should be given particular emphasis.
>
> Accordingly, the Committee proposed that:
> * * * AID expand and improve its organization both in Washington and in the principal missions abroad so that it be appropriately staffed with persons who by experience and competence are capable of acting as an effective conduit between the private sector and the official AID organization. In this connection, we urge AID to take steps to establish a basis for co-opting men from the private sector for rotation back to their permanent organization after a tour with AID.

What has been done to carry out this important recommendation by the Watson Committee?

It is clear from an AID statement inserted in the RECORD on Monday of this week—July 18—by the distinguished senior Senator from New York [Mr. JAVITS] that, while AID has taken nominal steps to expand its private enterprise staffing, little real headway has actually been made.

AID complains—perhaps justifiably—that, "to be fully satisfactory, a system of co-opting men from the private sector should protect accumulated pension rights and other fringe benefits derived from their permanent organization." The Agency notes that "this creates difficult to resolve conflict of interest problems."

In light of AID's apparent inability to satisfy the Watson Committee recommendation, I wholeheartedly welcome the recent action of the Senate in accepting the amendment of the Senator from New York to the pending bill to create an International Private Investment Advisory Council. As the Senator explained when offering his amendment, the Council would have a statutory base as well as a mandate to see to the implementation of the Watson Committee recommendations.

Once in existence, it would be my hope that such a Council would give immediate attention to the special problems involved in co-opting men from private enterprise for service in our foreign aid programs—particularly in Vietnam. I hope the Council will carefully weigh my proposal for an Executive Service Corps which should provide for incentive, prestige, and recognition to encourage the enlistment of businessmen in the service of their country.

The Council could recommend that the President establish an Executive Service Corps on a temporary pilot basis by Executive order. Such action should then be followed by a Presidential request for legislation to authorize such a corps on a permanent basis.

President Kennedy did just that in 1961, when he created the Peace Corps on a temporary basis by Executive order. After the pilot project had demonstrated merit, the Congress enacted legislation to put the Peace Corps on a more permanent basis financed with appropriations under the Foreign Aid Act.

Mr. President, as the Watson Committee said in 1965:

> Economic development depends, above all, upon the upgrading of human resources and the improvement of institutions through which development is achieved.

I would add that efforts to upgrade and improve human resources and institutions must begin within AID itself. An Executive Service Corps, wisely planned, adequately financed and efficiently managed, would be a major step forward in this area and would add a positive and constructive new dimension to the administration of our foreign aid program.

THE PROBLEMS OF OUR PRISONS AND REHABILITATION OF PRISONERS

Mr. HART. Mr. President, many of us have taken the occasion, either as Members of the Congress or as concerned citizens, to visit some of the penal institutions in this country, to meet with and discuss the problems of probation and personnel with officials involved in the administration of these programs. During the period I was permitted to serve as the Lieutenant Governor of Michigan, I made particular effort to see and better to understand the problems of our prisons and the rehabilitation efforts involved in programs of probation and parole.

At that time, it struck me forcefully that here was one area of human concern to which our country's youth could very well address themselves, that is a career devoted to the rehabilitation of criminals, especially the young who are cruelly susceptible to the despairing pattern of periodic confinement. The figures show that the younger a person is when first sent away for a crime, the more likely he is to be returned to prison. Certainly this is a discouraging statistic and in my book there can be no more rewarding work than attempting to guide a youngster back from delinquency and violence to a useful and constructive life.

I am aware there is a critical shortage in the staff people who deal with criminals, especially those concerned directly with rehabilitation efforts. Last year, the Congress took note of this serious situation by approving a bill providing funds for the Joint Commission on Correctional Manpower and Training, a private, nonprofit organization whose task is to provide an increased number of well-trained personnel in the field of rehabilitation of public offenders.

On June 27 and 28, the Joint Commission held a Conference of its 90 affiliated national organizations which was sent an address by the able senior Senator from Pennsylvania [Mr. CLARK]. Senator CLARK, as chairman of the Subcommittee on Employment and Manpower, was one of the chief sponsors of the Commission's funding legislation.

Unfortunately, Senator CLARK could not personally deliver the address at the June 28 luncheon of the conference because he was kept on the Senate floor as manager of the manpower development bill which was under debate at that time. However, his address was made available to the conference and I ask unanimous consent that it be printed in the RECORD because of the insights that it presents into this most important effort to alleviate one of the most serious problems of our time.

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

ADDRESS OF THE HONORABLE JOSEPH S. CLARK, JOINT COMMISSION ON CORRECTIONAL MANPOWER AND TRAINING, LUNCHEON MEETING AT SHOREHAM HOTEL, WASHINGTON, D.C., JUNE 28, 1966

This is undoubtedly the most distinguished group of correctional experts which has been assembled under one roof since June, 1964 at Arden House.

I am privileged to have this opportunity to share a few less than expert thoughts with you.

I have occasionally referred to the correctional professions as representing everything from the prison psychiatrist to the prison guard, but it is evident that that focus is too narrow.

You have quite rightly included in your membership the widest possible range of in-

terests. The Joint Commission has enlisted the active support and cooperation of nearly every significant public and private association in the country, including, according to my quick calculations, more than half the Federal bureaucracy.

A little more than two years ago, I am told, few of you ever spoke to each other. In fact, the Department of Health, Education and Welfare doesn't often speak to the Department of Labor, and neither speak to the Office of Economic Opportunity. While that may be an exaggeration, the very fact that you have joined in an effort to draw a blueprint for the future correctional manpower and training is in itself a singularly significant event. It is significant not only for the future of correctional manpower and correctional rehabilitation. It is significant also because your approach to solving the problems of correctional manpower is one which has been too often neglected in the recent past.

There was a time when the Federal establishment thought that only it could muster the resources and talent to solve the Nation's problems. More recently, however, we have come to realize that partnership with private enterprise and state and local government is a more effective approach to National problem-solving.

I think the history of the Joint Commission and the way in which the Correctional Rehabilitation Study Act developed illustrates the point.

Your efforts began, as you know, two years ago at Arden House when those of you who were most intimately concerned with correctional manpower decided to get together and do something about it.

But what you did not do at that Conference was important. You did not decide to pass the buck to the Federal Government. You asked for Federal financial help and cooperation, but you did not ask for the establishment of another Federal bureau or agency.

Quite the opposite. When I first read the Joint Commission's proposed legislation, I was struck by the fact that the bill amended the Vocational Rehabilitation Act and that the Vocational Rehabilitation Office was the proposed funding agent. The Vocational Rehabilitation Office seemed an unlikely candidate to deal with the problems of staffing our penal institutions. Why not the Office of Juvenile Delinquency or some other bureau in the Welfare Administration? Why not the Bureau of Prisons or some division of the Justice Department?

Your Executive Director, Dr. Prigmore's quite candid answer was simply that you did not want to be tied to any entrenched Federal agency and that all those agencies connected with law enforcement or criminal rehabilitation represented some particular point of view.

You didn't want the Welfare Administration telling you that social workers were more important than psychiatrists or teachers, or Justice saying that more cops on the beat would solve the problem.

That was an understandable point of view, but I still did not see the connection with vocational rehabilitation of the physically handicapped.

So some of us on the manpower subcommittee thought we had better find some correctional experts to advise the experts on the physically handicapped how to spend two million dollars studying correctional manpower. The only problem was that all the correctional experts were already on the Joint Commission, and it didn't seem quite proper to have the Joint Commission advising the Vocational Rehabilitation Office how to grant money to the Joint Commission.

Nevertheless, we wrote in a requirement that an advisory council of correctional experts be set up and I have no doubt its members are all affiliated with the Joint Commission and that you have been giving your Federal benefactors the best of advice.

Despite this anomaly and despite your Director's aversion to entrenched bureaucracy, you have maintained through your member organizations the kind of public-private partnership which is so necessary to the success of your project.

The Joint Commission's work, however, will not end three years from now when your final report is filed. It will take many more years of continuous effort before the critical shortage of qualified correctional manpower is eliminated. The partnership will have to be continued to assure that your research and recommendations result in manpower training programs, educational reform, career development in every field of endeavor concerned with correctional rehabilitation. All that no doubt will require more Federal help. And that help can come without the controls which you have so far successfully avoided, provided you maintain the spirit of cooperation which began at Arden House.

The task of the Joint Commission is one upon which it is not easy to focus. Your assignment is to deal with but one aspect of two much broader problems.

The first is the critical shortage of trained professional and subprofessional personnel in all the disciplines which are concerned with correctional rehabilitation.

With the multitude of health, education, job training, poverty and other welfare programs enacted in the past six years, it has become increasingly evident that the key to success of all our efforts lies in our ability to produce the necessary qualified manpower in the human services or "helping" professions represented here today.

We cannot hope to educate future generations without an adequate supply of teachers and school administrators.

All the money in the world will not eliminate poverty without the help of trained, dedicated, well-paid staff at the state and local level.

The elderly might as well forget medicare if we cannot provide enough doctors and nurses to fulfill their needs.

In our attempt to bring order out of chaos in our cities, we are confronted at every turn by lack of trained city planners and administrators.

There are many other examples of Federal and State programs where skilled manpower is in short supply.

Unfortunately, I think the tendency in Congress has been to deal with each such shortage on an ad hoc basis. There is seldom an education act or health bill enacted into law that does not have a provision for training the professional people to staff the program. Yet no one, so far as I am aware, has taken a comprehensive look at the whole area of human services manpower.

The Subcommittee on Employment, Manpower and Poverty is going to do just that next year, if not later this year.

It is precisely the kind of study which the Joint Commission has been called upon to perform that is needed for practically every major service provided by every professional discipline represented here today.

Let me take a moment to list the areas for research set forth in the Correctional Rehabilitation Study Act:

Personnel practices and current and projected personal needs;

The availability and adequacy of educational and training resources and educational opportunities;

The effectiveness of present methods of recruiting personnel; and

The extent to which personnel are utilized in the manner which makes the best use of their qualifications.

Each of these areas could, I think, profitably be examined within the context of each of your own professions and for each of the multi-disciplinary fields in which many of you are engaged.

The studies undertaken by the Joint Commission, I hope, will stimulate other assessments of skilled manpower shortages and training needs throughout the human service occupations.

I am sure most of you are acquainted with the manpower shortages in your own professions. I suspect the most difficult problem you face is that of trying to carve out from each correctional profession, enough trained people to staff the needs of correctional rehabilitation without jeopardizing someone else's pet project. How are you going to find, for example, enough social workers to staff correctional institutions and services when schools of social work ought to be graduating 12,000 more a year to fulfill the need for social workers nationwide?

The needs of your own specialties must be kept in mind as you study correctional manpower.

Correctional manpower is also but one aspect of the second broader problem of correctional rehabilitation. And it is important to distinguish the job of the Joint Commission from that of the National Crime Commission and other Federal and non-Federal groups.

Their task is to study new approaches to the prevention and treatment of crime and delinquency.

Your task is a prerequisite to the success of any program of criminal rehabilitation.

Even if there were some magic formula for changing criminal behavior, all the services in the world would be for naught without qualified people.

No matter how many modern correctional institutions are built, no matter how good the programs and services provided in those institutions, as in any human endeavor the people who direct and staff these activities are the key to their success.

Your job is a formidable one, but I am confident that you will find the solutions and point the way to successful correctional rehabilitation.

WE MUST NOT DEFACE THE NATION'S CAPITOL

Mr. McGOVERN. Mr. President, I rise to express my strong opposition to the ill-conceived proposal to spend $34 million to extend the west front of the U.S. Capitol.

While it may well be that strengthening and restoration is necessary in order to preserve the west front, I do not believe there is any justification for the extravagant and unesthetic proposal which has been advanced.

This beautiful and historic shrine of our Nation's democracy must not be destroyed in a mad rush to provide more offices, auditoriums, and restaurants. Surely the architectural restoration can be done at considerably less expense and with an eye to preserving the historic and architectural heritage of our Capitol.

To the best of my knowledge no one has ever proposed to streamline Rome's Colosseum, or build restaurant facilities in the Sistine Chapel, or add additional columns to the Parthenon. I do not want history to record the fact that only in the United States of America do questionable new facilities take precedence over architectural genius.

Because of my deep concern over the ill-considered proposal which has been made, I have joined the distinguished Senator from Texas [Mr. YARBOROUGH] in introducing a bill to preserve the historic U.S. Capitol. This legislation provides that no work could be carried out

which would alter the proportions, change the size, or modify the U.S. Capitol Building in any substantial manner unless such a project is specifically authorized by the Congress. It would also provide for a U.S. Capitol Building Commission to make a year-long study of present and anticipated future needs of the Congress with respect to the Capitol. The Commission would be directed to prepare a comprehensive plan for the development of the Capitol, preserving, to the greatest extent possible, the historical integrity and proportions of the building, with particular emphasis given to preserving the existing architectural design.

Mr. President, permit me at this time to extend a deep vote of thanks also to the distinguished Senator from Wisconsin [Mr. PROXMIRE] who for many days now has been waging an effective battle to enlighten the American public to the absurdity of the proposed $34 million extension.

I am confident that through the efforts of millions of Americans our Nation's Capitol can be saved.

Mr. President, an excellent satirical commentary on the proposed extension written by Alfred Friendly appeared in yesterday's Washington Post. I ask unanimous consent that this article, as well as other articles and materials documenting the folly of the $34 million proposal, may be printed at this point in the RECORD.

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

[From the Washington Post, July 19, 1966]

THE WEST FRONT? ONLY A BEGINNING

(By Alfred Friendly)

As Stewart George, Architect of the Cosmos, explained it, progress began only when the principle of escalation was throughly understood. He dated the magic moment as sometime in the late sixties.

Relaxing in his office, a kind of tree-house perched high in the stockade of minarets surrounding the Taj Mahal, "Mr. Extender," as he was fondly nicknamed, told of the early troubles of his predecessors with the East and West Fronts of the Capitol. Once those brave pioneers pushed through to victory, the rest was easy, he recalled.

To be sure, he admitted, there was a terrible fight about the Parthenon. According to contemporary reports, the opposition to adding four columns to each end was tremendous, with standpatters insisting that it would give the temple a double-concave effect, like Lillian Russell cinched in at the waist. But now that the facade has been moved down the hill a bit, so that its columns are *five feet* below the level of the rest, no one worries about the sides.

"It was clear that the structure was crumbling—it was awfully old, you know—and they had to do *something* about it," he noted.

The history books show that extending both transepts and the apse of Notre Dame to the length of the nave, and erecting six more towers to match the two on the West Front, seemed to have stirred up another hard fight, Mr. George said.

Although the Ile de la Cite was obviously too small to accommodate the extensions, there was the most ridiculously intransigent opposition to rechanneling the Seine to its present course just north of Le Bourget airfield. It took years to overcome and might never have been bested except for the appeals to French "grandeur" by a prominent politico-military figure of the time. His name, unfortunately, has been lost in the cobwebs of history.

There was another bad moment in 1978, George conceded, when the dome of St. Sophia was lowered 20 feet. Opponents of the change pointed out that that would bring it back to the proportions of 558, when it collapsed, and that in rebuilding it, Isadore of Miletus had made it higher so that the thrust was manageable.

"Darned if it didn't collapse again," the Cosmic Architect recounted with a jolly twinkle. "The fellows who redesigned it had their heart in the right place, but they forgot the basic principle: Escalation!"

The problem was solved, as everyone knows, by abolishing the dome altogether. Today's St. Sophia, with its acres of flat roof, is now the showplace of the Middle East, surmounted by a fine golf course, chop suey restaurant, roller coaster and a charming cluster of orange and light blue Howard Johnson gazebos.

The turning point in the whole struggle, the Great Architect believes, was when the American Congress bowed to the demand of the Speaker of the House and legislated that the square on the hypotenuse of a right triangle equalled the sum of the squares on the other four sides. From there to $E=Mc^2$ was only a step.

The Elizabethan Theater in the Folger Library was quickly extended to a stadium and the mansion at Mt. Vernon was placed in its present sensational setting atop the Pan American Building. The colonnade around the Lincoln Memorial—"It was crumbling," Mr. George said—was replaced by glass brick walls, and the North and South Memorial Annexes were built.

"Yes, sir," the Architect reminisced, "great things began to happen after that. We extended every one of Shakespeare's sonnets—every last one of 'em crumbling, by the way—to 17 lines. Extended O. Henry's "Gift of the Magi" to a full-length novel. You seen The Last Supper lately? It goes around all four walls of Santa Maria della Grazie and has more Disciples than you can shake a stick at."

The strains of the Minute-and-Seventeen-Second Waltz drifted over the night air from a distant radio. The clock struck 13. The radio switched to Taps, rearranged for the 32-note scale and orchestrated for symphony, electric guitar and Dudelsachs.

[From the Washington Post, July 20, 1966]

WEST FRONT OPPOSITION

The Council of the Institute of Early American History and Culture has written a letter to Speaker John W. McCormack urging reconsideration of the plan to destroy the West front of the Capitol. They correctly assert that the proposed extension will "result in the destruction of all the original external architectural details which make the Capitol one of the country's historic landmarks."

The Council, membership of which includes some of the foremost historical scholars in America, acknowledge that the Capitol is not a museum but a working forum, but they describe it as a "three dimensional lesson in the history of our country."

While the scholars were appealing to the Speaker, Senator RIBICOFF appealed for an examination of the office of the Architect of the Capitol and a delay in construction until that can be completed. He rightly said the matter is deserving of the consideration of the President.

The overwhelming majority of American architects and scholars and a substantial number of Senators and House members oppose the destruction of the West front. No proponent of this costly and wasteful project has put forward a good reason why a Government beset by budgetary crisis must undertake at this juncture an un-needed unwanted, un-necessary and unwise re-modeling of the Capitol.

[From the Washington Post, July 9, 1965]

A CAPITOL ATTEMPT TO DEFACE HISTORY

(By Edward P. Morgan)

After the British redcoats burned the U.S. Capitol in 1814 in the War of 1812, Congress had to move to a tavern called Blodgett's Hotel. Presumably this could have served the legislators as a permanent meeting place since, as legend has it, politicians most comfortably gather in smoke-filled hotel rooms. Blodgett's had a cloakroom too. Lobbyists traditionally contact lawmakers in cloakrooms. So everything was fine and dandy.

But then some busybody insisted on restoring the Capitol building and there has been nothing but trouble ever since. Additions here, alterations there; all very unsettling. So I, for one, simply cannot see what the fuss is all about when an ex-Congressman from Delaware named J. George Stewart steps courageously forward and starts to bury all this history under a facade of freshly cut marble.

Nobody, of course, is more eminently qualified for this delicate but heroic task than Stewart. He is not now and never has been a card-carrying architect and, as far as I know, never intends to be one. He does operate with the title of Architect of the Capitol and it was under that cover that he executed—one might even say, murdered—his most famous work, the Rayburn Building, named in travestied memory of the late Speaker of the House. Into this crypto-Fascists-style mausoleum, jestingly referred to as a Congressional Office Building, Stewart poured all of his supervisory talents and by some reports, considerably more than $100 million.

The result, naturally, was a happy combination of superlatives—the ugliest and most expensive edifice of its kind ever erected on the face of the earth. Perhaps the happiest note of all was the fact that it cost only approximately twice as much as Stewart originally said it would. With such a monument around the Great Society doesn't need urban renewal; it needs a camouflage corps.

But now, oh let joy be unconfined, we are about to be treated to another sterling Stewart contribution to the beautification of Washington. At a starting price of just $34 million—a steal, really—he is going to stick the West Front of the Capitol out a maximum of 88 feet so it can house more offices, two big auditoriums, two cafeterias, four dining rooms seating more than a thousand people and an information lobby to take care of the tourist explosion. The sheer beauty of the Stewart plan is that in one fell swoop it will destroy the Capitol's historic vestiges—the last traces of the original work of Thornton, the West Indian doctor who won the $500 first prize for the building's first design; the embellishments of Latrobe, the contributions of Bulfinch, the famous Boston architect, and the terrace with its majestic flights of steps designed by Frederick Law Olmstead. You don't hardly get a demolition job like that anymore.

Indeed, while he's at it, Stewart might well consider razing the whole structure, including his other handiwork, the East Front, which cost $22 million, the customary double of his beginning estimate. Then the space could be used for a parking lot, which Washington needs anyway and the Congress could move down the street to Union Station.

An alternative plan, which I like better, would be to let Stewart run rampant on a field of bad taste across the entire face of L'Enfant's famous city. Thus with his ravenous appetite for eating places, we could hope to see a Stewart restaurant revolving

around the tip of the Washington Monument to rival the space needle in Seattle. The lethal hydroplane races could be shifted from Hains Point to the reflecting pool, the Lincoln and Jefferson Memorials could be converted into public rest rooms and shoe shine parlors.

Don't be so timid as to think all this is impossible. The Commission for Extension of the U.S. Capitol, including those well-known aesthetes and city planners, Vice President HUMPHREY. Speaker MCCORMACK and Minority Leaders FORD and DIRKSEN, has already blithely gone along with Stewart's West Front job. All he needs now is money.

He figures he can easily wheedle that out of the Congress with the argument that the Front's ancient sandstone blocks are crumbling and a jet's sonar boom may bring the whole building down, dome and all. After careful study, the Fine Arts Commission reports the Capitol can be repaired, restored and its priceless architectural history preserved, all at a trifle of the cost of Stewart's folly. That would be the sensible way to do things. But thank Heaven that's not the way things are done in this crazy, wonderful town. Ask George Stewart.

[From the Washington Post, June 18, 1966]

"TRAGIC DISFIGURATION" SEEN FOR CAPITOL

(By Wolf Von Eckard)

The proposed deformation of the National Capitol is an act of juvenile—or is it senile?—delinquency that the people of this country ought not tolerate.

We are growing up.

And that painful process includes a growing respect for our past. We are beginning to learn that we can not childishly tamper with natural and cultural resources.

It also includes a growing sophistication about the techniques of preserving old buildings and accommodating present and future needs for space.

J. George Stewart, the Architect of the Capitol, and his consultants, have, however, not even pretended to consider them.

Ever since 1957 Stewart and his friends have been hell-bent on extending the West Front of the Capitol, not as a matter of reasoned necessity but as an act of vainglory.

They have persisted despite the late Speaker Sam Rayburn's promise in 1958: "We are not going to do anything with the west end."

If the old sandstone walls are indeed crumbling, as Stewart claims, they can be easily shored up for far less than $34 million.

If the Capitol needs more space now, how much more space will it need 20, 30 or 50 years hence? Are we going to keep puffing out the Capitol into an utterly shapeless monster?

For it is simply not true, as is claimed, that the marble desecration of the West Front would "maintain the present configuration of the Capitol."

In contrast to earlier, even worse plans, the original width of the central portico, will, to be sure be maintained.

But the immense, 88-foot extension of the center wings of the building turn this alleged non-configuration into a tragic disfiguration.

Add to this the silly and unnecessary changes in the terrace with their great flight of steps designed by Frederick Law Olmsted and a nole structure is irreparably destroyed. This is assassination.

There is, however, little point in discussing the details of the plans. The Capitol has grown with our history. On its West Front there is still visible evidence of the original work of Thornton, Latrobe and Bulfinch. There are still portions of first Capitol, which the British burned in 1812.

The very idea of burying these 150 years of history in Stewart's marble mausoleum is repugnant.

Anyone, let alone any legislator, who would propose to thus "remodel" the House of Parliament in London or the Arc de Triomphe in Paris would be laughed out of town.

What this country now needs is a National Committee to Save Our Capitol!

THE AMERICAN INSTITUTE OF ARCHITECTS,
Washington, D.C., June 27, 1966.

Re West Front of the Capitol.

Hon. GEORGE S. MCGOVERN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MCGOVERN: The American Institute of Architects is deeply concerned that proposals for the extension of the West Front have been approved by the Commission for the Extension of the Capitol.

We are unalterably opposed to this extension. We are cognizant that the facilities of Congress must grow with the Nation and the increased demands upon the Congress. However, it is patently obvious that this *one* building cannot be continually extended and expanded until it is shapeless and functionally impractical. At some time this construction must stop. We urge that it be now, while the quality and uniqueness of the creativity of Thornton, Bulfinch, and Olmsted still remain as examples of our national heritage.

The AIA recognizes the state of disrepair and structural weakness that exists and that the West Front must be strengthened. This can be done and the West Front can either be restored or rebuilt without destroying the beauty of proportion and detail that comprise the Capitol's present aesthetic appearance.

We ask that you oppose this extension, and urge your support of comprehensive planning for the future needs of Capitol Hill so that these needs can be planned and provided with the advice of an impartial, professional group constituted to render such service to the Congress.

Sincerely yours,

MORRIS KETCHUM, Jr.,
President.

OFFICERS ATTACKED FOR DOING THEIR DUTY

Mr. BYRD of West Virginia. Mr. President, a news story appeared in today's Washington Post carrying the headline, "Two Policemen Injured in Fight; Crowd of 300 Is Dispersed." I ask unanimous consent that the item be inserted in the RECORD.

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

TWO POLICEMEN INJURED IN FIGHT; CROWD OF 300 IS DISPERSED

Two Thirteenth Precinct officers were attacked with bottles and fists yesterday during their arrest of a man who allegedly shouted an obscenity from the corner of 14th and T Streets nw.

Pvt. Eugene A. Fitzsimmons, 29, required ten stitches for a scalp cut at the Washington Hospital Center and Pvt. Robert E. Freto, 29, was treated for leg cuts.

The assault on the officers resulted in their radioing a "policemen in trouble" call that drew at least ten cars of white policemen to the scene. The sirens and flashing red lights attracted more than 300 Negroes, police estimated.

The precinct stationhouse gave this account of the incident:

Fitzsimmons, a plainclothesman with the Vice Squad, was cruising the area in an unmarked car with Freto about 3:15 a.m.

A man who recognized Fitzsimmons shouted at him, using profane language, and Fitzsimmons decided to make a disorderly conduct arrest.

As he took the man into custody, the man and a companion struck Fitzsimmons and Freto while a bystander called the officers names.

One of the first policemen to respond to the radio call was Insp. Otto P. Fuss, acting chief, who immediately sent most of the arriving officers away.

When about nine policemen remained three men were arrested. Some 50 Negroes followed them to the stationhouse, shouting, "This is our street."

A Negro patrolman, Pvt. Charles C. Henson, talked to the throng and persuaded them to disperse.

Charged with assault and disorderly conduct were Harvey Cooper, 24, of 1725 Willard st. nw.; Clifton Carey, 22, of 1763 Willard, and Walter Ferguson, 24, of the 500 block of 7th Street ne.

They were held on $1000 bond each for a preliminary hearing July 29 in the Court of General Sessions.

CAPTIVE NATIONS WEEK

Mr. YARBOROUGH. Mr. President, this week, July 17–23, is the eighth observance of Captive Nations Week. It is at this time that we should renew and strengthen our efforts to aid those repressed countries, so long contained behind the iron curtain's wall of silence.

Too long the nine countries made captive by the U.S.S.R.-Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, and Rumania have been robbed of their right of self-determination. Since World War II we have fought intensely to permit these nations and all oppressed countries to live in freedom. But the fact is that they are not free. Their Communist masters have controlled them and their lives. Religious, press, speech, assembly, and travel rights are vitually nonexistant. These years of silence and censorship must be broken.

Our goal should be the pursuit of independence for these captive nations. We must not overlook these nations which in our concern for their totalitarian taskmasters are often accepted as mere appendages of an unfortunate situation of the cold war.

Almost 1 billion people are victims of the plight of totalitarianism. We, as Americans, with our bountiful good fortune of living in a free country where all may live and act as they please must extend a hand to these aspiring peoples of captive nations. It is an obligation not to be shirked or ignored. To forget that there are individuals in this world living under the heavy hand of a dictatorial regime, suppressed in all their basic rights, is to deny our own American heritage.

It gives me great pleasure to be able to speak today at this occasion of Captive Nations Week. Through this commemoration, we are able to signal support to our friends behind both the Iron and Bamboo Curtains. We are able to tell them that they are not forgotten, nor is their cause lost.

A FAIR SHAKE FOR THE FARMER

Mr. HRUSKA. Mr. President, editorial comment in the Nebraska press in recent weeks reflects the growing resentment by

America's farmers of the policies of the Johnson-Freeman administration.

Perhaps "resentment" is too mild a word. Glenn Buck, the highly respected publisher of one of Nebraska's leading farm publications, the Nebraska Farmer, puts it more emphatically:

Farmers and ranchers of this central western region are fighting mad at the Johnson Administration. This is not an expression of opinion but simply a report of my observations these past several months.

It should be noted, Mr. President, that Mr. Buck is not a rabid partisan, eager to make political capital for one side or the other. He writes:

When Lyndon Johnson first became President, there were many comments from farm people—Republicans and Democrats—to the effect that here was the first President in our times who really knew agriculture. At last we would get fair treatment, many thought.

But, as Mr. Buck observes, the opposite has been true. He recalls the administration action on hide exports which cut the price of cattle about $3 a head, the Defense Department's 50-percent reduction in pork purchases, at the urging of Secretary Freeman, Mr. Freeman's "pleasure" at announcing lower farm prices and the President's own appearance on national television urging housewives to thwart inflation by buying cheaper cuts of meat.

Expressions similar to those of the Nebraska Farmer have appeared in dozens of Nebraska papers, as indeed, they have throughout rural America.

FARMER DOES NOT SHARE PROSPERITY

The plain fact is, Mr. President, that while the Nation generally enjoys a high period of economic well-being, the farmer does not. Even Secretary Freeman concedes that the per capita income of farm families is only two-thirds that of nonfarm families.

Put another way, the parity ratio for June of this year lagged at 79, unchanged over the past 3 months and down from 86 in June of 1956—a decade ago.

This is not surprising when the details of the farm income picture are examined.

Cattle prices have not gained more than a few pennies per pound for the past 10 years. The price of choice steers in Chicago in 1956 was 22 cents a pound. Now it is 25 cents. Cattlemen have been able to survive only because they have scrambled for efficiency or foregone returns on their investment. At the time the flood of administration-sponsored foreign imports threatened to wreck the cattle market completely, many stockmen suffered financial losses from which they are still recovering.

The same picture is true in other commodities. Ten years ago, a bushel of corn brought $1.42, or 80 percent of parity. Today the price is $1.19, down to 75 percent of parity. The cash price of wheat in 1956 to the farmer was at 80 percent of parity at $1.93; today, it is $1.59—only 62 percent of parity.

With some exceptions, the picture is the same throughout the whole range of agricultural products. The farmer is still getting approximately the same number of dollars or less for his product now that he did 10 years ago.

PROSPERITY OF OTHERS

But what has happened elsewhere in the economy? A steelworker in Pittsburgh in 1956 received an average weekly wage of $101.25. Today it is $140.82, up 39 percent. A carpenter in San Francisco, 10 years ago, had an average hourly wage of $3 plus 10 cents in fringe benefits. Today, he makes $4.87½, plus 70 cents in fringe benefits. Even the average permanent employee in Mr. Freeman's own Department of Agriculture received $5,020 a year in 1956 and, under the terms of the bill the President has just signed, will receive $8,350.

No one begrudges these higher wages, but while all about him the farmer sees increased prosperity, he has been held back, barred from winning his fair share of the booming economic gains.

Mr. Freeman's apologists plead that he is doing all he can to help the farmer. This simply does not square with the facts.

First of all, he could stop doing some of the things he is now doing, like dumping Government-held grains in order to "stabilize" prices. "Stabilize," Mr. President, is Mr. Freeman's word for "lower."

On the affirmative side, as the senior Senator from North Dakota [Mr. YOUNG] has pointed out, there are several provisions in the law permitting the Secretary to increase price supports. One permits him to take such action if, after public hearings, he finds this is necessary to protect shortages and assure supplies which are adequate to protect the national welfare and security. This applies to both certificate and noncertificate wheat. There are other provisions permitting him to provide a higher blended price support.

In other words, Mr. President, by a stroke of his pen, Mr. Freeman could undertake actions to improve the economic lot of the farmer, just as by a stroke of the pen the President granted a pay raise to Mr. Freeman's employees, and all other Federal employees, on July 18, by signing the pay-raise bill.

FARMER IS NOT THE CAUSE OF INFLATION

The question then must be asked, Why does he not?

The reason is that this administration has some strange notion that it can combat the worrisome inflation which its reckless spending policies have spawned by holding down on farm prices and thus, on food prices. Politically, this is felt by the administration to be the "smart" thing to do. After all, there are a lot more "consumers" than there are farmers and the latter's political muscle has been atrophying for some time, anyway.

This, Mr. President, is plain nonsense. First of all, there is no such thing in America as a class of consumers. We are all consumers, including the farmer who, because he lacks the income to buy all the things he needs, is not fulfilling his potential toward strengthening the economy.

The Pittsburgh steelworker of whom I spoke a moment ago might well produce steel for a farm tractor. Unless the farmer is able to buy the tractor, the steelworker's job is jeopardized.

The Johnson administration with all its handwriting on behalf of this nebulous "consumer" seems to forget, or never realized, that while the American housewife is a keen shopper and will hunt for a bargain, she does not want it at the expense of a man ill-paid for his labors. She does not want a dress, no matter how cheap, made with sweatshop labor. We have passed the sweatshop era in this country.

We have also passed the era where men worked long hours each day under the ground in unsafe mines and with inadequate ventilation for company-dictated wages.

We have passed the era where children must work to meet the family budget.

We have come a long way in improving the lot of the worker—but we have made much less progress in improving the lot of the man who makes his living from the soil.

The equivalent of sweatshop conditions still exist on the farm and that, Mr. President is too high a price to pay merely to provide lower prices to the consumer.

I ask unanimous consent to have printed in the RECORD the editorial by Mr. Buck from the July issue of the Nebraska Farmer.

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

FREE CHOICE

(By Glenn Buck)

Farmers and ranchers of this central western region are fighting mad at the Johnson administration. This is not an expression of opinion but simply a report of my observations these past several months.

When Lyndon Johnson first became president, there were many comments from farm people—Republicans and Democrats—to the effect that here was the first President in our times who really knew agriculture. At last we would get fair treatment, many thought.

What, then, makes farmers and ranchers fighting mad at the Johnson administration now? First, there was a gradual loss of confidence by farm people as well as all other Americans because of the Viet Nam mess. Not only is there deep and serious concern about the loss of lives of American boys every day, but there is puzzlement about what our objectives really are in that far away land. People are wondering about a war involving hundreds of thousands of our boys and there is the small matter of a cost to us taxpayers of some 30 million dollars per day.

Also, there is quite a disenchantment with the entire Great Society. The Poverty program is developing quite a bad odor, as are other factors in the program.

All of these things made agricultural people and other Americans begin to lose faith in the Johnson administration, but the fighting mad stage of farmers came about principally because of four events. First was the Department of Commerce ruling relative to hide exports which is reported to have reduced the price of cattle to the tune of about $3 per head and benefited no one except the manufacturers of leather products who gained in profits.

Then came the Secretary of Defense with an order directing the Government to cease pork purchases because prices were too high. The price of hogs declined $5 or so per 100 pounds in a week.

No one who depends upon agriculture for his livelihood will forget Secretary of Agriculture Freeman's nationally broadcast statements to the effect that he was pleased

to announce that hog and cattle prices had ceased to rise and would be declining. (Why shouldn't they be declining with all of the tremendous pressure of the United States government pushing them in that direction?)

No doubt the greatest factor in the farm people being fighting mad at the Johnson administration resulted from a public appearance of the President himself. When he appeared on the national networks and urged housewives of the country to help stop inflation by buying the cheaper cuts of meat, that was the end of the line for many who live on the land. The inference was that agricultural prices were causing inflation. Farmers and ranchers who are getting no higher prices for their products than they received 15 years ago are conscious of the fact that every thing they buy has doubled in price. They know well that the only segment of our economy which is not inflated is agriculture. Labor, which includes many more voters than agriculture and has doubled its wages, has not been criticized by the President or his aides.

The result of all of this will be the defeat next fall of many good Democrats who are running for Congress and lesser offices in the agricultural country.

TROUBLE IN THE FHA

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the RECORD an article by Frederic Sherman, entitled "Trouble: A Permanent FHA Tenant?" which appeared in a recent issue of the Miami Herald.

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

TROUBLE: A PERMANENT FHA TENANT?

(By Frederic Sherman)

If you were to choose a theme song for the Federal Housing Administration, a likely candidate is "Nobody knows the trouble I've seen."

The once-proud federal agency, created to meet the nation's critical housing needs three decades ago, has been battered and bloodied by a post-war cycle of foreclosures. One man trying to reform the FHA programs is Sen. JOHN J. WILLIAMS, Republican of Delaware, who hates to see the taxpayer's money wasted.

Sen. WILLIAMS is a careful man with figures. He has counted up the FHA inventory of bankrupt properties valued at more than $1 billion. This inventory includes 63,114 apartment units in the amount of $589 million and 44,580 homes in the amount of $512 million.

Here in South Florida, the FHA director inherited a first-class mess when he took over the job. Billy Wilcox has struggled to keep his own reputation from being damaged by debris from collapsing subdivisions and bankrupt apartment houses.

The Miami foreclosure record has justified a virtual freeze on the Section 207 rental housing and the Section 213 cooperative program. Home builders are under a rein on mortgage commitments and credit reports are given close scrutiny.

But now Director Wilcox has a new problem with the Section 221d–3 program that gives a developer mortgage money subsidized by the taxpayer in exchange for providing nice housing for those who can't afford it.

The mortgage money is subsidized to enable a developer to offer apartments 28 percent below the normal market rentals. As the law reads, "This section is designed to assist private industry in providing housing for low and moderate income families and families displaced from urban renewal areas or as a result of government action."

There are specific guidelines established for eligibility: income, age and number of persons living in a unit.

There are only two Section 221d–3 apartment projects in Miami. Both were opened this year.

Both have already been found in violation of the federal regulations on tenant eligibility. As far as known, no person displaced by urban renewal or the expressway program is living in either one of the apartment houses.

Park Tower at NW 2nd St. near the Miami River is owned by J. I. Kislak, the mortgage banker, and Martin Fine, the attorney and chairman of the Miami Housing Authority. It is a 13-story building with 145 apartments.

FHA Director Wilcox said his own investigators made an initial check and discovered that 39 of the apartments were rented to persons who do not qualify. In 23 violations, the tenants make too much money to be eligible.

The other project is the West Flagler Apartments at 39th Ave. The owners are Harry Markowitz and Morris Lomaskin, builders of rental property in the central Negro district and the northwest section. The West Flagler Apartments is a three-story building that has crowded about 110 units on less than two acres.

The FHA probe has turned up 16 ineligible families and is continuing.

What happens now? Director Wilcox said the violations have been reported to Washington. He says also that he is doing more than the normal spot checking of tenants because Washington has told him that he is responsible for seeing that subsidized mortgage program works as Congress intended.

For the benefit of the taxpayers, the owners of the two apartment projects have been ordered to pay to FHA the 28 percent difference between the subsidized rentals and the open market price. This is a lump sum for past months and will continue monthly until the tenants are evicted.

Wilcox is asking Washington for instructions on the status of the ineligible tenants. Are their leases to be honored even though they violate federal law? One woman installed wall-to-wall carpeting. Yet the application she filled out makes it plain she is not allowed to enjoy a subsidized rental.

Why was she allowed to move in? Is she to be charged with violation of federal regulations along with the owners?

Home builder groups and the real estate lobby argued for rent subsidies as a better alternative to public housing. But the Public Housing Administration has a proven record of tenant certification and the program has competently done the job of providing decent housing for those who can't afford it and moving them out into the private housing market as their income climbs.

What is already happening with the subsidized mortgage program under FHA raises a question of how many investigators FHA will need when President Johnson gets his direct rent subsidy program cranked up.

LAUSCHE SCORES DOUGLAS MARRIAGE

Mr. WILLIAMS of Delaware. Mr. President, last Sunday the Senator from Ohio [Mr. LAUSCHE] delivered an excellent address at the dedication of the New Bethany Lutheran Village at Dayton, Ohio, in which he calls attention to the manner in which a member of our highest court flouts the dignity of the American home.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

FLOUTS DIGNITY OF HOME

(By Doug Walker)

Sen. FRANK J. LAUSCHE (D-O.) told a Dayton audience yesterday that U.S. supreme court Justice William O. Douglas is "flouting the dignity of the home."

Without mentioning Douglas by name, LAUSCHE told a sundrenched crowd at the dedication of new facilities at Bethany Lutheran Village that "it is frightening to observe the conduct of one of the men on our supreme tribunal."

The grey-haired LAUSCHE contrasted what he said were signs of moral deterioration to the dedication of a $2.1 million project at the church's old people's home.

The 67-year-old Douglas took a 23-year-old bride Friday, his fourth. His third wife, 26-year-old Jean C. Martin, divorced him after 2½ years of marriage.

LAUSCHE cited the pioneer spirit, then touched on the supreme court judge, morals of youth, obscene pictures, drinking orgies, persons "who say there is no God" and public officials who debauch their office.

"This home for the aged on this hillside (6451 Far Hills Ave.) is the creation of lofty, spiritual-minded individuals who hope to live in accord with decency and justice," the senator said.

After the speech, LAUSCHE declined to elaborate on his feelings about Douglas. "I've made my speech," he said, but added that projects like Bethany Village are the "reflection of the true spirit of our people."

But the popular Democrat had many supporters in the crowd.

Robert Kline, Republican candidate for county commissioner, approached him after his speech and said, "I enjoyed your speech, keep up the good work."

U.S. Rep. RODNEY M. LOVE (D-Dayton) said of LAUSCHE'S statement, "I agree. Having been a judge myself and knowing that LAUSCHE has been a judge, I couldn't agree with him more."

"People have problems," he said, "but this goes too far."

LOVE'S opponent, State Senator Charles W. Whalen was also in LAUSCHE'S corner. "I have the same feeling," he asserted. "It's unbecoming a member of the court. Everyone has a right to live his own life, but in public life you have an added responsibility."

State Rep. Clara Weisenborn, a Republican candidate for the state Senate and a member of the choir at the program, said that "it's his (Douglas') business, but it reflects very badly. I think it sets a bad example for the youth of our country."

ABUSES OVER EXISTING FHA POLICIES IN APPROVING MORTGAGES

Mr. WILLIAMS of Delaware. Mr. President, in recent weeks I have been calling attention to abuses that have developed over the existing policies of the Federal Housing Administration in approving mortgages, ofttimes in excess of actual expenditures and ofttimes with sponsors who had a previous record of bad credit payments not only with the FHA but with other Government agencies. I suggested that the FHA, as a lending agency of the Government, have a master file of the names of all previous borrowers who had defaulted on Government loans in any area of the country and that all applicants or sponsors of the new project be checked against this master list to determine their previous

records. I advocated a similar policy being adopted by every other agency of the Government making or guaranteeing loans and that such master lists of poor credit risks be interchangeable and the information available to all such agencies of the Government.

I am glad to report that on June 28, 1966, the Federal Housing Administration issued a new regulation, MF–80, in which it announced that in the future in order to provide a central source of information on participants in multifamily and land development projects all principals in any such FHA project must submit to the FHA a report fully disclosing their past experiences in FHA multifamily and land development programs as well as their interests in the proposed venture.

Under this procedure each principal will be required to list every FHA-insured multifamily or title X project in which he has been or is involved, identifying the name, location, FHA case number, and so forth. The principals will also be required to indicate whether any project in which they have been involved heretofore has been in default or received mortgage relief.

As a critic of the past policies of the Federal Housing Administration I now compliment Mr. Brownstein upon the adoption of this far-reaching proposal, but I am suggesting one additional requirement to be added to this list; and that is, that the principals signing these applications also list similar information as to their experiences with any other Government lending agencies. I recommend that a similar policy be adopted by the Small Business Administration and all other lending agencies of the Government.

It should be noted that this is the second step which the Commissioner of the Federal Housing Administration has taken in the past few weeks to tighten up the practices of this agency. The first was the recent issuance of a regulation requiring the developer to place in escrow all funds received as downpayments on homes or apartments until such time as title is transferred to the buyer. This was an important decision, and it protects the home buyers who were making these downpayments against loss in case of failure of the builder or promoter of the project.

Upon the issuance of both of these new regulations I compliment the Commissioner, but it should be emphasized that these regulations alone will not correct all of the abuses that have heretofore been found. For example, when an individual buys a home the man and his wife must both sign the mortgage, pledging all of their assets, future earnings, et cetera, toward the payment thereof. As a contrast, when a promoter or builder sponsors a multimillion-dollar multifamily project he can form a separate corporate entity for each project in which he is identified, and none of his personal assets are involved or pledged toward the repayment of such loans. In fact, with builder's fees, attorney's fees, and promoter's profits on overappraised land he ofttimes can withdraw a substantial windfall profit from the mortgage proceeds. A builder with three to five projects can keep the profitable projects and default on the unprofitable ones with the Government assuming all the risk and taking all the loss.

I recommend that the following additional rules be adopted:

First. Promoters of multifamily projects obtaining these Government loans or Government guarantees on the mortgages should not have a mortgage approved in excess of 90 percent of actual cash investment—not appraised valuation which can readily be inflated.

Second. The sponsor should also be required to endorse these mortgages pledging their individual assets toward the repayment thereof in the same manner as is presently required of the single homeowner.

Third. No multifamily project should be approved in any area where existing vacancy rates show such venture not to be economically feasible. The present practice of subsidizing overbuilding is bankrupting the private building industry in addition to resulting in heavy losses to the Government.

The Federal Housing Administration was first established by the Congress for the noble objective of aiding the individual families to obtain homes or apartments at reasonable interest rates on mortgage terms, but it has departed far from that original goal. Congress has a responsibility to move it back on the proper track.

At this point I ask unanimous consent to have incorporated in the RECORD the regulation, No. MF–80, issued by the Federal Housing Administration under date of June 28, 1966, along with a copy of Commissioner Brownstein's letter to all approved mortgagees under the same date.

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

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL HOUSING ADMINISTRATION

To: Insuring Office Directors, Multifamily Housing Representatives.

Subject: Implementation of FHA Form 2530, Previous Multifamily Participation Certificate.

Series and Series No.: MF–80.

Control No.: F–1155.

Date: June 28, 1966.

In order to provide a central source of information on participants in multifamily and land development projects, FHA Form 2530, Previous Multifamily Participation Certificate, has been developed. Use of the form will eventually produce readily accessible historical data identifying those who have been successful in previous ventures, those who may be over-extending themselves by a multiplicity of ventures, and those whose past experience is unsatisfactory. Such information will be particularly useful in instances where approval of a new venture should be accompanied or preceded by corrective action on an existing project involving the same participants. Although an interleaved carbon, snap-out form is being prepared, the single page certificate, a sample copy of which is attached, is being placed into effect immediately upon receipt of this letter.

All principals in any multifamily or land development (Title X) proposal submitted to the FHA will be required to complete FHA Form 2530, fully disclosing their past experience in FHA multifamily and land development programs, as well as their interest in the proposed venture. Each principal, as defined in the certificate, must list every FHA-insured multifamily or Title X project in which he has been, or is, involved; identifying the name, location, FHA case number and the nature of the principal's interest. The principal must also indicate, by an asterisk in the appropriate column, whether any project has been in default or received mortgage relief, as those terms are defined in the certificate. If any project listed has been in default or under mortgage relief, the involved principal must prepare and attach to the certificate a signed explanation of the circumstances of each such default or relief. Each packager or consultant signing a certificate must attach a signed statement disclosing the type of services to be rendered in the new proposal, as well as the fee to be received.

If a particular principal has previously filed a certificate with an FHA insuring office, a completely new listing of past experience is not necessary. The applicant need only identify, on the face of the new certificate, the date and place where previously filed. Any additions to, or changes in the status of, projects previously listed, must be reported on any new certificate.

When signing the certificate, each principal must enter his Social Security Number (Employer's Identification Number, provided by the Internal Revenue Service, if the principal is a corporation). These numbers will be used to place the information provided into our automatic data system.

When the snap-out form is printed, it will provide an original and 4 copies with a cover sheet of instructions. Until such time, however, we will require the preparation and submission of an original and 3 signed copies with each 2012 (3550 where proposal is under Title X) filed with an insuring office. Upon receipt by the office, the original certificate is filed in the project file; the first copy forwarded to the Assistant Commissioner-Comptroller, Attn: Data Processing Operations Section; the second copy, together with attached statements, to the Associate Deputy Commissioner for Operations, and the last copy to the Multifamily Housing Representative. Thereafter, format letters B and C (B–X and C–X for Title X) or commitments to insure may not be issued until authorization has been received from the Associate Deputy Commissioner for Operations. Processing, however, may proceed as far as possible. If format letter A is issued or the request for preapplication analysis withdrawn, prior to receiving a reply from the Associate Deputy Commissioner for Operations, he should be so notified immediately. It is important that these steps be taken expeditiously so as to avoid delays in the processing of proposed projects.

The following procedures are effective upon receipt of this letter:

1. *Requests for Preapplication Analysis*—All Forms 2012 (3550 if Title X) must be accompanied by a properly completed Form 2530, Previous Multifamily Participation Certificate. Any request not accompanied by a certificate will be returned to the sponsor as on incomplete submission.

Upon receipt of a request for preapplication analysis, together with Form 2530, the first copy of the certificate is transmitted to the Assistant Commissioner-Comptroller, Attn: Data Processing Operations Section, the second copy and any statements submitted by the principals are transmitted to the Associate Deputy Commissioner for Operations, together with a description of the proposal and any pertinent information regarding the principals which the Director may have.

Analysis may then proceed, but format letter B or B–X may not be issued without written authorization by the Associate Deputy Commissioner for Operations.

2. *Cases Now in Office on Which Commitments Have Not Been Issued*—Form 2530, Previous Multifamily Participation Certificate, must be obtained immediately from all principals involved in any multifamily or

Title X proposal now being considered where a commitment has not yet been issued. Format letter B or C (B–X or C–X if Title X), or a commitment to insure, cannot be issued in any case under consideration until receipt of the required certificate and authorization by the Associate Deputy Commissioner for Operations, as in No. 1 above.

3. *Multifamily Housing Representatives*—Immediately upon receipt of their copy of Form 2530, the Multifamily Housing Representatives will inform the Associate Deputy Commissioner for Operations of any information they may have regarding the previous operations of any principal listed on the certificate.

Procedures for making an unsatisfactory risk determination or taking a debarment action under Section 512 remain in effect and should be utilized wherever warranted. Proposals involving principals appearing on the URD or debarment list will be rejected by the insuring office without referral to the Associate Deputy Commissioner for Operations.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, FEDERAL HOUSING ADMINISTRATION,
Washington, D.C., June 28, 1966.

To: All approved mortgagees.

Subject: Implementation of FHA Form 2530, Previous Multifamily Participation Certificate.

In order to provide a central source of information on participants in multifamily and land development projects, FHA Form 2530, Previous Multifamily Participation Certificate, has been developed. Use of the form will eventually produce readily accessible historical data identifying those who have been successful in previous ventures, those who may be over-extending themselves by a multiplicity of ventures, and those whose past experience is unsatisfactory. Such information will be particularly useful in instances where approval of a new venture should be accompanied or preceded by corrective action on an existing project involving the same participants. Although an interleaved carbon, snap-out form is being prepared, the single page certificate, a sample copy of which is attached, is being placed into effect immediately upon receipt of this letter.

All principals in any multifamily or land development (Title X) proposal submitted to the FHA will be required to complete FHA Form 2530 fully disclosing their past experience in FHA multifamily and land development programs, as well as their interest in the proposed venture. Each principal, as defined in the certificate, must list every FHA insured multifamily or Title X project in which he has been, or is, involved; identifying the name, location, FHA case number and the nature of his interest. Each principal must also indicate, by an asterisk in the appropriate column, whether any project has been in default or received mortgage relief, as those terms are defined in the certificate. If any project listed has been in default or under mortgage relief, the involved principal must prepare and attach to the certificate a signed explanation of the circumstances of each such default or relief. Each packager or consultant signing a certificate must attach a signed statement disclosing the type of services to be rendered in the new proposal as well as the fee to be received.

If a particular principal has previously filed a certificate with an FHA insuring office, a completely new listing of past experience is not necessary. The applicant need only identify, on the face of the certificate, the date and place where previously filed. Any additions to, or changes in the status of, projects previously listed, must be reported on any new certificate.

When signing the certificate, each principal must enter his Social Security Number (Employer's Identification Number, provided by the Internal Revenue Service, if the principal is a corporation). These numbers will be used to place the information provided into our automatic data system.

When the snap-out form is printed, it will provide an original and 4 copies with a cover sheet of instructions. Until such time, however, we will require the preparation and submission of an original and 3 signed copies with each 2012 (3550 where proposal is under Title X) filed with an insuring office.

All Forms 2012 (3550 if Title X) must be accompanied by a properly completed Form 2530, Previous Multifamily Participation Certificate. Any request not accompanied by a certificate will be returned to the sponsor as an incomplete submission.

Form 2530, Previous Multifamily Participation Certificate, must be obtained immediately from all principals involved in any multifamily or Title X proposal now being considered.

Sincerely yours,
PHILIP N. BROWNSTEIN,
Assistant Secretary-Commissioner.

[FHA Form No. 2530]

(Form Approved, Budget Bureau No. 63–R1061.2)

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FEDERAL HOUSING ADMINISTRATION

PREVIOUS MULTIFAMILY PARTICIPATION CERTIFICATE

(Submit Original and Three Copies to FHA Insuring Office)

The purpose of this certificate is to provide FHA with a full disclosure of past multifamily experience of all principals involved in the proposal so that FHA may determine the feasibility of considering the proposal involving these principals. Any doubts concerning applicability should be resolved by a full disclosure of all previous participation.

FHA Insuring Office _____
Case Number _____
Proposed Project Name _____
Location _____

The undersigned request consideration of a multifamily housing or Title X land development proposal (identified above) to be financed with a mortgage insured under the National Housing Act. The undersigned, individually and collectively, represent that to the best of their information and belief they are the sole "Principals" in the project and they have not had any "Interest", by way of financial interest, employment, or otherwise, in an FHA-insured multifamily or land development project, except as shown below. The undersigned agree that any change of the "Principals" listed herein, or additions thereto, will be reported to FHA and they will inform and advise new "Principals" of the requirement to file a similar certificate with the appropriate FHA insuring office.

DEFINITIONS

The term "Principals" includes, but is not limited to, corporations, partnerships, joint ventures, general contractors, sponsors, "packagers," or "consultants." It also includes architects and attorneys who have any interest in the project other than the normal, "arms-length" fee arrangement for professional services to be rendered, other than as a "packager" or "consultant", and stockholders having more than 10% financial interest in the proposed project.

The terms "Packagers" and "Consultants" mean a person or firm, including attorneys, engaged to furnish advisory services in connection with the financing, construction or operation of a multifamily project, including, but not limited to, the selection and negotiation of contracts with a general contractor, architect, attorney or managing agent, securing financing and meeting FHA requirements.

The term "Interest" is not limited to a financial interest in the sense of profits, dividends, fees, and legal guarantees, but also includes nonfinancial interests such as a pledge of support, not constituting a legal or financial obligation, given by a parent organization to its member groups or a pledge of other nonfinancial support designed to convince the FHA that a proposal will be feasible.

The term "Default" includes any FHA-insured mortgage transaction which is or has been in breach of a regulatory agreement or delinquent for failure to meet required mortgage payments or, which has resulted in assignment of a mortgage to the FHA, foreclosure of a mortgage or a deed in lieu of foreclosure.

The term "Mortgage Relief" includes any FHA insured mortgage transaction which involved a modification of the mortgage, forbearance agreement or other similar relief.

Previous Project: Name & Location _____
FHA No. _____
Name of Principal _____
Type of Interest _____
Default _____
Mortgage Relief _____

(With respect to each listed project which resulted in "Mortgage Relief" or "Default," as identified above by an Asterisk in the appropriate column, the interested principal must attach a signed statement explaining the relief or default. "Packagers" and "Consultants" must attach a signed statement describing the services they have rendered or will render in the proposed transaction and stating their fee. They must also include a statement that they have not and will not receive any fee or other compensation, direct or indirect, from any party connected with the proposed project, except as reported.)

		EMPLOYER IDENTIFICATION NO. OR SOCIAL SECURITY NO.
Date	Signature and interest in proposed project	□□□ □□ □□□□
Date	Signature and interest in proposed project	□□□ □□ □□□□
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Date	Signature and interest in proposed project	□□□ □□ □□□□

WARNING: Section 1010 of Title 18, U.S.C., "Federal Housing Administration transactions," provides: "Whoever, for the purposes of * * * influencing in any way the action of such Administration * * * makes, passes, utters, or publishes any statement, knowing the same to be false * * * shall be fined not more than $5,000 or imprisoned not more than two years, or both."

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? There being no further morning business, morning business is closed.

ORDER OF BUSINESS

Mr. JAVITS. I have at the desk the amendment which is the pending business before the Senate, relating to military juntas. I have agreed with the

manager of the bill and with the leadership to withdraw that amendment and to offer another in its place. I think I have the right to withdraw my amendment and submit another in its place.

For that reason, I withdraw the amendment which I have at the desk and ask unanimous consent that tomorrow, after the disposition of morning business——

The PRESIDING OFFICER. The Senator cannot withdraw his amendment at this time because the unfinished business has not been laid before the Senate.

Mr. JAVITS. I yield for the purpose of having the unfinished business laid before the Senate, as soon as the manager of the bill is ready.

FOREIGN ECONOMIC ASSISTANCE, 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate and that the Senate proceed to its consideration.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate resumed the consideration of the bill.

AMENDMENT NO. 680

Mr. JAVITS. Mr. President I withdraw the pending amendment and ask unanimous consent that on tomorrow, after the morning business and the disposition of whatever may be the pending amendment before the Senate, if any, I be recognized in order to call up the amendment which I now send to the desk.

The PRESIDING OFFICER. The amendment is withdrawn. Is there objection to the request? Without objection, it is so ordered.

Mr. JAVITS. I ask that the amendment be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

ADMINISTRATION RIGHT TO RESIST TAX INCREASE

Mr. PROXMIRE. Mr. President, on Monday the distinguished senior Senator from New York [Mr. JAVITS] and I were about to engage in a colloquy, and we were unable to do so because it was necessary to move forward on this foreign assistance bill.

Since that time, we have cleared an agreement with the majority leader—and I have talked to the minority leader about it this morning, as well as to the manager of the foreign aid bill, the chairman of the Foreign Relations Committee [Mr. FULBRIGHT]—to enable us to engage in a short colloquy now.

However, I understand that my good friend, the Senator from New York, must leave the floor because he has a commitment he must keep.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I shall proceed with my statement, but I understand why the Senator cannot be present.

Mr. JAVITS. Will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. JAVITS. In the first place, I thank the Senator for his customary courtesy, and I appreciate the position the Senator proposes to take. I shall say just a word about that, and explain briefly my own position.

I think we face an extremely serious situation, both in the country and in the world; in the country, because we can avoid neither the inflationary impact of taking roughly $15 billion out of the civilian economy for the Vietnam struggle, nor other influences here which have emphasized monetary as against fiscal policy as a way in which to deal with the overheating of the economy, which in my judgment have resulted in high interest rates and in a tight money situation.

I submit that that tight money situation is very serious. I shall state my case, so that, while the Senator may speak the other way, at least both points of view will be of record.

The seriousness of the tight money situation is in its cost to the normal consumer, especially in such fields as homebuilding, and to small business. A second aspect of it is the fact that we have essentially entrusted to the banks the selectivity of where credit should go; and they are making their own decisions, one would assume not on the basis, necessarily, of the national interest—although I am sure they are as patriotic as anybody else—but on the basis of what is the prime credit.

If one talks to them, they will say they are distributing credit pretty equitably. They say the small man, the small business, the homeowner, and so forth receive a fair break.

But as we all recognize, when credit is administered by a bank, whose job is to earn interest on money and to get its money back, it does not have the same connotations we would put on it if we were doing it here as the Government, or as the U.S. Senate.

The administration's most recent response to the problem of rising interest rates has been to suggest that the House Banking and Currency Committee begin work on legislation to limit temporarily the amount of interest which commercial banks and other financial institutions can pay on certain types of deposits. Should Congress act on this recommendation, it would be like clamping the lid on a boiling pot without turning down the heat. If study by appropriate congressional committees indicates, however, that this would be an appropriate action to take, it is my view that this action must be coupled with basic fiscal action to moderate the demand for credit, which is one basis of our high interest structure.

Credit demand for marginal projects can be reduced by a more restrictive fiscal policy. Improving the mix between fiscal policy and monetary policy would result in reducing the overall level of demand but at a lower structure of interest rates than in the present situation where emphasis is placed on restrictive monetary policy alone.

While the rate of increase in the price level appears to have diminished in recent weeks, the inflation hazard is by no means a thing of the past. We are in the midst of a guideline-jettisoning machinists' strike against one-half of the major domestic airline carriers, right now. Next year, labor contract negotiations are scheduled involving 3 million workers in a number of key industries, such as rubber, trucking, communications, paper, construction, and automobiles. Vietnam costs are certain to increase before the year is out, and capital spending is not diminishing. The administration cannot permit any further delay in adopting a policy mix that will permit continued economic growth in the United States without inflation.

This policy mix, in my view, calls for an easing of credit and lowering of interest rates balanced by an increase in both individual and corporate tax rates totaling about $6 billion. If the administration would take the lead in fiscal policy, the Federal Reserve Board would, I believe, be ready to adjust monetary policy accordingly. If administration-Federal Reserve Board coordination has any meaning whatever it means just such cooperation and Congress has every right to expect this from the Federal Reserve Board.

It is fair to say that our current economic outlook is cloudy and there are no quick or easy policy solutions. Nevertheless, the administration's abdication of economic leadership over the past 6 months has aggravated the uncertainty about the economic outlook and made the selection of an appropriate policy response more difficult and hazardous than would have been the case early this year.

Further delay in making hard economic decisions would be the worst solution. A modest increase in individual income taxes—1½ or 2 percentage points—coupled with an increase in corporate income taxes—2½ to 3 percentage points—would yield $5.5 to $7 billion in Government revenues and would affect the economy across the board more equitably than a tight-money policy; a policy which is essentially nonselective except as individual banking institutions carry out selectivity. A corresponding easing of credit and a fall of interest rates would at the same time improve the situation of those credit institutions and businesses which today are carrying the main burden of the administration's unwillingness to "face the music."

In addition to all those reasons, I foresee other demands. For example, there is a very grave and serious financial crisis in Britain, which could very seriously and adversely affect not only the economic situation of the world, but also of the United States, as well as Britain's defense responsibilities.

Yesterday I advocated here that we ought to give Britain some pretty drastic help in these circumstances, not for its

welfare programs or to nationalize business, but to enable it to navigate this gale in which it finds itself.

For all of those reasons, I felt we had to be willing to face a tax increase, and I did not feel—and this was the essence of my difference with the Senator—that the slowdown we had seen in the gross national product's rate of increase in the second quarter of this year was a sufficient reason why we should forgo that position. I know the position is politically difficult and indeed politically unpopular, but I think the exigencies of the economy demand a modest across-the-board tax increase for individuals and corporations, sufficient to produce something in the area of $5.5 billion to $7 billion a year. Correspondingly, it is my view that the Federal Reserve Board should ease the credit situation and help lower interest rates. The reduction in the rate of increase in the gross national product in the second quarter was not a sufficient reason against my recommendation, first, because it was a temporary phenomenon, whereas other very much deeper phenomenon were occurring right around us which would have a contrary effect; and secondly, because I pointed out the tremendous result of the increase by reason of inflation, which was only, to me, an added danger. Increased Vietnam costs and the forthcoming labor contract negotiations in a number of key industries could contribute to further serious inflationary pressures.

I hope the Senator will forgive me, because I must leave now, but I welcome a juxtaposition of our two structured ideas, both for the edification of the Nation and for our governmental agencies.

I say to the Senator that there is no one with whom I would rather have this kind of effort to depict two different points of view, arriving at exactly opposite conclusions on the same set of facts—which often happens—than my beloved fellow Senator, the Senator from Wisconsin.

In conclusion, I ask unanimous consent to insert into the RECORD an article written by Hobert Rowen in the Washington Post of July 19, 1966, on this subject.

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

[From the Washington (D.C.) Post, July 19, 1966]

BRIMMER ASKS FOR TAX ACTION, BANK RESTRAINT

(By Hobert Rowen)

The newest Governor of the Federal Reserve Board, Andrew F. Brimmer, yesterday warned the nation's bankers that they must say "no" to more of their customers, and he came out flatly for tax action to dampen the boom.

"The crying need today is for more effective bank restraint on loan expansion," Brimmer said in a speech in Boston. "Something should be done—and soon."

Although he said he could not speak for his associates, Brimmer implied that the first action might come from the Fed itself through a reduction in bank reserves. This would sharply reduce the banks' ability to make loans.

Brimmer pulled no punches in criticizing the Administration for failure to raise taxes earlier this year, and insisted that action on the fiscal front "still seems in order."

Brimmer thus becomes the fourth member of the seven-man FRB to say publicly that monetary policy is being asked to carry too much of the burden of fighting inflation. Similar statements have been made by Chairman William McChesney Martin and Govs. Sherman J. Maisel and J. Dewey Daane.

SPOKE IN BOSTON

The Brimmer speech, text of which was released here, was delivered to a businessman-financial leader luncheon at the Boston Federal Reserve Bank.

An economist and former Commerce Department Assistant Secretary who was named to the Fed in February, Brimmer is considered a moderate, with leanings to the modern, or "new" school of economics.

The speech, although not Brimmer's first as a member of the Fed, provided his first general assessment of today's economic problems since moving to the Board.

Coincidentally, Senator JACOB JAVITS (R-N.Y.) blasted the President for "unwillingness or inability to stop the present drift in economic policy." JAVITS called for a $6 billion across-the-board tax boost.

WITHDRAW STIMULUS

Brimmer did not go that far. But he was more specific than other FRB members have been by suggesting withdrawal of the stimulus to the economy provided by the 7 percent investment credit.

Because the need for restraint is "immediate," Brimmer recommended "a suspension measure that would affect business decisions to begin spending." The method: disallow the tax credit for new capital goods ordered after a given date.

But whatever is done or not done in this field, Brimmer vigorously insisted that bankers had better reduce the levels of their lending which—in blunt terms—he said were getting out of control.

He said that the bankers were feeding an "unsustainable level of demand for our limited resources."

Brimmer pulled together figures which for the first time show where the big expansion in bank loans is going. From reports by 200 large city banks that give the Fed an industry break-down of their loans, Brimmer evolved the following:

Loans to metal producing and fabricating firms have tripled over the second quarter 1965 rate.

Other large borrowers include textile makers, and petroleum and chemical companies.

But loans to the construction industry are rising less rapidly, as are loans to transportation, communication, and other public utilities.

Over-all, city banks made loans totaling nearly $3 billion in the second quarter, almost 70 per cent higher than the same period of 1965.

BALLOONING LOANS

At this level of expansion, Gov. Brimmer said, loans were ballooning faster than the banks' total assets. "Clearly," he said, "we must ask just how long can banks expand their loans to business beyond the expansion of deposits."

Brimmer's analysis also showed that there has been a dramatic rise in the number of country banks borrowing from the Fed—about one in 7 during the past three months. This is twice as many as earlier in the business expansion.

Moreover, many of these country banks have been "frequently" indebted to the Fed, a trend which Brimmer says shows that the demand for loans by big corporations is so big it is spilling over from the bigger to the smaller banks.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from New York, and I appreciate very much his remarks. What he has said certainly states his side of the case very fairly.

I think it is an illusion, and a great illusion, that our economy has been moving too fast, growing too rapidly, with the illusive result that there is a tremendous growing pressure which will push prices up.

I say this is an illusion, because not only the GNP figures, but all the figures taken together, including the Vietnam war pressures in the aggregate, show there is no such pressure.

The Senator from New York referred to the gross national product. What is the gross national product? It is the measure of all the goods and all the services in this country.

GROSS NATIONAL PRODUCT GROWTH DECLINES SHARPLY

I think we can get a good overall picture of whether or not the economy is growing by seeing what is happening to the gross national product. I have here figures from the Department of Commerce, just made available on Monday, which show that if we put the gross national product in real terms—and I submit this is the best way to measure it by far, because it corrects for inflation and shows how much real increase there has been in the actual physical production of all our goods and services—the real use of our men and machines—it shows that in the fourth quarter of last year, there was a 2.1 percent increase in the gross national product in that one quarter, or an annual rate of about 8 percent, which is a very sharp increase. However, in the first quarter of this year, the rate declined to 1.25 percent, an annual increase of about 6 percent—still a very rapid rate. But in the second quarter of this year—April, May, and June—the increase was only six-tenths of 1 percent; in other words, an annual increase of about 2.4 percent, a very sharp drop; and measuring it from the fourth quarter of last year, it seems that the growth in the economy has slowed down by about two-thirds. This is a figure we must not forget in determining whether to have a tax increase.

I ask the Senator from New York or other Senators: Does it make sense, when the economy is slowing down—and the record is very clear that it has slowed down; there is no better measure of that than the gross national product—to say that this is the time for a tax increase? I say it does not.

UNEMPLOYMENT UP SIGNIFICANTLY

Let us take some other measures. Let us take unemployment. Most of us are more familiar with unemployment statistics than with any others. What has happened with respect to unemployment? In April, it was 3.7. It had been 3.7 in February. The rate had been approximately stable for 3 months. Then what happened? In May, unemployment increased to 4 percent, a significant increase. Any statistician or economist would agree that such an increase is significant. Unemployment remained at 4 percent in June.

Is this the time for a tax increase, when unemployment has increased, when unemployment is at 4 percent, when the gross national product has slowed down?

PRICES MORE—NOT LESS STABLE

Let us take another index. This is one that those who advocate a tax increase rely on most heavily. Consider what has happened to consumer prices. In February of this year, admittedly, there was a big increase in the price index. Incidentally, this index showed a big increase in December, January, and February. Since February, however, the wholesale price index has been stable. There was no increase in March, one-tenth of 1 percent in April, none in May, and one-tenth of 1 percent in June.

Once again, does it make sense to say that this is the time to increase taxes?

The Senator from New York [Mr. JAVITS] and other Senators who share his view have advocated that although the wholesale price index is not rising, although wholesale prices are stable, we should increase taxes.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. MANSFIELD. Merely for information, could the Senator from Wisconsin give us an indication of what the consumer price index was at that time?

Mr. PROXMIRE. I was just coming to that. There is a lag between the wholesale and consumer price indexes. As we might expect, there was a substantial increase in the consumer price index in March and April. But in May, the latest month for which a figure is available, the consumer price index went up only one-tenth of 1 percent. Once again, that is virtual stability. I concede that 1 month is not enough to make a firm and final judgment. We shall probably get later figures tomorrow or Friday on the consumer price index. I think it will go up, perhaps substantially. But it is becoming clear that excessive demand will not drive prices up. Demand is clearly declining in relation to supply, not increasing. Powerful labor and business bargaining power will drive prices up, not demand. What does that mean? That means a tax hike would increase unemployment. It would slow down the economy; but it would not stop bargaining power price increases.

Once again, the indexes caution us that a tax increase now might be exactly the wrong medicine for the economy, because the leading indicator of the economy, the wholesale price indicator, has not increased but is stable, and the sensitive commodities selected by the Bureau of Labor statistics as the best indicators of future prices has declined. So it does not make sense for us to say that now is the time to have a tax increase.

INDUSTRIAL PRODUCTION GROWTH RATE DECLINES

According to the Federal Reserve index of industrial production, in January, February, and March industrial production increased at a monthly average rate of 1.5 percent. But now that increase also has slowed down, and about two-thirds of the increased growth rate has been lost. It its increasing now at a rate of one-half of 1 percent. Once again I ask: Is it time to raise taxes when the rate of growth of the industrial production index is going down?

GROWTH IN INVESTMENT DECLINES SHARPLY

Mr. President, the phase of our economy which has been most inflationary in the judgment of most economists has been business investment in plant and equipment, overall investment. It is said that this has been very inflationary. It had been increasing at a very rapid rate in the second, third, and fourth quarters. In the third quarter of last year there was a big increase of 3.4 percent, a huge 13.6 percent annual rate. There was a 5.4 percent increase in the fourth quarter or a 21.6 percent rate of annual increase. In the first quarter investment growth dropped to 4.2 percent or 16.8 percent on an annual rate. And this past quarter the growth fell to only 1.7 percent or a 5.6 percent annual rate. So a huge three-fourths of the fourth quarter investment growth rate disappeared by this immediately past quarter that ended 20 days ago, on June 30.

This slowdown is most significant because investment is what the economists call the accelerator factor in the economy. The steam has gone out of the economy. On the basis of these indices, not just the GNP, but on each of these significant indices and allowing for Vietnam, with a Vietnam war making far greater demands on the economy than in previous quarters—the fact is that our economy in this most recent quarter was generating not more demand, not more rapid growth, but less.

Demand in relationship to supply has declined. This is precisely what economic analysis and what the historical perspective would lead us to expect. We are pouring 1½ million people each year into our labor force. We have had in the past 3 years, by far the most rapid increase in our production facilities in all our history.

In the last 3 years there has been terrific investment made in equipment and plant. We have never had anything comparable with this growth in capacity to produce in our economy before. We have a capacity to meet demand that is far greater than in the past.

That is why I would conclude—in disagreement with my good friend, the senior Senator from New York—that this is not the time for a tax increase. Furthermore, I think there is other action that Congress can take that would be more sensible than a tax increase, action such as cutting spending, the space budget for example.

I agree with the distinguished Senator from New York that our monetary policy has in the past—and I stress the words "in the past"—borne the full burden of restraining inflation. However, on the basis of what is developing in our economy now, I submit that inflation pressure is not now what it has been in the past.

I agree that high interest rates have had a serious effect and have been a great burden on the home building industry. We have had a home building recession. What would happen to this depressed industry if we were to increase taxes? Can the Senator from New York seriously contend that the way to build homes is to increase taxes? Would people paying more in taxes be better able to buy homes?

What the home industry needs is for the monetary authorities to consider easing off a little on monetary tightness.

We must be very careful about this. We must not do it precipitately. But there should be a real effort to try to make it more possible for people to buy homes.

This is an area that has been seriously depressed. I point out that two of the ablest members of the Federal Reserve Board are Governors Brimmer and Maisel. I enthusiastically supported their appointments. I studied economics at Harvard with Governor Maisel. Both he and Andy Brimmer have viewpoints contrary to mine. Brimmer wants to suspend the investment credit. Maisel wants either to cut spending or increase taxes, or both. I do not blame them for wanting to do something to ease the terrific pressure they have felt as two of the Nation's seven top monetary authorities. However, I think we should recognize that there are other economists who disagree with Brimmer and Maisel.

Paul Samuelson, formerly President of the American Economics Association, has reversed his earlier position. Early this year he favored a tax increase. He no longer does. And he changed his position even before the devastating figures of the past quarter showed the sharp slowdown in our economy. Recently 51 outstanding bank economists, industrial economists, Government economists, and academic economists in the country were asked what they expected to happen to the economy over the next 18 months. Did these experts expect a booming surging economy, with soaring prices? Their overwhelming conclusion was that the economy is slowing down and tapering off and will continue to do so over the next 18 months; and that prices will rise at the moderate rate of between 2 and 3 percent per year during this period. And they did not assume a tax increase.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. SYMINGTON. Mr. President, the able Senator from Wisconsin speaks on a subject of which he is a great authority. Therefore, I appreciate the opportunity to have the benefit of his views.

The bankers in my State, especially the relatively small bankers, are becoming increasingly worried about the tight money market, increasing pressures on interest rates, and the problems the average businessman has in borrowing money with which to conduct his normal business activity.

As the able Senator knows, our imports are increasing tremendously now because of the war in Vietnam. The ratio

between imports and exports is narrowing. Under these circumstances, if we do not increase taxes, what can be done to stem inflationary pressures? I ask the question because of my respect for the knowledge of the Senator on the subject.

Mr. PROXMIRE. Mr. President, I thank the distinguished Senator from Missouri very much for his question. What I have been saying is that the economy has slowed down in the last 3 months. The gross national product increased at a much smaller rate, one-third of the rate than it had been increasing before. Industrial production, investment growth have slowed dramatically. Prices have started to level off.

The point I am making is that the economists suggest that the steam is going out of the economy, the demand pressure on prices is diminishing, and the prospects for inflation are less than they were before. Prices may rise and sharply as they did in the late fifties in the face of rising unemployment and growing excess capacity, but obviously a tax increase would not improve the situation, it would make it worse. It would increase unemployment, without reducing prices. It would do this because such a price increase is obviously not the result of excessive demand, and this is all a tax hike could affect. As I will show later we have had a record national experience of rising prices while demand fell and unemployment increased because of big labor and big business bargaining power. I think that a tax increase might very well head us toward a recession. I think that the President should be commended for resisting the tax increase proposals. A lot of pressure has been put on him to increase taxes. He was very wise, in my judgment, not to do so. That is something that he should be commended for. It would be unwise for him to agree with those who favor a tax increase.

In any event, there are other things that we could do that would be more likely to restrain prices than would a tax increase. One would be the institution of credit control.

IN PURCHASE OF CONSUMER DURABLES

We could do as we have done in the past, and require a larger downpayment and a shorter period of amortization. This would be a much more moderate approach. It would not mean that we would be increasing costs which is what we do when we increase interest or taxes. Consumers would pay less. Their interest would be less. Their economic position would in many cases be strengthened.

The House Banking and Currency Committee has considered this matter very seriously. A tax increase does not seem to me to be necessary now because our economy is so immensely productive. And so rapidly growing in productivity, it can meet rising demand. We tend to underrate our economy.

There has been a tremendous increase in new business and great expansion in plant and equipment. However, we are able to meet the demand without inflation.

Mr. SYMINGTON. Mr. President, I thank the Senator for his remarks.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the series of tabulations to which I have referred be printed at this point in the RECORD.

There being no objection, the tabulations were ordered to be printed in the RECORD, as follows:

Gross national product

	Current dollars		1958 dollars		Percent of current dollar gain to price change
	Rate	Percent change	Rate	Percent change	
1965:					
I	660.8		600.3		
II	672.9	1.8	607.8	1.2	38.0
III	686.5	2.0	618.2	1.7	23.5
IV	704.4	2.6	631.2	2.1	27.4
1966:					
I	721.2	2.4	640.5	1.5	44.6
II	732.0	1.5	644.2	.6	65.7

Employment and unemployment

	Changes in employment (percent)	Unemployment rate
1965:		
September		4.4
October	0.4	4.3
November	.5	4.2
December	.7	4.1
1966:		
January	.4	4.0
February	−.3	3.7
March	−.1	3.8
April	.5	3.7
May	−.8	4.0
June	1.0	4.0

Changes in major price indexes

[Percent change]

	Consumer Price Index	Wholesale Price Index	Implicit Price Index
1965:			
July–August	−0.2	0	
September	.2	.1	
October	.2	.1	
November	.2	.4	
December	.4	.6	
1966:			
January	0	.5	
February	.5	.8	
March	.4	0	
April	.5	.1	
May	.1	0	
June		.1	
1965:			
I–II			0.7
III			.4
IV			.4
1966:			
I			.9
II			1.0

Federal Reserve Board index of industrial production

	Total index	Percent change	Auto	Percent change
1965:				
September	145.9		178.1	
October	149.9	2.7	181.1	1.7
November	148.1	−1.2	182.5	.8
December	146.6	−1.0	182.4	0
1966:				
January	148.3	1.2	180.3	−1.5
February	151.9	2.4	177.8	−1.4
March	153.4	1.0	183.8	3.4
April	153.7	.2	180.6	−1.7
May	155.0	.8	167.5	−7.3
June	155.8	.5	168.0	.3

Nonresidential investment

[Dollar amounts in billions]

	Nonresidential gross private domestic investment	Percent change	Change in business inventories
1965:			
I	$66.7		$9.5
II	67.9	1.8	7.6
III	70.2	3.4	8.7
IV	73.9	5.3	10.4
1966:			
I	77.0	4.2	8.9
II	78.3	1.7	12.0

Average weekly hours of production workers in manufacturing

	Hours per week
1965	
September	41.0
October	41.3
November	41.4
December	41.7
1966	
January	41.2
February	41.3
March	41.4
April	41.2
May	41.5
June	41.5

Mr. PROXMIRE. Mr. President, we have had experience with this kind of inflation in the past. We had the boom in 1955, 1956, and 1957, primarily a capital goods boom like the present with an immense increase in plant and equipment. We then had increasing unemployment. Consumer prices rose between 1955 and 1960 by 10.5 percent. Since 1961 consumer prices have increased only 8 percent, although unemployment and excess capacity has been falling rapidly during this longer period of time. This was the best price performance of any industrialized country in the world. Why was that? That occurred because in the latter period the administration met and stood up to the bargaining power of big labor and big business. In 1955–1960 the big boys pushed the prices up in the face of declining demand. Unless we have an administration like the present administration, which has put and will put strong and effective pressure on all parties to prevent such increases, there will be trouble. That is why the successful molybdenum price rollback won by the administration should be applauded. The President should be commended for the effort to keep prices down in the steel and automobile industries, to keep them in line.

I think that we are on the right track.

I yield the floor.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN ECONOMIC ASSISTANCE, 1966

The Senate resumed the consideration of the bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

AMENDMENT NO. 679

Mr. LAUSCHE. Mr. President, I send to the desk an amendment to the military assistance phase of the foreign aid bill.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. LAUSCHE. Mr. President, the foreign aid bill contains a proposed change in the law. My amendment deals with military assistance to the nations of the Western Hemisphere.

In the law there is a limitation of $55 million that can be granted by way of military assistance to the 19 South American countries. The Committee on Foreign Relations this year changed the $55 million limitation applicable to grants and made the limitation also applicable to sales. In other words, under the existing law, our Government could not grant more than $55 million in military grants.

The change in the law provides that now not more than $55 million shall be granted for either grants or sales. That means that if a South American country wants to buy military equipment from our Government, we cannot sell it if the total amount of grants received and the sales made exceeds $55 million. That means that these South American countries, if they deem it necessary to strengthen their military side of the government, will not be able to buy from the U.S. Government, but will have to go somewhere else in the world.

I believe the provision is ill based, improper, and inimical to the interests of the United States, and for that reason I offer the amendment.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. LAUSCHE. I yield.

Mr. MILLER. Mr. President, I should like to be associated with the remarks of the Senator from Ohio. I should appreciate it if we would add my name to the amendment as a cosponsor.

Mr. LAUSCHE. I ask unanimous consent to do so, Mr. President.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLER. Mr. President, I should like to point out that with the amendment of the Senator from Ohio, the interests of the Federal Government are still well protected. My understanding is that this portion of the bill contains a provision that the President must make a finding that it would be in the national interest for any of these activities to be undertaken. I am quite sure that the President would not make such a finding if a particular sale was inimical to our interests.

I also point out that the limitation that is now in the bill virtually eliminates the sales program of the United States, and with the $55 million limitation on grants and sales with all the Latin American countries, the sales would just about fall out.

Mr. LAUSCHE. They would fall out. They would go to other countries to make the sales.

Mr. MILLER. I might say further, Mr. President, that I happen to know that at least two of these countries have already set up programs for follow-on sales and for regular sales programs—not necessarily to buy new equipment, but to buy spares and replacement parts. If this limitation is left in the bill, that activity will be greatly curtailed. I recommend that the amendment of the Senator from Ohio be considered favorably. I hope that the chairman of the committee will accept the amendment.

Mr. FULBRIGHT. Why can it not be deferred to the next bill? It is not pertinent to this bill at all. A debate can take place and it can be considered in connection with military assistance.

Mr. LAUSCHE. The reason I introduce it now is so that the Members of the Senate will be able to read in advance what my proposed amendment means, so that they will be familiar with it when the military assistance bill comes before the Senate.

Mr. FULBRIGHT. That will be next week.

Mr. LAUSCHE. I thank the Senator very much.

The PRESIDING OFFICER (Mr. TYDINGS in the chair). The Senator from Illinois [Mr. DIRKSEN] is recognized.

AMENDMENT NO. 657

Mr. DIRKSEN. Mr. President, I call up my amendment No. 657, with modifications.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

On page 4, line 5, strike out "$620,000,000" and insert in lieu thereof "$370,000,000."

Mr. DIRKSEN. Mr. President, the net effect of the amendment would be to reduce the Development Loan Fund by $250 million below the figure which was authorized by the committee.

Last year we authorized $618,225,000, and this year, for fiscal 1967, the committee authorized $620 million.

I first had in mind an amendment that would apply in part to the Development Loan Fund and also to supporting assistance, but it occurred to me that the entire amount should be taken out of the Development Loan Fund and that is what the modification amounts to.

Mr. President, this is not just a gesture. I am not particularly interested in gestures. This is not an effort to seek a headline. This is not done in a partisan spirit, for behind this effort and behind the other amendments which we propose to offer, there lie a good many weeks, and in fact months, of rather patient and painstaking effort to determine how our foreign assistance program should be operated and how it should tick.

Mr. President, it was on June 5, 1947, that George Catlett Marshall, the distinguished late Secretary of State, stood before an audience at Harvard and included one paragraph in his speech. That paragraph suggested that if European countries, then racked, shattered, and torn as a result of the conflict, would assess their needs to prevent chaos and bankruptcy, the chances were that the United States would be glad to assist.

Well, they did assess their needs and we did assist, and we have been assisting for 19 years, because it was 19 years ago last month that George Marshall made that speech.

Now, Mr. President, the so-called AID program has been before the Congress every year since that time. It has come under first one caption and then another. But whatever the name, whatever the title, and whatever the contents, it has flowed on ceaselessly like Tennyson's brook.

However, there is a distinction between Tennyson's brook and foreign aid because that brook chattered on and chattered on and found its way to the reservoir of the river. Foreign aid, however, comes out of the river of our resources, so to speak, and it flows into channels in every section of the whole wide world.

I point out in the beginning that this amendment would have no effect upon military appropriations. As far as Vietnam is concerned, we are making complete and adequate preparation for and supplying everything that is necessary to Vietnam under the defense bills, so that Vietnam would be in no wise affected.

It is inspired, in part, by the fact that this country is confronted with a very serious situation. In that connection I was quite intrigued to note from the ticker today that Prime Minister Wilson has ordered a massive crackdown on domestic credit buying as part of his crash program to save the pound from devaluation and to rebuild Britain's economy.

Among other things, they have upped the down payment on automobiles, motorcycles, and trailers from 25 percent to 40 percent. They have upped the downpayment on other items. He has also frozen wages and prices for a period of 6 months, in the hope that the devaluation can be avoided.

There are other items in his program, some of them quite intriguing, but here he has come to grips with a monetary and fiscal credit situation that in some respects is not unlike that which confronts us today: The very fact that there has been a series of conferences at the White House in the last few days, one of which I attended when the President had the joint leadership there to discuss this entire problem and ascertain what could be done.

So I think today, as we consider a cut in the so-called AID bill, we should have that whole matter quite in mind. I am not so sure, Mr. President, but that the countries that have been the recipients

of our largess have developed for themselves an outlook that could be called a way of life. Perhaps they are constantly looking to our Nation's Capital, for aid and assistance, when there is no other place to look. Perhaps they have developed an attitude that somehow it has hardened the feeling that when you are in difficulty make a journey to Washington with your mendicant's cup and there present your plea and you are bound to receive some assistance.

Well, perhaps this can go on forever. I doubt it very much. I think the time has come now to speak the piece, and, regardless of criticism, and regardless of circumstances, to see whether or not we cannot give a few kind thoughts to the solvency and the stability of our own country, and to some assurances that our dollar will not be in the same fix that the pound was getting into before this austerity program was announced in Great Britain last night.

First, let me point out that we checked back on the AID figure, and when I use the word "AID," I mean all of its predecessor agencies. I mean the mutual assistance program; I mean the Marshall plan; I mean the technical program; and everything that has happened in this field since the fifth of June 1947.

I believe this is a quotable figure and I think we can stand on it. Many a figure has been bandied about as to what the aid program has cost. I think the figure ranges all the way from $110 billion to $144 billion. We come up with a figure, on the basis of consultations with the Comptroller General's office, with the AID people, and with the Federal Treasury, that at this good hour aid has cost us $117,019 million.

In addition to that, there have been a good many other aids of a kind, whether in the form of loans or grants.

Mr. President, I hold in my hand some tables that I believe should be printed in the RECORD. First of all, I should add that the AID assistance to all countries, including the World War I debt, which reflects what assistance we have rendered to countries which found themselves in difficulties, amounts to $14,408 million.

Interestingly enough, Finland was the only country that finally paid interest and kept up its obligations on the World War I debt. No wonder, at a gridiron dinner a good many years ago, when the Finnish Ambassador was introduced, the rafters fairly shook with applause as a measure of the appreciation and gratitude of America to a country which somehow had a feeling that it should fulfill its obligations and requite its particular obligation to this country.

Now, in addition, we go to the World Bank, another form of aid, which was kind enough to send me its latest report. It is quite impressive and—shall I say—a very colorful piece of work. Usually, annual reports are. If I do not get any other kick out of it, I love to look at the pictures, but they also have tables galore. Finally, I got through it and discovered that we have subscribed to 63,360 shares of stock of the World Bank. We plumped down—that is a good term—laid on the line, $635 million. But that is only a very small part of the story because when we subscribe to all these shares of stock we make a token payment, but we are callable any old time—when they need the money—for another $5,715 million.

Thus, if we are thinking of aid as some kind of reservoir to be tapped, well, there is the World Bank, and it has been making loans all over the universe. Already, it has made $5 billion worth of loans. I do not believe there is any country under the canopy of heaven that does not have a loan, with the exception of one country—and that happens to be the United States of America. We subscribe to 29 percent of the capital stock. Everyone else can get a loan. We have got no loan.

Then we have another kind of aid. I like its abbreviation. It is called IDA. I remember, coming in from the hospital this morning, I was driven by Ida's Department Store out on Georgia Avenue, so it is easy to remember.

We make contributions to IDA, and thus far we have made contributions to the extent of $635 million. That is 32 percent of all the contributions made to sweet IDA. It is pretty nearly in line with the 33⅓ percent we contribute to the United Nations and all of its subordinate and auxiliary agencies.

I see before me a most interesting article published in the New York Times, on July 18, and it has a most entertaining headline: "World Bank Seeks $1 Billion To Lend to Poor Countries. Rich Nations To Be Asked To Quadruple Contributions To Provide 'Easy' Loans."

I guess "soft loans" is a better term, but I will get around to those soft loans after a while.

I believe at this point, Mr. President, I should ask unanimous consent to have printed in the RECORD this article to which I have just referred, because evidently someone has an idea that we have not done enough, that the contributions should be quadrupled—and, of course, that means Uncle Sam rather than anyone else.

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

[From the New York Times, July 18, 1966]

WORLD BANK SEEKS $1 BILLION TO LEND TO POOR COUNTRIES—RICH NATIONS TO BE ASKED TO QUADRUPLE CONTRIBUTIONS TO PROVIDE "EASY" LOANS

(By Edwin L. Dale, Jr.)

WASHINGTON, July 17.—The United States and the other industrial countries will shortly be asked to quadruple, to $1-billion a year, their contributions to the World Bank for "easy" loans to the poor countries.

The request will probably be made this week by George D. Woods, the president of the bank. The formal title of the World Bank in the International Bank for Reconstruction and Development.

The contributions, now running at $250-million a year, would go to the bank's easy-loan subsidiary, known as the International Development. Association. The bank itself raises funds by selling bonds on the world's capital markets.

FIFTY YEARS TO PAY

The United States share of the contributions to the association would remain at about 40 per cent, or $400-million a year instead of the present $100-million. The money is lent to the world's poorest countries with no interest and 50 years to pay.

The Woods request will pose a major choice for the United States and the other rich countries. It will bring to a head the question of whether a much larger portion of economic aid to the poor countries should be given through international institutions instead of bilaterally.

It will also pose dramatically the question of the willingness of the rich countries to increase the total volume of aid to the developing countries. The World Bank has calculated that the developing countries are now in a position to absorb usefully from $3-billion to $4-billion more a year than they are currently receiving.

In 1964, the last year for which figures are available, total government aid was $5.9-billion and private capital flow was $3.2-billion.

Mr. Woods has chosen this week to make his formal request for additional funds for the I.D.A. because the top foreign aid officials of 15 countries will be here for a meeting not directly connected with the World Bank.

NO HINT OF AMOUNT

This is a meeting of the Development Assistance Committee, an arm of the 21-country Organization for Economic Cooperation and Development. The committee seeks to coordinate the aid programs of individual aid-granting countries.

The member nations of this committee are also the main contributors to the I.D.A.

The bulk of support for the association comes from the United States, Britain, West Germany, France, Italy, Japan and Canada.

Mr. Woods will speak to the meeting, but he is expected to make his formal request for funds for the I.D.A. separately.

Th donor countries have known for months that a request for a new round of contributions for the I.D.A. was impending because its association funds are running out. The last round of contributions was $750-million over a three-year period.

Mr. Woods has given no hint, however, of how much he will ask. His asking figure of $1-billion was learned from highly authoritative sources.

What the United States reaction to the request will be is not known. Top officials have indicated a definite sympathy with the idea that the rate of aid given by the association should be increased, but whether they will go along with a quadrupling of the aid is uncertain.

Furthermore, the United States is eager to find a device by which its contributions to the I.D.A. would not further worsen its deficit in the balance of international payments. I.D.A. loans are disbursed by the bank on the basis of competitive worldwide bidding, and thus many of them eventually flow by way of the poor countries to other developed countries.

Mr. Woods is known to have strong reservations about two possible ways that the United States, or other donor countries, could be protected against any adverse balance-of-payments effect.

RIGHT TO REDUCE

One would be to give a nation in balance-of-payments difficulty the right, at the time the money is disbursed by the I.D.A. several years from now, to reduce its contribution by some specified amount for the year in question. This poses for Mr. Woods the problem of not knowing precisely how much money he could commit for loans.

The second would be a requirement that the bank "tie" its disbursements to goods procured in the nation suffering payments difficulties. Dollars would have to be spent in the United States, for example. This would require a sharp revision of the bank's current practice.

Another suggestion has just begun to be explored. This would be an agreement

among the donor countries that the total pledge for each year would be "firm," but that members of the donor group in payments difficulties might pay less while their problem lasted. The difference would be made up temporarily by those in payments surplus.

Mr. DIRKSEN. Mr. President, we have agencies running out of our ears. There is the International Monetary Fund. There is the International Finance Corporation. There is the Bank for Asian Development. There is the Inter-American Bank.

We have gone to some pains to put all these commitments together to see what we are liable for. The commitments now aggregate the tidy little sum of $14,519,000,000. Accordingly, we see that when there is a call from needy people, whether it is in Vietnam, the Congo, the Transvaal, Iceland, or wherever it is, and the World Bank runs out of dough—and that is a good term, too—why, we are callable for money so that these poor creatures will not have to suffer.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield at that point?

Mr. DIRKSEN. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. Our total commitment is $14,500 million?

Mr. DIRKSEN. $14,519 million.

Mr. LAUSCHE. Does the Senator's document show what part of the commitment has actually been paid in, and what part is callable?

Mr. DIRKSEN. Well, on the World Bank, we paid in $635 million. We are callable for $5,715 million. Under sweet IDA, those are contributions, and we are not callable for an amount there. But on some of the other agencies, we are; I do not have all of the detailed figures here, although we did put them together. I am interested in this very impressive total.

Mr. LAUSCHE. I would suggest that we get into the RECORD what amount we paid in and what amount was callable. I think it would be very informative for the Senate to have that.

Mr. DIRKSEN. Let me also emphasize what the United States got out of it. Nothing.

Now, World War I, $14,408 million. Total commitments now for loans, $14,519 million. AID and its predecessor agencies, $117,019 million.

That adds up to—if my figures are correct—approximately $145 billion.

Mr. President, we do not stop there, bless us. We have a new program soon to come to the Senate floor. It is called food for freedom. That is a mouth-filling term. It is also an ear-filling term. It is going to be a purse-depleting term, too, before we get through.

Let me tell the Senate what we are going to do under the food-for-freedom program:

Under title I, $2,500 million every year. Under title II, $800 million every year. Under title III, $33 million every year.

Now, if I am any good at arithmetic—as Aristotle or someone else said, arithmetic is the greatest of the sciences and the mother of all invention—that figure should add up to $3,333 million annually. That is just another commitment of aid.

The singular thing is that we thought, as we went along giving all this aid during the years, that somehow we could stimulate the enterprise system in the countries which were receiving benefits from the United States. But, if it has happened, I see no evidence of it.

I do not know to what country one can point and say the enterprise incentive, the vigor and energy for self-help, is the kind that has energized or sharpened it. That is one of the distressing things about this whole program.

The other is that I have seen very little resource development. If anything, there has been less development than there was before. Before the ruckus in the Congo, the Belgians were in there and were doing a pretty tolerable job of developing the mineral resources of the country. What has happened since that time? There have been assortments of killings and self-appointed leaders who have been at each other's throat. How much stability there is there at the present time is a question of grave doubt. I see nobody getting back to the enterprise system or developing the resources of that country.

Mr. President, just think of the countries in Asia, Africa, and elsewhere, where the Lord has planted some of those things that have enriched and developed mankind. Yet where are the developments? Only in a few countries have we seen them.

So one wonders to what purpose our aid was directed in the first instance To be sure, when the program was first started, it was designed to give relief to people who were the victims of war.

There has been some success, not only in the development of a country's resources, but in the reestablishment of their economic systems. That has happened in some instances. It has happened in Germany. What was the result? A stable currency and a country that peddles its merchandise practically all over the globe. West Germany has practically no unemployment.

When the Chancellor of West Germany was in this country, the distinguished chairman of the Foreign Relations Committee, or one of the distinguished members of that committee, had a luncheon for him. I went to the luncheon and I asked the Chancellor about unemployment in his country. He said, "We could use a million extra people right now."

So that country has done it. It has followed a pattern tested by time and found not to be wanting.

Are we to be in the fix of the ancient Greek runner, who collapsed when his goal was in sight, finally bit on his wrist, sucked his blood, won the race, but fell exhausted and died at the end? Does that have to be the end of a program of this kind, after all the good will we have invested, together with our funds? Must that be the reward for our country?

I go a little bit further in this picture if, in this melee and assortment of material, I can find where I placed my note. There are other factors that should be discussed here and now with respect to the AID program. Mr. President, I am about to call for a seventh inning stretch until I can find what I did with my note.

Mr. FULBRIGHT. Mr. President, will the Senator yield, while he is looking for his paper?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. As a matter of information, I ask unanimous consent to have placed in the RECORD an article written by Mr. Edwin L. Dale, Jr., in the New York Times, entitled "Aid to the Poor Nations Soared to Record $10.98 Billion in 1965."

The article breaks down overall foreign aid into various categories: bilateral aid, private capital, through international lending agencies, and so forth. I think it will be of interest to the Senate.

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

[From the New York Times, July 20, 1966]

AID TO THE POOR NATIONS SOARED TO RECORD $10.98 BILLION IN 1965

(By Edwin L. Dale, Jr.)

WASHINGTON, July 19.—The total flow of aid to the less developed countries, public and private, reached a record figure of $10.98-billion last year, up to $1-billion from 1964.

This was disclosed today on the eve of a two-day meeting at the high official level of the 15-nation Development Assistance Committee, a group that attempts to coordinate the flow of aid.

The figure of $10.98-billion represents disbursements of funds, not aid commitments or loan agreements. It is a net figure, with repayments of the principal of past loans to the poor countries subtracted from gross disbursements.

The $10.98-billion had these main components:

Bilateral aid from the 15 industrial countries making up the Development Assistance Committee to the less developed countries, totaling $5.8-billion. This includes food shipments by the United States.

Private capital flow from the rich to the poor countries of $3.6-billion. This includes both investments in mines and factories and exports on credit terms with more than one year to pay, usually guaranteed by governments.

Aid from the international lending agencies of $290-million. With money raised from both governments and private capital markets.

Aid from nations not members of the Development Assistance Committee, mainly the Communist countries, of about $670-million.

The committee is an arm of the 21-nation Organization for Economic Cooperation and Development, with headquarters in Paris. The meeting here this week is the annual gathering of top foreign aid officials of the 15 nations that account for practically the entire flow of aid outside the Communist bloc.

The total aid flowing from the countries that are committee members, including private aid and money flowing by way of international lending agencies, was $10.15-billion last year.

Officials said this came to almost exactly 1 per cent of the combined national income of the 15 countries, the figure originally set as an informal target for aid.

However, the United Nations has since set a target of 1 per cent of the gross national product of the industrial countries, a figure larger than national income. Last year's aid total was about 0.85 per cent of gross national product.

This week's meeting is expected to review the general aid picture and to take up in some depth for the first time the special problem of an expected world food shortage.

The statistical report today put the total of aid flow at $7.7-billion in 1960, $8.97-billion

in 1961, $8.6-billion in 1962, $9.4-billion in 1963 and $9.9-billion in 1964.

The members of the Development Assistance Committee are Australia, Belgium, Austria, Canada, Denmark, France, West Germany, Italy, Japan, the Netherlands, Norway, Portugal, Sweden, the United Kingdom and the United States. The executive commission of the European Economic Community, which disburses some aid, is also a member.

Mr. FULBRIGHT. Mr. President, I was going to offer one or two comments with regard to the case the Senator from Illinois made on the amendment which he has proposed. The authorization asked for by the administration was $1.25 billion, but it asked for only $665 million in appropriations for the 1967 fiscal year. In other words, it has asked for a 5-year program, apparently contemplating a carry-over from unappropriated funds under the authorization for future years. The fact is that the administration has said it needs only $665 million.

If the amendment offered by the Senator from Illinois is adopted cutting the authorization to $370 million that would leave a difference between the Senate and the $1 billion authorization approved by the House of $630 million.

If the conference compromised it 50–50, as we have done almost without exception on questions of amounts of money in the past, we come out with a figure of $685 million. Following the usual practice the figure could be higher than the actual appropriation request of the administration.

While this looks like a deep cut in the authorization compared with that of last year, in my opinion the amendment offered by the Senator from Illinois, if the traditional pattern of the past is followed this year, would not result in a serious cut at all. It would be merely trying to maintain something in the way of what the Senate committee contended for.

Mr. DIRKSEN. The House came by its figure long before we were summoned to the White House to discuss fiscal affairs with the President.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. He pointed out the difference between domestic expenditures and the demands for military purposes. We know the military requirements must be met. There is nothing to be done about it. If General Westmoreland sends a cablegram and says, "I need this or that," we are dutybound to fill it. We do not leave our boys 12,000 miles from home, fighting in a dismal battle, without making available to them what their commanding general, whom we regard as the cream of the crop, thinks he ought to have. So our military demands must be met.

Therefore, we have nowhere else to look except to the economic picture. There are not many places where we can cut the budget in substantial sums. We cannot cut the cost of interest on our debt. The cost of paying interest on our debt is now $12 billion a year. We cannot cut funds for our veterans. Every appropriation bill has its sacred cows. I have my own, I suppose, but I am not going to let the cows stand in the way if that is the only way to take action that must be taken to put this country on a sound and stable basis.

Mr. FULBRIGHT. I suppose the Senator's amendment is in pursuance of the President's request, as explained yesterday before the Appropriations Committee, and he is asking to cut some money out of the program.

Mr. DIRKSEN. That is exactly correct. The day before, the President had the leadership at the White House. We know what the facts are in the entire picture. We have our money supply. There are great demands for it. If there is anything to the classic definition of inflation, all one has to do is to equate it with the goods and the prices one sees on those goods in the marketplace.

Last Saturday I had an opportunity to go to the market with Mrs. Dirksen, to look around at the price tags, and buy a few things.

Being an old baker, when I buy bread I sometimes like to buy the pullman loaf. It is square, and makes good sandwiches.

So I picked up a loaf of pullman bread, and when we got it home, I noticed the price tag, and I was surprised. I thought, well, now, wait a minute; last week that loaf was 25 cents. This week it is 30 cents. So it has gone up very considerably.

I know it, because I take a look at the price tags.

So that is what we have in the country today; and people are beginning to get just a little excited and just a little concerned about this inflationary feeling. So there you have a factor.

Your second factor is this fierce money competition among all the thrift institutions, the savings and loan associations, the banks, the mutual savings banks. The question is, how much will they offer on certificates of deposit, for instance, in order to get a man's money?

Well, they bid one against another; and I think the latest figure I saw was that they were up to 5⅞ in the mutual banks in New York, and they thought they would go through the 6-percent ceiling easily. It may be higher in other places.

But just take a look at the advertisements in the papers from day to day, and see what these savings and loan associations in Washington are doing. They start with 4 percent.

"We are going to give you 4¼."

"We will give you 4½, if you come to our association."

Maybe now they are up to 4¾. But that is bidding for the available money.

And then, of course, we have this unending demand for credit. I do not wish to get into the question of the payments in balance. I would rather leave that to my distinguished and scholarly friend the Senator from Tennessee. But it is a factor in this picture.

Then we have the vast holdings of the Federals. I saw a figure this morning, reasonably current: It is right at $42 billion of Federal securities. That is a hoard for you. And of course the Open Market Committee can operate back and forth—you plow securities into the market, and sponge up cash, or you put out cash and pick up securities—and so they try to gage it as best they can.

But do not think for a moment that the Chairman of the Federal Reserve Board is not worried and deeply concerned about what he sees in the fiscal and monetary picture today.

Here is the Prime Minister of Britain, worried about the pound sterling. What does he do? He gives his country an austerity program. We ought to be equally concerned about our own dollar, to make sure that its value will remain.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. DIRKSEN. Those are other considerations in the domestic picture that we must take into account, and it becomes part of the motivation for trying to find some place among 13 appropriation bills and the authorizations to go with them where we can cut out some money, and take a little of the heat out of this economy.

I yield.

Mr. HARTKE. The Senator referred to the British economy, and how they are trying to cut back with an austerity program. I am sure the Senator is aware that one of the places they pinpointed to cut was on their foreign aid program. They are making it the No. 1 item to which they point.

I might point out that as long ago as August 31, 1965, a man with whom I have always been in agreement, William McChesney Martin, the Chairman of the Federal Reserve System, said that the aid burden was too heavy. He told this to Senators:

The Chairman of the U.S. Federal Reserve System said yesterday—

This was August 30—

the United States is "carrying too large a load" in the area of foreign aid and international development.

He said "we have got to rely on our friends to do more than they have been doing in that field."

I should like to point out, just for a little local information, to the Senator from Illinois, since we are neighbors—the State of Indiana is very close to Illinois—that we have just completed an analysis of a sampling of public opinion in Indiana on foreign aid. This is a part of an in-depth survey we have been doing—a cross section of 1,116 respondents. All of these replies have come in between July 5 and July 19 of this year.

Question No. 8 on that poll was:

Do you think that America's foreign aid—economic assistance—has been valuable in achieving the friendliness of foreign nations?

"Yes," replied 20.5 percent and 69.1 percent said "No"; 10.4 percent were undecided.

Question No. 9 was:

As concerns our economic assistance program, AID, which of the following do you prefer: (a) increasing foreign aid.

That was the preference of 13 percent.

(b) continuing at present levels.

That was the preference of 14.8 percent.

(c) reducing foreign aid.

Thirty-eight and eight-tenths percent indicated that as their preference.

(d) ending the foreign aid program.

That choice was the preference of 27.8 percent; 7.6 percent were undecided.

In other words, we had a total of those who are for increasing foreign aid or continuing it at present levels of 27.8 percent, while those who are for reducing or ending it totaled 64.6 percent, or almost two-thirds of those responding.

I wish to include two more figures from this questionnaire.

Question 10:

On the assumption of a continuance of foreign aid, would you place it on a selective basis to friendly nations only, or would you also include neutral nations?

The responses were as follows:

Friendly nations only, 49.8 percent.
Also include neutrals, 35.9 percent.
Undecided, 14.3 percent.

The question on military aid I shall not include at this time, but the figures are still more overwhelming.

Therefore, I commend the Senator from Illinois for this amendment, and I hope the Senate will agree to it. I think in the abnormal situation we are involved in at the present time, which the Senator has referred to, certainly a little bit of economy for those overseas is in order. It would not hurt them to share some of the problems we have here at home. That is not saying that in future days we may not change our minds. But at this stage, we ought to cooperate with the President in cutting down the expenses of the Government. We ought to follow his suggestions. If we do not follow the same path, we will come out with the same end result. If he is fearful of a budget deficiency in 1967, I think we should support him.

The question is not whether or not we are going to buy two or three boxes of paper clips, but of cutting out $250 million. As I commented earlier to the Senator from Illinois, I think maybe his cut is a *little too small*, but I intend to support him and vote for his amendment.

Mr. DIRKSEN. I have always thought forbearance is a virtue. When I first toyed with the figure, I think it was twice that amount. I felt I would rather be reasonable about it, and submit a figure that probably the Senate would approve, and that could be retained in the bill in conference.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question at that point, since he has been interrupted?

Mr. DIRKSEN. Let me make this one comment.

I notice one other thing in this British picture. They have not touched loans for modernization and expansion of hotels. The idea is to get our folks over there, so that they can spend some money. That is a very laudable ambition on their part, I must say, but I do not know that it contributes particularly to our own stability.

I now yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator has reduced his figure from $620 million to $375 million, if I am correct.

Mr. FULBRIGHT. $370 million, according to my figures.

Mr. DIRKSEN. That is right; I had to modify it. We did not take out the foreign assistance fund. The entire $250 million cut comes under the development program.

Mr. FULBRIGHT. And the Senator has taken none out of the supporting assistance.

Mr. SALTONSTALL. Yes, and I am glad. My question is, how much is unobligated and unspent of funds on hand for the development loans?

Mr. DIRKSEN. We had that looked up, and they gave me a figure of $228,900,000 that is available for the Development Loan Fund.

Mr. SALTONSTALL. In addition to this other amount?

Mr. DIRKSEN. That is right, because that amount is left from last year.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. Mr. President, does the Senator from Illinois contemplate introducing or having a vote on any other amendments involving cuts?

Mr. DIRKSEN. I have no other amendments that involve cuts. I have many amendments that deal with procedure and administrative practice. This amendment is the only one of that kind, and I thought this was a logical place to do it because of the number of loan agencies in which we participate today, and the commitments by which we are presently bound.

Mr. President, I think another of the factors that we must have in mind with respect to this program is the conduct of the program. I do not know whether those who have been running the project get a little weary of well-doing. It is hard to say. However, I do not think you can be in this kind of a program for 19 years without getting into a kind of groove. The program will have to have a good look-see to see whether we cannot get it straightened out.

I am not going to belabor all of these items at length, but I do wish to call attention to a few. I call attention to the failure of AID to report interest delinquency.

When we went over those records we found that they took the ones where interest was due and delinquent and just folded them into the capital and recapitalized the loans.

There were some of those, probably not a great many. However, we are now coming to the point at which we will have a great many of these loans on which the grace period and the low-interest rate are coming to an end. Then the delinquencies are bound to arise.

One of the truly intriguing things is the fact that where they carried the so-called maintenance of value cost in the AID contracts heretofore, that somehow was eliminated, and the figure that we have presently is that our loss or exchange loss as a result of failure to maintain the value amounts to $351,200,000. This was on the basis of, I expect, a very close investigation. It is borne out, I think in large part, by the observation that the General Accounting Office made to this effect. They said:

Additional, substantial exchange rate losses on foreign currency assets will be sustained in the future.

AID has amended the six loans in the fiscal 1963–64 in which it eliminated the maintenance-of-value provisions. General Accounting Office found that in these six loans the immediate exchange rate loss was $91.7 million.

We discovered that there was a country which made a loan for supporting its budget, and then, after the loan was made, we found that the country actually did not need the budget support loan. They had sufficient money with which to do it. They then used their own money on a project on which they tried to get AID funds and failed. The funds were denied. However, once we made the budget support loan, they then took their own money to do the very thing that we tried to keep them from doing.

Those are rather quaint and interesting practices. I do not know how anyone can justify them.

Mr. President, I shall have printed in the RECORD later a whole series of tabulations to implement the remarks I have been making here.

Mr. President, the tabulations include, country by country and region by region, the loans that have been made in total by all our so-called assistance agencies since June 5, 1947, or a date rather close to that date. They also include the commitments we made and the World War I loan. They include the figures, broken down by country, that were submitted to Congress, ostensibly for loan purposes, but which finally turned out to be grants rather than loans.

That becomes rather important because we have worked year in and year out in the hope that we would get this program on a loan rather than a grant basis.

As a result, we want the figures to speak for themselves. I think I should permit the committee members to have the benefit of the total right now.

Mr. President, I want to be sure this caption is correct, because if for any reason in discussing some of these items with the press yesterday after our policy meeting, they got an inaccurate idea, it could have been my own feeble and inadequate way of making it clear to them. Perhaps they misunderstood. However, it reads as follows:

Figures reported to the Congress by AID as loans when in fact they are grants.

The amount is in millions, and if $10,178.7 means anything in my book, it means that they have submitted figures to us to show what they were asking for in loans, when in fact they became grants, to the tune of $10,178,700,000. I have checked with the staff and that figure is correct.

Probably 30 or 35 countries, and perhaps more, are involved here. I need not encumber the RECORD with the names

except to have the tabulations printed and let them speak for themselves.

Other tabulations here indicate these totals, but I want to be sure that these figures will stand up against any criticism.

Mr. President, we went to the trouble of getting everything we could from the General Accounting Office by way of reports.

Many of these reports were highly critical, and may I say in that connection that we have been very careful not to include any classified material, so that this can be used anywhere, any time, any place.

I ask unanimous consent that the reports with the subheads on these reports that are tabulated here be printed at this point in the RECORD.

There being no objection, the reports and the subheads were ordered to be printed in the RECORD, as follows:

A Résumé of U.S. Foreign Assistance Programs

	Millions
Total assistance to countries	$117,019.1
World War I debt	14,408.4
Grand total	131,427.5

Summary as of June 30, 1965

[U.S. fiscal years; in millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding	Interest due and unpaid	Principal and interest due and unpaid
Loans:						
AID and predecessor agencies	9,880.6	898.3	860.7	8,982.3		
Food for peace	5,720.1	156.4	289.6	5,563.7		
Export-Import Bank long-term loans	9,015.2	4,084.4	1,759.3	4,930.8		
Other U.S. economic programs [1]	7,635.9	2,761.1	1,341.9	4,874.8		
Military assistance	555.6	295.1	6.8	260.5		
Total loans	32,807.4	8,195.3	4,258.3	24,612.1		
Grants:						
AID and predecessor agencies	30,149.2					
Food for peace	7,505.5					
Other U.S. economic programs	11,536.5					
Military assistance	34,091.3					
Total grants	83,282.5	8,195.3	4,258.3	24,612.1		

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	1,954.4
World War I debt, June 30, 1965, principal and interest due and unpaid	14,408.4

[1] Includes Social Progress Trust Fund.

NOTE.—Sino-Soviet bloc assistance cumulative through 1965, $6,176,000,000.

U.S. contributions to international agencies 1946–66

[In billions of dollars]

	U.S. expenditures and commitments	Callable capital and future U.S. commitments to international agencies	Total U.S. foreign economic obligations
World Bank (IBRD)	[1] 0.635	[2] 5.715	6.350
International Development Association (IDA)	[3] .632		
International finance	[4] .035		
Inter-American Development Bank (IADB)	[5] 1.050	[6] .612	1.662
Asian Development Bank (ADB)	[7] .020	[8] .180	.200
International Monetary Fund (IMF)	[9] 5.160		
Peace Corps	[10] .480		
Grand total	8.012	6.507	14.519

[1] Capital subscriptions to international organizations are subtracted from the total because these are listed separately in the table.

[2] World Bank/IDA Report, fiscal year 1965, p. 26—$5,715,000,000 represents the U.S. subscription to the callable capital of the World Bank. This subscription is callable proportionately in the event of default on IBRD bonds resulting from the failure or inability to borrowers to repay. It is this backing which permits flotation of IBRD bonds in United States and other capital markets with triple A status. The World Bank, as of fiscal year 1965, has sold $1,183,000,000 of its bonds, net of redemptions, in the U.S. market.

[3] World Bank and IDA Annual Report 1964–65, p. 41.

[4] With the appropriation of $250,000,000 requested for fiscal year 1967, the total U.S. contributions to the fund for special operations of the IADB—the "soft" loan window of the Bank—will be $900,000,000; $75,000,000 of the U.S. commitment of $150,000,000 to paid-in capital has been paid in; the remaining $75,000,000 was paid to the IADB in the form of non-interest-bearing Treasury notes. None of these notes has been encashed as of Oct. 1, 1965. See "The United States Balance of Payments; An Appraisal of U.S. Economic Strategy," published June 13, 1966, by the International Economic Policy Association, pp. 116–118.

[5] $612,000,000 represents the U.S. subscription to the callable capital of the Inter-American Development Bank. This subscription is callable proportionately in the event of default on IADB bonds resulting from the failure or inability of borrowers to repay. It is this backing which permits flotation of IADB bonds in U.S. and other capital markets with triple A status. See Six Annual Report of IADB, p. 35.

[7] Asian Development Bank message of the President—Jan. 18, 1966—$20,000,000 is the 1st of 5 installments.

[8] See footnote "7"; $100,000,000 represents the U.S. subscription to the callable capital of the Asian Development Bank (ADB). The other $80,000,000 difference represents the U.S. commitment to paid-in capital of the ADB over the next 4 years (fiscal years 1968–71).

[9] International Financial Statistics of the IMF—July issue—p. 3.

[10] Includes 1967 appropriation request of $110,000,000; fiscal years 1962–66 appropriation figures obtained from the House Appropriations Committee.

Figures reported to the Congress by AID as loans when in fact they are grants

[In millions]

Greece	$440.1
Nepal	37.8
Iran	4.6
Pakistan	74.6
Turkey	5.4
India	6.9
Brazil	17.5
Colombia	15.8
Haiti	2.7
Honduras	8.1
Mexico	99.4
Uruguay	2.0
Peru	14.5
China	406.8
Ecuador	10.5

Figures reported to the Congress by AID as loans when in fact they are grants—Con.

[In millions]

Indonesia	$4.8
Japan	1,694.9
Korea	834.4
Philippines	756.5
Ryukyu Islands	255.6
Thailand	5.7
Austria	316.4
Belgium	1.1
Czechoslovakia	183.4
Finland	1.8
France	314.7
Germany	1,411.5
Hungary	2.4
Italy	961.7

Figures reported to the Congress by AID as loans when in fact they are grants—Con.

[In millions]

Netherlands	$1.9
Norway	.8
Poland	364.0
United Kingdom	8.4
Sweden	.5
Liberia	8.0
Nigeria	13.8
Ethiopia	10.6
Australia	.2
Pacific Trust Territory	106.2
Latin America regional	2.9
Nonregional	1,769.8
Total	10,178.7

Subscriptions to international organizations

[U.S. fiscal years, millions of dollars]

	Total 1946–65
U.N. technical assistance	402.1
U.N. Relief Works Agency	288.5
U.N. Children's Fund	147.5
Indus Basin Development Fund	111.1
U.N. Emergency Forces	24.8
Malaria Eradication (WHO)	17.5
North Atlantic Treaty Organization	13.4
U.N. for Congo-Technical Assistance	16.9
U.N. Peace Keeping, Cyprus	14.6
International Atomic Energy Agency	4.4
FAO world food program	5.0
Medical research (WHO)	2.5
Community water supply (WHO)	.9
Other	.1
Total	1,451.5

Other U.S. economic programs

[U.S. fiscal years, millions of dollars]

	Total 1946–65
U.N. headquarters loan and bond issue	141.3
UNRRA grant and miscellaneous expenses	377.2
International Refugee Organization	237.0
International Children's Emergency Fund	80.8
Migration and refugee assistance	36.1
Intergovernmental Committee on Refugees	3.7
Peace Corps	44.4
Civilian supplies	5,315.0
British loan	3,750.0
United Nations Relief and Rehabilitation Administration, Post-UNRRA and Interim Aid	3,442.0
Surplus property credits	1,492.0
Philippine rehabilitation	634.0
Civilian relief in Korea	420.0
Peace Corps	246.0
International Refugee Organization	237.0
India wheat loan	190.0
United Nations loans	141.0
Inter-American and related highways	134.0
Greek-Turkish aid	122.0
Korean aid program	122.0
Development and support (trust territories)	98.0
Foot and mouth disease eradication	94.0
UNICEF (U.N. Children's Fund)	81.0
Philippine War damage claims	73.0
Pakistan wheat	67.0
Lend-lease (including silver)	61.0
Reconstruction Finance Corporation	60.0
European Atomic Energy Commission	56.0
Institute of Inter-American Affairs and other Technical Assistance (non-AID)	52.0
Yugoslav emergency relief	38.0
Philippine funding (Treasury Department)	38.0
Migration and refugee assistance	36.0
Libyan special purpose funds	33.0
Administrative area development	19.0
Berlin investment fund	13.0
Other	70.0
Total	18,054.5

World War I debt, principal and interest due and unpaid, June 30, 1965

Armenia	$39,350,997
Austria	23,376,661
Belgium	457,219,078
Czechoslovakia	177,612,052
Estonia	26,237,301
Finland	5,071,000
France	4,688,478,840
Great Britain	6,837,659,302
Greece	36,840,335
Hungary	$2,893,071
Italy	1,005,083,409
Latvia	10,807,540
Lithuania	9,636,136
Poland	325,541,224
Rumania	77,133,611
Russia	640,680,535
Yugoslavia	44,734,469
Total	14,408,355,560

Total assistance, by country, from June 30, 1946, through June 30, 1965, including agricultural commodity exports under barter contracts

[In millions]

NEAR EAST AND SOUTH ASIA	
Afghanistan	$307.1
Ceylon	92.2
Cyprus	20.9
Greece	3,685.8
India	5,941.5
Iran	1,550.3
Iraq	102.6
Israel	1,133.1
Jordan	512.3
Lebanon	93.0
Nepal	86.1
Pakistan	2,944.9
Saudi Arabia	136.9
Syrian Arab Republic	84.0
Turkey	3,752.4
United Arab Republic (Egypt)	1,100.3
Yemen	39.1
Central Treaty Organization	52.4
Near East and south Asia regional	1,119.5
Near East and south Asia total	22,754.4
LATIN AMERICA	
Argentina	712.9
Bolivia	435.9
Brazil	2,871.5
British Guiana	17.1
British Honduras	3.8
Chile	1,130.3
Colombia	734.7
Costa Rica	136.3
Cuba	57.6
Dominican Republic	207.9
Ecuador	248.8
El Salvador	99.9
Guatemala	210.7
Haiti	110.6
Honduras	74.8
Jamaica	40.3
Mexico	1,055.1
Nicaragua	112.0
Panama	159.6
Paraguay	90.2
Peru	675.2
Surinam	5.0
Trinidad and Tobago	43.3
Uruguay	112.6
Venezuela	388.1
Other West Indies	3.3
ROCAP	84.1
Latin American regional	740.1
Latin American total	10,561.7
FAR EAST	
Burma	114.6
Cambodia	343.1
China	4,778.2
Hong Kong	55.7
Indochina, undistributed	1,535.2
Indonesia	875.9
Japan	4,138.7
Korea	6,315.9
Laos	418.6
Malaysia	39.1
Philippines	1,914.8
Ryukyu Islands	325.7
Thailand	442.8
Vietnam	2,383.7
Far East regional	2,723.9
Far East total	26,405.9
AFRICA	
Algeria	$163.7
Burundi	72.4
Cameroon	25.1
Central African Republic	2.8
Chad	4.2
Congo (Brazzaville)	2.4
Congo (Léopoldville)	317.4
Dahomey	8.7
Ethiopia	247.6
Gabon	4.8
Gambia	.1
Ghana	170.4
Guinea	70.2
Ivory Coast	26.0
Kenya	36.4
Liberia	237.0
Libya	217.3
Malagasy Republic	7.9
Malawi	8.7
Mali	15.8
Mauritania	2.8
Morocco	529.4
Niger	8.8
Nigeria	163.7
Rwanda	1.7
Senegal	25.0
Sierra Leone	27.2
Somali Republic	47.6
Republic of South Africa	167.4
Southern Rhodesia	7.1
Sudan	91.5
Tanzania	44.0
Togo	9.9
Tunisia	470.3
Uganda	17.3
Upper Volta	5.5
Zambia	30.2
East Africa regional	11.2
Regional USAID/Africa	1.0
Africa regional	54.1
Africa total	3,354.6
EUROPE	
Albania	20.4
Austria	1,257.1
Belgium-Luxembourg	2,107.3
Czechoslovakia	193.0
Denmark	933.7
East Germany	0.8
Finland	146.7
France	9,465.1
Germany (Federal Republic)	5,149.0
Berlin	131.9
Hungary	31.5
Iceland	76.4
Ireland	195.9
Italy	6,089.4
Netherlands	2,617.7
Norway	1,283.4
Poland	573.6
Portugal	531.1
Spain	1,908.7
Sweden	125.2
United Kingdom	9,269.8
U.S.S.R.	186.4
Yugoslavia	2,761.4
Europe regional	2,796.5
Europe total	47,852.0
Canada	40.0
Australia	142.6
New Zealand	21.5
Trust Territory of Pacific Islands	107.4
Nonregional total	5,779.5
Total	6,090.5
Total assistance to all countries	117,019.1

Balances of foreign currencies acquired by the U.S. Government without payment of dollars, as of Dec. 31, 1965

[In millions of dollars equivalents]

	Available for U.S. use	Available for country use	Balance on hand
Excess currency countries:			
India	586.2	732.0	1,318.2
Poland	492.8		492.8
United Arab Republic (Egypt)	121.3	139.9	261.2
Pakistan	125.4	124.9	250.3
Yugoslavia	41.7	90.9	132.6
Israel	25.9	29.4	55.3
Burma	23.7	15.3	39.0
Guinea	4.5	19.6	24.1
Tunisia	6.7	15.4	22.1
Ceylon	2.1	12.8	14.9
Total excess currencies	1,430.3	1,180.2	2,610.5
Near-excess countries (11 countries), total	25.8	108.9	[1]133.1
Nonexcess currencies (67 countries), total	40.3	132.4	[1]133.7
Grand total (all currencies)	1,496.4	1,421.5	[1]2,877.3

[1] Total balance on hand for near-excess and nonexcess countries is less than the sum of the available use columns because of advances made of unfunded currencies which are still kept on the books as available for U.S. use.

Source: Treasury Department Fiscal Service, Bureau of Accounts, C.Q.

U.S. contributions to multilateral programs

[In thousands of dollars]

	Fiscal year 1965 actual	Fiscal year 1966 estimated	Fiscal year 1967 proposed
U.N. development program	$60,000	$65,000	$70,000
U.N. Children's Fund	12,000	12,000	12,000
Indus Basin Development Fund	32,836	30,684	33,000
U.N. technical and operational assistance to the Congo	5,000	5,000	5,000
International Atomic Energy Agency operational program	1,000	1,000	1,000
U.N. Food and Agriculture Organization world food program	1,362	2,000	2,000
International Secretariat for Volunteer Service	22	50	65
U.N. peacekeeping operations:			
U.N. emergency force (Near East)	850	1,456	6,838
U.N. force in Cyprus	[1]5,248	9,060	
U.N. Relief and Works Agency	[2]16,000	[2]14,000	[2]14,000
U.N. Institute for Training and Research		400	500
World Health Organization medical research		75	150
U.N. education and training program for South Africans	75		
Total	134,393	140,725	144,553

[1] In addition, $5,052,000 funded from Contingency Fund.

[2] Total pledge, including surplus agricultural commodities: Fiscal year 1965, $23,500,000; fiscal year 1966, $22,900,000; fiscal year 1967, $22,900,000.

National debt as of:	*Billion*
June 30, 1947	$258.4
June 30, 1965	317.9
June 30, 1966	320.4

Total U.S. gold stock (per Federal Reserve Board):

June 30, 1947	$21,266,000,000
June 30, 1965	13,934,000,000
May 31, 1966 (preliminary)	13,582,000,000

(The above figures include Treasury holdings, also stabilization fund holdings which vary from month to month.)

Gold owned as of June 30, 1966 $13,433,471,708.37

(From Treasury Daily—does not include gold in stabilization fund as there is a delay of a month in reporting this.)

Agency for International Development—Summary of delinquent loan installments by loan program, as of Dec. 31, 1965

Loan programs	Amounts delinquent			Outstanding principal on delinquent loans
	Interest	Principal	Total	
Aid loans from dollar appropriations:				
New development loan fund	$10,093.62	0	$10,093.62	$3,704,920.48
Alliance for Progress Fund	136,540.15	0	136,540.15	40,214,419.44
Other AID loans	951,585.38	$259,598.76	1,211,184.14	15,850,257.44
Subtotal for AID	1,098,219.15	259,598.76	1,357,817.91	59,769,597.36
DLF liquidation account	2,897,190.74	5,637,491.90	8,534,682.64	65,004,582.17
Public Law 480 loans:				
Country loans (sec. 104 (d) and (g))	147,056.17	19,215.26	166,271.43	57,827,190.18
Cooley loans (sec. 104(e))	1,138,999.62	1,087,379.58	2,226,379.20	25,219,525.06
Subtotal for Public Law 480	1,286,055.79	1,106,594.84	2,392,650.63	83,046,715.24
Predecessor agencies (excluding DLF):				
Regular programs	1,036,689.01	304,036.92	1,340,725.93	61,262,809.66
Basic material programs	0	0	0	0
Subtotal for predecessor agencies	1,036,689.01	304,036.92	1,340,725.93	61,262,809.66
Grand total	6,318,154.69	7,307,722.42	13,625,877.11	269,083,704.43

Defaults on loans of Export-Import Bank and international lending agencies

Agency and date of information	Principal amount in default [1]	Interest in default [1]
International Bank for Reconstruction and Development, June 30, 1966	0	0
International Development Association, June 30, 1966	0	0
International Finance Corp., June 30, 1966:		
Colombia	3,000	(2)
Greece	30,000	15,900
Peru	318,600	33,000
Inter-American Development Bank,[3] June 30 1966: Brazil	[4] 325,225	(2)
Export-Import Bank,[5 6], Mar. 31, 1966:		
Bolivia	17,974,000	9,597,000
Cuba	12,040,000	11,493,000
Argentina	3,159,000	
Costa Rica	1,429,000	58,000
Nigeria		
Chile		
Colombia		
Peru		
Uruguay		
Iran		

[1] Excludes funds in transit and similar temporary remittance delays.
[2] Not available.
[3] Defaults 30 days or more.
[4] Dollar loans only.
[5] Direct loans held by Eximbank.
[6] Defaults 90 days or more.

Economic assistance, fiscal year 1967; request for new authorizations and appropriations

[In millions of dollars]

	Authorization		Comparable fiscal year 1966 appropriations [1]	Fiscal year 1967 appropriations requested
	Authorization ceiling	Length		
Development loans	1,250	5 years	618.2	665.4
Technical cooperation	(2)	do	202.4	231.3
Alliance for Progress:				
Development loans	750	do	435.1	455.3
Technical cooperation	100	do	75.0	87.7
Southeast Asia multilateral and regional program	(2)	do		
Supporting assistance:				
General	200	do	684.2	197.2
Vietnam	(2)	do		
Contingency fund	150	do	[3] 239.0	70.0
Contributions to international organizations	(2)	do	144.8	140.4
American schools and hospitals abroad	(2)	do	7.0	11.0
Surveys of investment opportunities	(2)	do		
Administrative and other expenses, State	(4)	(4)	3.1	3.3
Total			2,463.0	2,469.0

[1] Comparable fiscal year 1966 appropriation column includes supplemental request for $415,000,000 ($315,000,000 supporting assistance; $100,000,000 contingency fund).
[2] Such funds as may be necessary.
[3] Includes $89,000,000 appropriated in fiscal year 1966 for southeast Asia contingency fund.
[4] No new authorization needed; existing law provides for a permanent authorization for such funds as may be necessary.

Military assistance program

[In millions of dollars]

	1965	1966	1967
Total obligational authority (less Vietnam)	967.7	1,051.3	1,027.0
Recoupments and reappropriations	−140.5	−121.3	−110.0
New obligational authority (less Vietnam)	827.2	930.0	917.0

NOTE.—The $917,000,000 for fiscal year 1967 does not include funds for Vietnam, where support will be provided by the Department of Defense appropriations.

OTHER U.S. ECONOMIC PROGRAMS

Civilian Supplies.
British Loan.
United Nations Relief & Rehabilitation.
Surplus Property Credits.
Philippine Rehabilitation.
Civilian Relief in Korea.
Peace Corps.
International Refugee Organization.
India Wheat Loan.
United Nations Loans.
Inter-American & Related Highways.
Greek-Turkish Aid.
Korean Aid Program.
Development & Support (Trust Territories).
Foot and Mouth Disease Eradication.
UNICEF (UN Children's Fund).
Philippine War Damage Claims.
Pakistan Wheat.
Lend-Lease (Including Silver).
Reconstruction Finance Corporation.
European Atomic Energy Commission.
Institute of Inter-American Affairs and Other Technical Assistance.
Yugoslav Emergency Relief.
Philippine Funding (Treasury Department).
Migration & Refugee Assistance.
Libyan Special Purpose Fund.
Administrative Area Development.
Berlin Investment Fund.

NEAR EAST & SOUTH ASIA

Afghanistan, Ceylon, Cyprus, Greece, India, Iran, Iraq, Israel, Jordan, Lebanon, Nepal, Pakistan, Saudi Arabia, Syrian Arab Republic, Turkey, United Arab Republic (Egypt), Yemen, Central Treaty Organization, Near East and South Asia regional.

Near East and south Asia—Total

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	4,625.1	192.6	232.2	4,432.5
Food for peace	3,370.8	22.4	169.8	3,348.4
Export-Import Bank long-term loans	987.4	323.1	157.0	664.3
Other U.S. economic programs	383.0	156.9	57.3	233.0
Military assistance	118.5	56.9	0.2	61.6
Total loans	9,484.8	751.9	616.5	8,739.8
GRANTS				
AID and predecessor agencies	4,478.1			
Food for peace	2,940.4			
Other U.S. economic programs	538.7			
Military assistance	6,145.9			
Total grants	14,103.1	751.9	616.5	8,739.8

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices — [1] $194
Fiscal year 1967 program — 799
Sino-Soviet bloc assistance cumulative through 1965 — 4,651

[1] This figure includes a total of $323,000 to Aden, Bahrein, Kuwait, Mauritius and Qatar.

Afghanistan

[U.S. fiscal years; millions of dollars]

[Population in 1965, 14,200,000; area, 254,000 square miles; GNP per capita, $85]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	24.8	0.3	1.8	24.5
Food for peace: Loans to governments	.6			.6
Export-Import Bank long-term loans	39.3	7.4	16.9	31.9
Total loans	64.7	7.7	18.7	57.0
GRANTS				
AID and predecessor agencies	153.6			
Food for peace:				
Emergency relief and economic development	82.0			
Voluntary relief agencies	1.4			
Other U.S. economic programs	2.3			
Military assistance	3.1			
Total grants	242.4	7.7	18.7	57.0

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices — $8,000
Sino-Soviet bloc assistance cumulative through 1965 — 587,000,000
Fiscal year 1967 program under Public Law 480, title II — 30,600,000

NOTE.—Other assistance classified

Ceylon

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,800,000; area, 25,000 square miles; GNP per capita, $144]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	5.7	0.9	0.9	4.8
Food for peace:				
Loans to private industry	5.3			
Loans to governments	11.1			
Subtotal	16.4		0.8	16.4
Total loans	22.1	0.9	1.7	21.2
GRANTS				
AID and predecessor agencies	16.3			
Food for peace:				
Grants for economic development	5.3			
Emergency relief and economic development	10.0			
Voluntary relief agencies	36.7			
Other U.S. economic programs	0.5			
Total grants	68.8	0.9	1.7	21.2

Ceylon—Continued

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices — $1.3
Sino-Soviet bloc assistance cumulative through 1965 — 124.0

Fiscal year 1966 program:
Under Public Law 480, title I — 4.2
Contingency fund loan — 7.5
Subtotal — 11.7
Fiscal year 1967 program under Public Law 480, title I — 10.0

NOTE.—1967 lending will depend on Government's performance in financial affairs in fiscal year 1966.

Cyprus

[U.S. fiscal years; millions of dollars]

[Population in 1965, 600,000; area, 4,000 square miles; GNP per capita (estimated) $555]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Food for peace:				
Loans to private industry	0.6			0.6
Loans to governments	1.1			1.1
Total loans	1.7			1.7
GRANTS				
AID and predecessor agencies	1.5			
Food for peace:				
Emergency relief and economic development	15.0			
Voluntary relief agencies	.6			
Other U.S. economic programs	.3			
Total grants	17.4			1.7

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices — $1.8

NOTE.—Fiscal year 1966 assistance estimated at $200,000; fiscal year 1967 assistance proposed at $200,000.

Greece

[U.S. fiscal years; millions of dollars]

[Population in 1965, 8,400,000; area, 50,000 square miles; GNP per capita, 1962 prices, $594]

	Total 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	117.4	5.5	11.9	111.9
Food for peace:				
Loans to private industry	12.0			
Loans to governments	56.3			
Dollar credit sales	17.9			
Total, food for peace	86.2	2.7	9.5	83.5
Export-Import Bank: Long-term loans	38.3	7.5	6.9	30.8
Other U.S. economic programs	[1] 96.6	86.5	26.4	10.1
Total loans	338.5	102.2	54.7	236.3
GRANTS				
AID and predecessor agencies	962.3			
Food for peace:				
Grants for common defense	10.0			
Grants for economic development	7.3			
Emergency relief and economic development	3.7			
Voluntary relief agencies	128.0			
Other U.S. economic programs	440.1			
Military assistance	1,779.9			
Total grants	3,331.3	102.2	54.7	236.3

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices — $16
World War I debt, June 30, 1965: Principal and interest due and unpaid — 37

[1] AID carries this amount as $536.7; $440.1 of it is a grant. (See report, p. 10.)

NOTES

GAO's opinion of ineffective and inefficient administration of the training of foreign personnel under the military assistance program for Greece (classified): "Unnecessary training and poor utilization of trained personnel." Date issued June 29, 1965.

GAO's opinion of a review of the military assistance program for Greece (classified): "Various supply management deficiencies." Date issued Feb. 21, 1962.

GAO's opinion of review of the military assistance program for Greece (classified) report to the Secretary of Defense: "Suggestions for improving controls, determining and disposing of excesses, and developing long-range cost estimates." Date issued Sept. 8, 1958.

India

[U.S. fiscal years; millions of dollars]

[Population in 1965, 490,000,000; area 1,260,000 square miles; GNP per capita, $85]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	2,101.0	88.5	9.20	2,012.5
Food for peace:				
Loans to private industry	202.6			
Loans to governments	1,505.6			
Total	1,708.2	5.0	70.1	1,703.2
Export-Import Bank: long-term loans	406.4	30.0	41.0	376.4
Other U.S. economic programs	[2] 230.1	38.2	28.3	191.9
Total loans	4,445.7	161.7	231.4	4,284.0
GRANTS				
AID and predecessor agencies	384.7			
Food for peace:				
Grants for economic development	788.2			
Emergency relief and economic development	21.9			
Voluntary relief agencies	229.0			
Assistance from other country agreements	6.1			
Other U.S. economic programs	6.9			
Total grants	1,436.8	161.7	231.4	4,284.0

[1] Excludes $20.2 million loan in fiscal year 1959 financed under Asian Economic Development Fund.

[2] AID carries this figure as $237, $6.9 of it is a grant.

	Million
Agricultural commodity exports under barter contracts from July 1, 1954 through Dec. 31, 1965, at export market prices	$59.0
Fiscal year 1966 program, technical cooperation	12.5
In early 1966 a loan was authorized for purchase of raw materials and spare parts essential to economic development	100.0
In December 1965 a loan was negotiated for fertilizer	50.0
In May 1966 an agreement was made (after Mrs. Ghandi's visit) for food under Public Law 480	313.5
Total	476.0
Fiscal year 1967 program, technical cooperation	12.2

NOTES

Public Law 480 deliveries will be 50 percent greater in 1967 than the average level in recent years, but wil. be contingent on Indian performance in improving agricultural production.

GAO's opinion of economic and technical assistance program for India, fiscal years 1955–58: "Nonutilization of equipment and need to revise project agreement for a powerplant." Date issued Sept. 14, 1959. Pertinent dollar amounts in millions, $247.

Sino-Soviet bloc assistance cumulative through 1965, $1,299 million.

Iraq

[U.S. fiscal years; millions of dollars]

[Population in 1964, 7,000,000; area, 173,000 square miles; GNP per capita, $255]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Food for peace: Dollar credit sales	14.8	0.9	0.1	13.9
Export-Import Bank long-term loans	7.6			7.6
Other U.S. economic programs	0.9	0.9		
Total loans	23.3	1.8	0.1	21.5
GRANTS				
AID and predecessor agencies	19.0			
Food for peace:				
Emergency relief and economic development	6.0			
Voluntary relief agencies	4.3			
Military assistance	46.4			
Total grants	75.7	1.8	0.1	21.5

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$3.6

Iran

[U.S. fiscal years; millions of dollars]

[Population in 1965, 23,400,000; area 636,000 square miles; GNP per capita, $220]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	218.2	37.3	29.2	180.9
Food for peace:				
Loans to private industry	4.7			
Loans to governments	34.1			
Dollar credit sales	11.8			
Total	50.6	.4	1.8	50.2
Export-Import Bank: Long-term loans	97.2	45.7	15.6	51.5
Other U.S. economic programs	[1] 25.8	2.4		23.4
Total loans	391.8	85.8	46.6	306.0
GRANTS				
AID and predecessor agencies	378.7			
Food for peace:				
Grants for common defense	5.9			
Emergency relief and economic development	37.3			
Voluntary relief agencies	19.0			
Other U.S. economic programs	4.6			
Military assistance	712.2			
Total grants	1,157.7	85.8	46.6	306.0

[1] AID carries this amount as $30,400,000; $4,600,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.8
Sino-Soviet bloc assistance cumulative through 1965	376.0
Fiscal year 1966 program:	
Technical assistance	2.4
Food, Public Law 480, title IV	7.5
Total	9.9
Fiscal year 1967 program:	
Technical assistance	1.4
Food, Public Law 480, title IV	7.5
Total	8.9

NOTES

Other assistance classified.

Excerpt from book entitled "Foreign Assistance Act of 1966—Objectives and Proposed Fiscal Year 1967 Program": "Iran's oil revenues, now exceed $500,000,000 a year compared to $350,000,000 3 years ago, and it can finance foreign loans at conventional interest rates."

Excerpt from book entitled "Proposed Economic Assistance Programs, Fiscal Year 1967": "Rising oil revenues, exceeding $500,000,000 this year (compared with $350,000,000 4 years ago), are now financing the development program. Government expenditures for development average $250,000,000 annually."

GAO's opinion of unnecessary dollar grants to Iran under the foreign assistance program (classified report): "Grants used by Iran to procure wheat, valued at $12,500,000, from Australia whereas surplus wheat was available in the United States." Date issued, Feb. 26, 1965. Pertinent dollar amounts, $39,000,000.

GAO's opinion of economic and technical assistance program for Iran, fiscal years 1956–60: "Improvements needed in various administrative practices and procedures of U.S. agencies." Date issued, June 27, 1961. Pertinent dollar amounts, $169,000,000.

GOA's opinion of administration of U.S. assistance program for Iran, fiscal years 1952–55: "Recommends consolidation of common support functions of the Embassy and the mission, and that counterpart withdrawals be subject to prior approval by the mission." Date issued, Mar. 15, 1956. Pertinent dollar amounts, $205,000,000.

GAO's opinion of review of the military assistance training program for Iran (classified report to the Secretary of Defense): "Lack of in-country training, insufficient personnel trained, nonutilization of trained personnel, and unnecessary transportation costs to the United States." Date issued, Dec. 10, 1965.

GAO's opinion of inadequate consideration given to utilizing reserve fleet ships in lieu of providing new ships to Iran under the military assistance program (classified): "Reluctancy of responsible officials to ask for congressional approval and use of unrealistic cost data." Date issued, Feb. 3, 1965.

GAO's opinion of inadequate administration of military budget support funds provided to Iran under foreign assistance program (classified): Date issued, July 30, 1963.

GAO's opinion of ineffective maintenance and utilization of equipment furnished under MAP (classified): "Lack of U.S. assistance to overcome maintenance and utilization problems." Date issued, July 16, 1963.

GAO's opinion of review of the military assistance program for Iran (classified): "Suggesting the development of usage standards and the use of end item utilization inspections, the suspension of deliveries pending a study of requirements, and better controls over disposal activities." Date issued, Jan. 9, 1959.

GAO's opinion of waste of funds in construction of Shahabad Depot in Iran under the military assistance program (classified): "Iranian Army neither needed nor wanted depot from the start, resulting in negligible use and present plans for dismantling." Date issued, Mar. 22, 1965.

Israel

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,600,000; area, 8,000 square miles; GNP per capita, $1,257]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	226.0	10.8	19.2	215.2
Food for peace:				
Loans to private industry	48.1			
Loans to governments	179.9			
Assistance from other country sales agreements	2.5			
Total	230.5	6.1	27.7	224.4
Export-Import Bank long-term loans	221.0	145.6	56.3	75.4
Military assistance	27.6	7.2	.1	20.4
Total loans	705.1	169.7	103.3	535.4
GRANTS				
AID and predecessor agencies	278.0			
Food for peace:				
Grants for economic development	32.2			
Emergency relief and economic development	1.5			
Voluntary relief agencies	56.5			
Other U.S. economic programs	.1			
Total grants	368.3	169.7	103.3	535.4

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $59.7

NOTE.—GAO's opinion of administration of U.S. assistance program for Israel, fiscal years 1952–55: "Reporting action taken by agency to correct earlier program deficiencies." Date issued Sept. 20, 1956. Pertinent dollar amounts in millions, 233.2.

Jordan

[U.S. fiscal years; millions of dollars

[Population in 1965, 1,900,000; area, 37,000 square miles; GNP per capita, $240]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	4.1	1.7	0.4	2.4
Export-Import Bank: Long-term loans	1.6		.2	1.6
Total loans	6.7	1.7	.6	4.0
GRANTS				
AID and predecessor agencies	389.8			
Food for peace:				
Grants for economic development	.8			
Emergency relief and economic development	58.5			
Voluntary relief agencies	17.5			
Other U.S. economic programs	1.3			
Military assistance	37.0			
Total grants	504.9	1.7	.6	4.0

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$1.7
Fiscal year 1966 program:	
Technical cooperation	4
Supporting assistance	32
Total	36
Fiscal year 1967 program:	
Technical cooperation	3.6
Supporting assistance	30.0
Total	33.6

NOTE.—Other assistance for fiscal years 1966 and 1967 is classified.

Lebanon

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,500,000; area, 4,000 square miles; GNP per capita, $392]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	5.4	0.9	0.5	4.5
Export-Import Bank long-term loans	2.4	.4	.5	2.0
Other U.S. economic programs	1.8	1.6	.1	.2
Total loans	9.6	2.9	1.1	6.7
GRANTS				
AID and predecessor agencies	52.6			
Food for peace: Emergency relief and economic development	17.5			
Military assistance	8.7			
Total grants	78.8	2.9	1.1	6.7

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $4.6

NOTE.—GAO's opinion of administration of U.S. assistance program for Lebanon, fiscal years 1952–55: "Discloses need for improvements in various administrative practices and procedures, and questions desirability of employing American University of Beirut." Date issued July 7, 1956. Pertinent amounts, $21,400,000.

Nepal

[U.S. fiscal years; millions of dollars]

[Population in 1965, 10,100,000; area 54,000 square miles; GNP per capita $70]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	2.4			2.4
Food for peace: Assistance from other country sales agreements	[1] 1.0		0.1	1.0
Total loans	3.4		.1	3.4
GRANTS				
AID and predecessor agencies	36.9			
Food for peace:				
Assistance from other country sales agreements	37.8			
Emergency relief and economic development	5.4			
Other U.S. economic programs	2.6			
Total grants	82.7		.1	3.4

[1] AID carries this amount as $38.8, $37.8 of it is a grant.

	Millions
Sino-Soviet bloc assistance cumulative through 1965	$60.0
Fiscal year 1966 program:	
Technical cooperation	3.6
Food, Public Law 480	10.0
Total	13.6
Fiscal year 1967 program:	
Technical cooperation	3.4
Food, Public Law 480	8.0
Total	11.4

Pakistan

[U.S. fiscal years; millions of dollars]

[Population in 1965, 13,300,000; area, 365,000 square miles; GNP per capita, $85]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	1,091.7	34.0	44.8	1,057.7
Food for peace:				
Loans to private industry	51.3			
Loans to governments	255.6			
Total loans	306.9	1.4	24.7	305.5
Export-Import Bank: Long-term loans	35.7	6.6	2.6	29.1
Other U.S. economic programs	[1].1	.1		
Total loans	1,434.4	42.1	72.1	1,392.3
GRANTS				
AID and predecessor agencies	638.2			
Food for peace:				
Grants for common defense	79.3			
Grants for economic development	551.9			
Emergency relief and economic development	107.5			
Voluntary relief agencies	51.2			
Other U.S. economic programs	74.6			
Military assistance [2]	7.8			
Total grants	1,510.5	42.1	72.1	1,392.3

NOTE.—Sino-Soviet bloc assistance cumulative through 1965, $182,000,000.

[1] AID carries this amount as 74.7; 74.6 of it is a grant.

[2] Military assistance is classified with exception of $7,800,000 which is essentially a transfer on an indeterminate basis.

NOTES

Project loans totaling $39,200,000 which were recently released were authorized in fiscal year 1965.

Fiscal year 1966 program, technical cooperation, $7,800,000.

Fiscal year 1967 program, technical cooperation, $9,100,000.

Fiscal year 1967 program contingent on relations between United States and Pakistan.

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices, $56,000.

GAO's opinion of review of the mutual security program presentation to the Congress for fiscal year 1961 for economic assistance to Korea, Pakistan, and Vietnam: "Suggestions for revealing more meaningful data in budget presentations." Date issued Mar. 29, 1961.

GAO's opinion of economic and technical assistance program for Pakistan, fiscal years 1955–57: "Need to adjust aid program to more realistic levels and to determine causes of unclaimed commodity imports." Date issued Mar. 31, 1959. Pertinent dollar amounts, $307,500,000.

GAO's opinion of administration of U.S. assistance program for Pakistan, fiscal years 1952–54: "Need to evaluate status of lagging projects, improve program planning, and improve procurement and contracting policies and practices." Date issued Dec. 27, 1955. Pertinent dollar amounts, $45,500,000.

GAO's opinion of review of the military assistance program for Pakistan (classified): "Suggesting the development of usage standards and the use of end-item utilization inspections, the consideration of existing country assets, and the country's disposal practices, and the development of long-range cost estimates." Date issued Jan. 12, 1960.

GAO's opinion of review of the military assistance program to Pakistan, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified). Date issued Aug. 30, 1957.

GAO's opinion of excessive ocean transportation costs incurred under title I, Agricultural Trade Development and Assistance Act of 1954: "A disproportionate percentage of shipments made at U.S. expense were routed to high-rate ports in East Pakistan, whereas most of the shipments made at Pakistan's expense were routed to lower-rate ports in West Pakistan." Date issued Oct. 30, 1964. Pertinent dollar amounts, $850,000.

GAO's opinion of inadequate administration of military budget support funds provided to Pakistan under the foreign assistance program (classified). (Additional details are classified.) Date issued Sept. 25, 1963.

Saudi Arabia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 8,000,000; area, 870,000 square miles; GNP per capita, $190]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank: Long-term loans	14.8	14.8	3.2	
Other U.S. economic programs	4.4	4.3		0.1
Military assistance	56.4	48.7	.1	7.7
Total loans	75.6	67.8	3.3	7.8
GRANTS				
AID and predecessor agencies	27.4			
Food for peace: Emergency and economic development	.8			
Military assistance	32.3			
Total grants	60.5	67.8	3.3	7.8

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $800,000

Syrian Arab Republic

[U.S. fiscal years; millions of dollars]

[Population in 1965, 5,700,000; area, 200,000 square miles; GNP per capita, $155]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	18.2	0.5	0.3	17.7
Food for peace:				
Loans to private industry	6.6			
Loans to governments	22.8			
Dollar credit sales	1.8			
Total	31.2		.3	31.2
Total loans	49.4	.5	.6	48.9
GRANTS				
AID and predecessor agencies	1.7			
Food for peace:				
Emergency relief and economic development	29.7			
Voluntary relief agencies	2.4			
Total grants	33.8	.5	.6	48.9

NOTE.—No programs for fiscal years 1966–67.

Turkey

[U.S. fiscal years; millions of dollars]

[Population in 1965, 31,000,000; area, 296,000 square miles; GNP per capita, $245]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	670.4	10.5	25.4	659.9
Food for peace:				
Loans to private industry	68.6			
Loans to governments	194.1			
	262.7	5.2	13.8	257.5
Export-Import Bank: Long-term loans	75.3	44.5	6.9	30.8
Other U.S. economic programs	[1] 12.2	12.2	2.5	
Total loans	1,020.6	72.4	48.6	948.2
GRANTS				
AID and predecessor agencies	937.6			
Food for peace:				
Grants for common defense	100.9			
Grants for economic development	2.2			
Assistance from other country sales agreements	1.8			
Emergency relief and economic development	31.2			
Voluntary relief agencies	20.4			
Other U.S. economic programs	5.4			
Military assistance	2,635.3			
Total grants	3,734.8	72.4	48.6	948.2

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$17.6

[1] AID carries this amount as 17.6; 5.4 of it is a grant.

Sino-Soviet bloc assistance cumulative through 1965, $218,000,000.

Fiscal year 1966 program (under negotiation): Technical cooperation, $4,700,000; Food, Public Law 480, $18,000,000; total, $22,700,000.

Fiscal year 1967 program, technical cooperation, $4,400,000.

NOTES

GAO's opinion of examination of economic and technica assistance program for Turkey, fiscal year 1958–62: "Failure to follow an overall plan based on country's resources and highest priority needs." Date issued June 30, 1964. Pertinent dollar amounts, $1,750,000,000.

GAO's opinion of economic and technical assistance program for Turkey (June 3, 1957): "Improper practices in deposits of local currency sales proceeds and improper obligating procedures." Date issued July 24, 1958.

GAO's opinion of review of the military assistance program in Turkey (classified). Date issued May 31, 1962.

GAO had a similar opinion of the military assistance program for Turkey, January 29, 1960, and August 30, 1957.

GAO's opinion of the review of the administration of the mutual defense assistance program for France and Turkey (classified report to the Assistant Secretary of Defense): "Programing based on unverified data from the countries, plus other classified matters." Date issued June 19, 1956.

United Arab Republic (Egypt)

[U.S. fiscal years; millions of dollars]

[Population in 1965, 29,800,000; area, 386,000 square miles; GNP per capita, $150]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	103.2	1.0	4.5	102.2
Food for peace:				
Loans to private industry	77.7			
Loans to governments	582.3			
Total, food for peace	660.0	.7	26.1	659.3
Export-Import Bank: Long-term loans	47.8	20.6	6.9	27.2
Other U.S. economic programs	11.1	10.7		.4
Total loans	822.1	33.0	37.5	789.1
GRANTS				
AID and predecessor agencies	68.1			
Food for peace:				
Grants for economic development	25.0			
Emergency relief and economic development	25.8			
Voluntary relief agencies	140.0			
Total grants	258.9	33.0	37.5	789.1

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$19.3
Sino-Soviet bloc assistance cumulative through 1965	1,664.0
Fiscal year 1966 program: Technical cooperation	2.2
Fiscal year 1967 program: Technical cooperation	2.2

NOTES

Other assistance classified.

The new Public Law 480 agreement negotiated in fiscal year 1966 is for 6 months' duration and limited to $55,000,000, ¼ of which will be title IV payable in dollars.

GAO's opinion of administration of the U.S. assistance program for Egypt, fiscal years 1953–55: "Discloses need for improvements in programing and in administrative practices and procedures." Date issued Apr. 11, 1956. Pertinent dollar amounts in millions, 59.8.

GAO's opinion of displacement of commercial dollar sales of tallow to the United Arab Republic (including a classified supplement): "Title I, Public Law 480 program sales displaced commercial sales of $5,500,000." Date issued July 20, 1965. Pertinent dollar amounts in millions, 17.073.

GAO's opinion questionable grant of corn to the United Arab Republic under title II, Agricultural Trade Development and Assistance Act of 1954: "Grant based on anticipated need that did not materialize. Much was sold commercially in the United Arab Republic." Date issued, July 16, 1965. Pertinent dollar amounts in millions, 23.7.

GAO's opinion of understatement of claims against the United Arab Republic and Yugoslavia for recovery of excessive ocean transportation costs financed by the Commodity Credit Corporation under title I, Agricultural Trade Development and Assistance Act of 1954. (Title is self-explanatory.) Date issued, Mar. 13, 1964. Pertinent dollar amounts in millions, 0.278.

Yemen

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,000,000; area, 75,000 square miles; GNP per capita, $90]

	Total, 1959–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	29.0			
Food for peace: Emergency relief and economic development	10.1			
Total grants	39.1			

	Millions
Total economic assistance	$39.1
Sino-Soviet bloc assistance, cumulative through 1965	141.0
Fiscal year 1966 program, supporting assistance	2.9
Fiscal year 1967 program, supporting assistance	2.4

Central Treaty Organization (Cento)

[U.S. fiscal years; millions of dollars]

	Total, 1957–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	18.3			18.3
Total loans	18.3			18.3
GRANTS				
AID and predecessor agencies	34.1			
Total grants	34.1			18.3

NOTES

CENTO projects have been financed by supporting assistance funds. No new AID funds are required for these projects.

GAO's opinion of followup examination on certain aspects of U.S. assistance to the Central Treaty Organization for a rail link between Turkey and Iran: "Loan for equipment known to be unneeded." Date issued Apr. 29, 1965. Pertinent dollar amounts in millions, $0.543.

GAO's opinion of examination of certain economic development projects for assistance to Central Treaty Organization fiscal years 1957–62: "Defects in the projects and in their administration resulting in a questionable need for over $8,000,000 of program funds." Date issued Mar. 5, 1964. Pertinent dollar amounts in millions, $28.7.

Near East and South Asia Regional

[In millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	18.3	0.7	1.3	17.6
Military assistance	34.5	1.0		33.5
Total loans	52.8	1.7	1.3	51.1
GRANTS				
AID and predecessor agencies	68.6			
Food for peace:				
Emergency relief and economic development	103.2			
Voluntary relief agencies	11.6			
Military assistance	883.2			
Total grants	1,066.6	1.7	1.3	51.1

	Millions
Fiscal year 1966 program, technical cooperation	$2.5
Fiscal year 1967 program, technical cooperation	2.5

LATIN AMERICA

Argentina, Bolivia, Brazil, British Guiana, British Honduras, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Surinam, Trinidad & Tobago, Uruguay, Venezuela, other West Indies, Rocap, Latin America regional.

Latin America, total

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
AID and predecessor agencies	1,929.5	21.4	33.1	1,908.1
Food for peace	686.1	21.0	25.5	665.1
Export-Import Bank long-term loans	3,568.6	1,580.6	717.4	1,998.0
Social progress trust fund—Other economic programs	530.8	54.7	16.1	476.1
Military assistance	131.8	54.3	5.1	77.5
Total loans	6,846.8	1,732.0	797.2	5,114.8

Latin America, total—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	1,080.6			
Food for peace	[1] 703.8			
Other U.S. economic programs	925.2			
Military assistance	793.4			
Total grants	3,503.0	1,732.0	797.2	5,114.8

[1] Includes $6,100,000 made available to American Red Cross in connection with Cuban prisoner exchange.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	[1] 244.6
Fiscal year 1967 program:	
Supporting assistance	33.0
Alliance for Progress:	
Technical cooperation	95.0
Loans	500.0
Total	628.0

[1] This figure includes assistance to Antigua, Bahamas, Bermuda, Canal Zone, Netherlands Antilles, Virgin Islands, Barbados, British West Africa, Masquat and Oman, Portuguese Guinea, and Puerto Rico.

NOTES

GAO's opinion of additional interest costs to the United States because of premature releases of funds to the Social Progress Trust Fund administered by the Inter-American Development Bank: "The title is self-explanatory. The interest costs identified total as much as $60,000 annually." Date issued, Sept. 8, 1964.

Sino-Soviet bloc assistance cumulative through 1965, $303,000,000.

Argentina

[U.S. fiscal years; millions of dollars]

[Population in 1965, 21,700,000; area, 1,084,000 square miles; GNP per capita, $523]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	137.4	9.6	8.2	127.8
Food for peace: Loans to governments	18.2		0.2	18.2
Export-Import Bank long term loans	[1] 434.7	194.8	102.9	239.9
Social Progress Trust Fund	38.5	0.3	0.1	38.2
Military assistance	5.9	4.5	0.8	1.4
Total loans	634.7	209.2	112.2	425.5
GRANTS				
AID and predecessor agencies	10.3			
Military assistance	62.5			
Total grants	72.8	209.2	112.2	425.5

[1] Excludes refunding of $72,000,000 in fiscal year 1963.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$5.1
Sino-Soviet bloc assistance cumulative through 1965	119.0
Fiscal year 1966 program, technical cooperation	1.9
Fiscal year 1967 program, technical cooperation	2.4

NOTE.—AID has not scheduled new loan commitments for fiscal year 1967.

Bolivia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,200,000; area, 424,000 square miles; GNP per capita, $173]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	73.7	0.7	0.9	73.0
Food for peace:				
Loans to private industry	4.1			
Loans to governments	25.3			
Dollar credit sales	4.3			
Total	33.7		.5	33.7
Social progress trust fund	14.6	.1		14.5
Export-Import Bank, long-term loans	26.4	2.6	5.5	23.8
Total loans	148.4	3.4	6.9	145.0

Bolivia—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	211.6			
Food for peace:				
Emergency relief and economic development	20.7			
Voluntary relief agencies	16.6			
Other U.S. economic programs	16.9			
Military assistance	13.0			
Total grants	278.8	3.4	6.9	145.0

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$8.7
Fiscal year 1966 program:	
Technical cooperation	3.6
Contingency fund	1.0
Mining Bank of Bolivia (to encourage expansion in medium-sized private banks)	4.3
Nationalized Mining Corp. (development loan)	1.1
Total	10.0

NOTES

Fiscal year 1967 will mark end of AID dollar support.

Other assistance for fiscal years 1966 and 1967 classified.

GAO's opinion on examination of the economic and technical assistance program for Bolivia, fiscal years 1954–59 (classified report): "Action needed to evaluate status of projects in process, to recover usable equipment from defunct projects, and to follow up on trainee program." Date issued May 17, 1960. Pertinent dollar amounts in millions, 114.6.

Brazil

[U.S. fiscal years; millions of dollars]

[Population in 1965, 82,200,000; area, 3,280,000 square miles; GNP per capita, $177]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	521.4		2.7	521.4
Food for peace: Loans to governments	341.2	0.1	5.4	341.1
Export-Import Bank, long-term loans	[1] 1,163.8	538.2	289.8	581.6
Social Progress Trust Fund	62.1			
Other U.S. economic programs	[2] 38.8			
	100.9	39.2	9.5	61.7
Military assistance	23.4			23.4
Total loans	2,150.7	621.5	307.4	1,529.2
GRANTS				
AID and predecessor agencies	112.3			
Food for peace:				
Grants for economic development	121.9			
Emergency relief and economic development	53.6			
Voluntary relief agencies	86.3			
Other U.S. economic programs	17.5			
Military assistance	246.1			
Total grants	637.7	621.5	307.4	1,529.2

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$83.1
Sino-Soviet bloc assistance cumulative through 1965	184.0
Fiscal year 1966 program, technical cooperation	14.4
Fiscal year 1967 program, technical cooperation	15.8

[1] Excludes refunding of $304,700,000 in fiscal year 1961; $85,900,000 in fiscal year 1964; and $6,600,000 in fiscal year 1965.

[2] AID carries this amount as $56,300,000; $17,500,000 of it is a grant.

NOTES

Other assistance for fiscal years 1966 and 1967 classified.

GAO's opinion of examination of economic and technical assistance program for Brazil, fiscal years 1955–59: "Recommends integration of common support functions of the Department of State and ICA, and comments on other practices and procedures." Date issued, May 27, 1960. Pertinent dollar amounts, $28,400,000.

British Guiana

[U.S. fiscal years; millions of dollars]

[Population in 1965, 700,000; area, 83,000 square miles; GNP per capita, $291]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	5.5			5.5
Total loans	5.5			5.5
GRANTS				
AID and predecessor agencies	10.1			
Food for peace: Voluntary relief agencies	1.4			
Total grants	11.5			5.5

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through December 31, 1965, at export market prices	$0.1
Fiscal year 1966 program, technical cooperation	.6
Fiscal year 1967 program, technical cooperation	.5

NOTE.—Other assistance for fiscal years 1966 and 1967 classified.

British Honduras

[U.S. fiscal years; millions of dollars]

[Population in 1965, 100,000; area, 9,000 square miles; GNP per capita, $360]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	1.0			
Food for peace:				
Emergency relief and economic development	.3			
Voluntary relief agencies	1.7			
Other U.S. economic programs	.8			
Total grants	3.8			

Total economic assistance	$3,800,000
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	64,000

Chile

[U.S. fiscal years; millions of dollars]

[Population in 1965, 8,500,000; area, 286,000 square miles; GNP per capita, $471]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	377.0	1.2	3.9	375.8
Food for peace:				
Loans to private industry	.8			
Loans to governments	53.0			
Dollar credit sales	41.9			
Total	95.7	6.6	4.9	89.1
Export-Import Bank, long-term loans	[1] 359.7	130.0	70.4	229.7
Social Progress Trust Fund	33.9	.4	.3	33.5
Military assistance	1.1	.5		.6
Total loans	867.4	138.7	79.5	728.7
GRANTS				
AID and predecessor agencies	59.5			
Food for peace:				
Emergency relief and economic development	4.9			
Voluntary relief agencies	72.1			
Other U.S. economic programs	11.2			
Military assistance	109.9			
Total grants	257.6	138.7	79.5	728.7

[1] Excludes refunding of $40,400,000 in fiscal year 1965.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$5.3
Fiscal year 1966 program, technical cooperation	3.3
Fiscal year 1967 program, technical cooperation	3.2

NOTES

Other assistance for fiscal years 1966 and 1967, classified.

GAO's opinion of deficiencies in the administration of the earthquake reconstruction and rehabilitation program for Chile (including classified supplement): "Inadequate planning, inadequate staffing of AID mission, and failure to obtain maximum exchange rate for dollars." Date issued, June 29, 1964. Pertinent dollar amounts in millions, $120.

Colombia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 17,000,000; area, 440,000 square miles; GNP per capita, $306]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	213.2	0.3	5.7	212.9
Food for peace:				
Loans to private industry	13.1			
Loans to governments	42.5			
Dollar credit sales	6.9			
Total	62.5	2.9	4.3	59.6
Export-Import Bank, long-term loans	201.1	108.4	38.2	92.7
Social Progress Trust Fund	49.9			
Other U.S. economic programs	[1] .8			
Total	50.7	1.5	.7	49.2
Total loans	527.5	113.1	48.9	414.4
GRANTS				
AID and predecessor agencies	36.4			
Food for peace:				
Emergency relief and economic development	.5			
Voluntary relief programs	66.1			
Other U.S. economic programs	15.8			
Military assistance	78.4			
Total grants	197.2	113.1	48.9	414.4

[1] AID carries this amount as $16,600,000, $15,800,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$10
Fiscal year 1966 program:	
Technical cooperation	4.0
Contingency Fund	5.1
Total	5.5
Fiscal year 1967 program, technical cooperation	4.6

NOTES

All other assistance for fiscal years 1966 and 1967 classified.

GAO's opinion of improper payment of port charges on shipments to Columbia of food donated under title III of the Agricultural Trade Development and Assistance Act of 1954: "Tariff rates did not reflect terms of agreements covering the distribution of food." Date issued May 20, 1965. Pertinent dollar amounts $393,000.

GAO's opinion of improper payment of port charges for surplus agricultural commodities sold under title I. Agricultural Trade Development and Assistance Act of 1954: "Tariff rates did not reflect terms of agreements covering the commodity sales." Date issued Nov. 17, 1964. Pertinent dollar amounts, $234,000.

Costa Rica

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,400,000; area, 20,000 square miles; GNP per capita, $383]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	35.8	0.2	0.5	35.6
Export-Import Bank long-term loans	[1] 23.9	8.0	3.8	15.9
Social Progress Trust Fund	12.6	.1	.2	12.5
Total loans	72.3	8.3	4.5	64.0
GRANTS				
AID and predecessor agencies	17.6			
Food for peace:				
Emergency relief and economic development	4.1			
Voluntary relief agencies	1.7			
Other U.S. economic programs	37.6			
Military assistance	2.0			
Total grants	63.0	8.3	4.5	64.0

[1] Excludes refunding of $2,600,000 in fiscal year 1963.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$1.0
Fiscal year 1966 program, technical cooperation	2.1
Fiscal year 1967 program, technical cooperation	2.1

NOTES

GAO's opinions on Inter-American Highway:

"Unauthorized expenditures for the repair and construction of a section o. the Inter-American Highway in the Republic of Costa Rica; $376,000 unauthorized." Date issued, Oct. 20, 1965. Pertinent dollar amounts, $1,128,000.

"Questionable validity of $32,000,000 estimates of funds needed to complete Inter-American Highway." Date issued, Dec 8, 1964. Pertinent dollar amounts, $32,000,000.

"Unnecessary costs resulting from deficiencies in construction activities of the Inter-American Highway program in Costa Rica. Unnecessary costs of $125,000." Date issued, Sept. 14, 1964. Pertinent dollar amounts, $85,000,000.

"Unnecessary costs resulting from inadequacies in the administration of right-of-way activities of the Inter-American Highway program in Costa Rica. Unnecessary costs of $1,100,000." Date issued, May 27, 1964.

Cuba

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank long-term loans (total loans)	37.5	1.3	7.0	36.2
GRANTS				
AID and predecessor agencies	2.8			
Food for peace: Voluntary relief agencies	.7			
Other U.S. programs	.5			
Military assistance	10.6			
Total grants	14.6	1.3	7.0	36.2

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Feb. 7, 1962, at export market prices — $5.5

NOTES

No activity subsequent to 1961.

General embargo on all trade to Cuba effective Feb. 7, 1962.

General license revoked on May 15, 1964, on all shipments o. foodstuffs to Cuba and were made subject to specific license approval. It has since been the policy of the Department of Commerce to deny all such license applications.

Dominican Republic

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,600,000; area, 19,000 square miles; GNP per capita, $246]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	42.6		.04	42.6
Food for peace: Dollar credit sales	19.1		.1	19.1
Export-Import Bank, long-term loans	20.7	0.3	.3	20.4
Social Progress Trust Fund	10.3	.2	.1	10.1
Total loans	92.7	.5	.9	92.2
GRANTS				
AID and predecessor agencies	67.3			
Food for peace:				
Emergency relief and economic development	7.0			
Voluntary relief agencies	18.4			
Other U.S. economic programs	4.4			
Military assistance	14.2			
Total grants	111.3	.5	.9	92.2

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$3.9
Fiscal year 1966 program:	
Technical cooperation	4.4
Contingency Fund	7.3
Total	41.7
Fiscal year 1967 program, technical cooperation	4.1

NOTES

Other assistance for fiscal years 1966 and 1967 classified.

An excerpt from U.S. News & World Report of June 6, 1966: "The Dominican Republic has received $131,000,000 U.S. aid in the 13 months from the start of the revolution to the time of election June 1, 1966."

Ecuador

[U.S. fiscal years; millions of dollars]

[Population in 1965, 5,000,000; area, 112,000 square miles; GNP per capita, $215]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	70.8	2.5	2.6	68.3
Food for peace:				
Loans to private industry	1.2			
Loans to governments	7.2			
Dollar credit sales	8.8			
Total	17.2	.9	1.0	128.5
Export-Import Bank long-term loans	31.6	12.3	7.0	19.3
Social Progress Trust Fund	24.8			
Other U.S. economic programs	1.5			
Total	25.3	.7	.1	24.6
Total loans	144.9	16.4	10.7	128.5
GRANTS				
AID and predecessor agencies	36.6			
Food for peace:				
Emergency relief and economic development	.9			
Voluntary relief agencies	13.0			
Other U.S. economic programs	10.5			
Military assistance	42.2			
Total grants	103.2	16.2	10.7	128.5

[1] AID carries this amount as $11,000,000; $10,500,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.7
Fiscal year 1966 program, technical cooperation	4.3
Fiscal year 1967 program, technical cooperation	4.7

NOTES

Other assistance for fiscal years 1966 and 1967 classified.

GAO's opinion on financial statement: "Questionable aspects of budget support loans made to the Government of Ecuador (loans made without insisting that the foreign government develop or utilize other domestic financial resources)." Date issued, Apr. 29, 1965. Pertinent dollar amounts, $15,000,000.

El Salvador

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,900,000; area, 8,200 square miles; GNP per capita, $285]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	28.4	0.2	0.1	28.2
Food for peace: Dollar credit sales	2.0	.3	.1	1.7
Export-Import Bank, long-term loans	9.4	4.0	1.2	5.4
Social Progress Trust Fund	22.0	.3	.4	21.7
Total loans	61.8	4.8	1.8	57.0
GRANTS				
AID and predecessor agencies	20.4			
Food for peace:				
Emergency relief and economic development	0.2			
Voluntary relief agencies	9.1			
Other U.S. economic programs	3.3			
Military assistance	4.3			
Total grants	37.3	4.8	1.8	57.0

Millions

Agricultural commodity exports under barter contract from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.8

NOTE.—No program for fiscal years 1966 and 1967.

Guatemala

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,400,000; area, 43,000 square miles; GNP per capita, $293]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	24.8	0.8	1.0	24.0
Export-Import Bank long term loans	18.0	3.2	0.6	14.8
Social progress trust fund	14.3			14.3
Military assistance	0.1			0.1
Total loans	57.2	4.0	1.6	53.2
GRANTS				
AID and predecessor agencies	86.1			
Food for peace:				
Emergency relief and economic development	3.2			
Voluntary relief agencies	7.6			
Other U.S. economic programs [1]	40.3			
Military assistance	9.9			
Total grants	147.1	4.0	1.6	53.2

[1] Includes $34.9 for Inter-American Highway.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$6.4
Fiscal year 1966 program, technical cooperation	2.6
Fiscal year 1967 program, technical cooperation	2.7

NOTES

Other assistance for fiscal years 1966 and 1967 classified.

GAO's opinion of examination of economic and technical cooperation programs for Guatemala for fiscal years 1955–59: "Reveals corrective action taken in various administrative areas, including planning prior to project agreements." Date issued Mar. 22, 1960.

Haiti

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,600,000; area, 11,000 square miles GNP; per capita, $73]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	4.8	0.1	0.2	4.7
Export-Import Bank, long-term loans	25.0	.8	5.1	24.2
Other U.S. economic programs	[1].3	.1		.2
Total loans	30.1	1.0	5.3	29.1
GRANTS				
AID and predecessor agencies	52.1			
Food for peace:				
Emergency relief and economic development	3.5			
Voluntary relief agencies	9.9			
Other U.S. economic programs	2.7			
Military assistance	4.3			
Total grants	72.5	1.0	5.3	29.1

[1] AID carries this amount as $3,000,000; $2,700,000, of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$8.0
Fiscal year 1966 program, supporting assistance	1.4
Fiscal year 1967 program, supporting assistance	1.4

NOTE.—Other assistance classified.

Honduras

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,300,000; area, 43,000 square miles; GNP per capita, $282]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	21.6	2.5	1.2	19.1
Export-Import Bank long-term loans	3.2	1.7	.6	1.5
Social Progress Trust Fund	7.6			
Other U.S. economic programs	[1].1			
Total	7.7	.2	.1	7.5
Total loans	32.5	4.4	1.9	28.1

Honduras—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	24.2			
Food for peace:				
Emergency relief and economic development	.2			
Voluntary relief agencies	4.4			
Other U.S. economic programs	8.1			
Military assistance	4.4			
Total grants	41.3	4.4	1.9	28.1

[1] AID carries this amount as $8,200,000; $8,100,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$1.0
Fiscal year 1966 program, technical cooperation	2.1
Fiscal year 1967 program, technical cooperation	2.1

NOTE.—Other assistance classified.

Jamaica

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,800,000; area, 4,000 square miles; GNP per capita, $421]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	11.6			11.6
Export-Import Bank long-term loans	5.0			5.0
Total loans	16.6			16.6
GRANTS				
AID and predecessor agencies	4.9			
Food for peace:				
Emergency relief and economic development	1.0			
Voluntary relief agencies	12.5			
Other U.S. economic programs	1.4			
Military assistance	.6			
Total grants	20.4			16.6

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$3.3
Fiscal year 1966 program, technical cooperation	.8
Fiscal year 1967 program technical cooperation	.9

NOTE.—Other assistance classified.

Mexico

[U.S. fiscal years; millions of dollars]

[Population in 1965, 40,900,000; area, 760,000 square miles; GNP per capita, $419]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	66.5		0.1	66.5
Food for peace:				
Loans to private industry	6.3			
Loans to governments	11.4			
Total	17.7	6.6	4.1	11.1
Export-Import Bank long-term loans	736.6	350.5	103.6	386.1
Social Progress Trust Fund	35.5			
Other U.S. economic programs	[1].3			
Total	35.8	.6	.2	35.2
Military assistance	5.4	4.6	.3	.8
Total loans	862.0	362.3	108.3	499.7
GRANTS				
AID and predecessor agencies	9.4			
Food for peace:				
Emergency relief and economic development	3.5			
Voluntary relief agencies	50.0			
Other U.S. economic programs	99.4			
Military assistance	5.6			
Total grants	167.9	362.3	108.3	499.7

[1] AID carries this amount as $99,700,000; $99,400,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$25.1
Fiscal year 1966 program, technical cooperation	.2
Fiscal year 1967 program, technical cooperation	.2

Nicaragua

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,600,000; area, 57,000 square miles; GNP per capita, $325]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	28.0	0.3	0.5	27.7
Export-Import Bank, long-term loans	14.3	6.8	2.4	7.5
Social Progress Trust Fund	13.1	.1	.1	13.0
Total loans	55.4	7.2	3.0	48.2
GRANTS				
AID and predecessor agencies	17.2			
Food for peace: Voluntary relief agencies	5.1			
Other U.S. economic programs	25.9			
Military assistance	7.6			
Total grants	55.8	7.2	3.0	48.2

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.8
Fiscal year 1966 program, technical cooperation	2.0
Fiscal year 1967 program, technical cooperation	2.2

NOTE.—Other assistance classified.

Panama

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,200,000; area, 29,000 square miles; GNP per capita, $488]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	37.5	0.7	1.2	36.8
Export-Import Bank, long-term loans	29.8	6.7	3.1	23.1
Social Progress Trust Fund	12.9	.2	.4	12.7
Total loans	80.2	7.6	4.7	72.6
AID and predecessor agencies	31.5			
Food for peace: Voluntary relief agencies	8.1			
Other U.S. economic programs	37.6			
Military assistance	1.6			
Total grants	78.8	7.6	4.7	72.6

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954 through Dec. 31, 1965 at export market prices	$0.6
Fiscal year 1966 program:	
Technical cooperation	1.5
Contingency fund	3.5
Total	5.0
Fiscal year 1967 program, technical cooperation	2.1

NOTES

All other assistance classified.

GAO's opinion of questionable validity of $32,000,000 estimate of funds needed to complete Inter-American Highway (title self-explanatory). Date issued Dec. 8, 1964. Pertinent dollar amounts, $32,000,000.

GAO's opinion of unnecessary costs resulting from inadequacies in the administration of the Inter-American Highway program in the Republic of Panama: "Unnecessary costs of $175,000." Date issued Mar. 24, 1965. Pertinent dollar amounts, $60,000,000.

Paraguay

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,900,000; area, 157,000 square miles; GNP per capita, $208]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	18.2	1.2	1.4	17.0
Social Progress Trust Fund	7.8			7.8
Food for peace:				
Loans to private industry	2.0			
Loans to governments	7.5			
Dollar credit sales	.2			
Total	9.7		.4	9.7
Export-Import Bank, long-term loans	10.4	3.1	3.4	7.3
Military assistance	.2			.2
Total loans	46.3	4.3	5.2	42.0
GRANTS				
AID and predecessor agencies	25.4			
Food for peace:				
Grants for economic development	3.4			
Voluntary relief agencies	6.5			
Other U.S. economic programs	2.8			
Military assistance	5.8			
Total grants	43.9	4.3	5.2	42.0

	Thousands
Fiscal year 1966 program, technical cooperation	$2,300
Fiscal year 1967 program, technical cooperation	2,300
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	8

NOTE.—Other assistance classified.

Peru

[U.S. fiscal years; millions of dollars]

[Population in 1965, 11,700,000; area, 514,000 square miles; GNP per capita, $280]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	69.9	0.7	0.7	69.2
Food for peace:				
Loans to private industry	4.5			
Loans to governments	24.4			
Dollar credit sales	2.0			
Subtotal	30.9	2.4	3.1	28.5
Export-Import Bank, long-term loans	250.6	126.8	44.6	123.8
Other U.S. economic programs	[1] 5.5			
Social progress trust fund	36.0			
	41.5	6.0	2.0	35.5
Military assistance	18.9	16.0	2.2	2.9
Total loans	411.8	151.9	52.6	259.9
GRANTS				
AID and predecessor agencies	45.8			
Food for peace:				
Emergency relief and economic development	29.6			
Voluntary relief agencies	22.4			
Other U.S. economic programs	14.5			
Military assistance	106.6			
Total grants	218.9	151.9	52.6	259.9

[1] AID carries this amount as $20,000,000; $14,500,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$44.4
Fiscal year 1966 program:	
Technical cooperation	4.9
Contingency fund	0.9
Total, fiscal year 1966 program	5.8
Fiscal year 1967 program, technical cooperation	5.4

NOTE.—All other assistance classified.

Surinam

[U.S. fiscal years; millions of dollars]

[Population in 1965, 400,000; area, 55,100 square miles; GNP per capita, $340]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	1.0			1.0
Total loans	1.0			1.0
GRANTS				
AID and predecessor agencies	3.0			
Food for peace:				
Emergency relief and economic development	0.1			
Voluntary relief agencies	0.9			
Total grants	4.0			1.0

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices — $15,000

Trinidad and Tobago

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,000,000; area, 2,000 square miles; GNP per capita, $632]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank, long-term loans	13.0	0.6	0.8	12.4
Total loans	13.0	.6	.8	12.4
GRANTS				
AID and predecessor agencies	29.2			
Food for peace:				
Emergency relief and economic development	.3			
Voluntary relief agencies	.5			
Other U.S. economic programs	.2			
Total grants	30.2	.6	.8	12.4

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.1
Fiscal year 1966 program, supporting assistance	5.0
Fiscal year 1967 program, supporting assistance	5.0

NOTE.—In consideration for the right to maintain a U.S. Navy base in Trinidad, the United States agreed in 1962 to furnish the Government of Trinidad and Tobago $30 million in economic assistance. Specifically, the agreement called for supporting assistance allotments of $10 million in fiscal year 1963 and $5 million in fiscal years 1964–67.

Uruguay

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,700,000; area, 72,000 square miles; GNP per capita, $518]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	17.8	0.3	0.9	17.5
Food for peace:				
Loans to private industry	9.1			
Loans to governments	15.2			
Total	24.3	1.2	1.4	23.1
Export-Import Bank, long-term loans	9.7	2.7	0.4	7.0
Social Progress Trust Fund	10.5			
Other U.S. economic programs	[1] 2.2			
Total	12.7	1.5	0.4	11.2
Total loans	64.5	5.7	3.1	58.8
GRANTS				
AID and predecessor agencies	5.8			
Food for peace: Voluntary relief agencies	3.1			
Other U.S. economic programs	2.0			
Military assistance	35.4			
Total grants	46.3	5.7	3.1	58.8

[1] AID carries this amount as $4,200,000; $2,000,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965 at export market prices	$1.8

NOTE.—Assistance for fiscal years 1966 and 1967 classified.

Venezuela

[U.S. fiscal years; millions of dollars]

[Population in 1965, 8,800,000; area, 352,000 square miles; GNP per capita, $833]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	55.0	0.1	0.8	54.9
Food for peace: Dollar credit sales	13.9			13.9
Export-Import Bank, long-term loans	119.2	30.8	16.8	88.4
Social Progress Trust Fund	73.0	3.2	1.5	69.8
Military assistance	76.8	28.7	1.8	48.1
Total loans	337.9	62.8	20.9	275.1
GRANTS				
AID and predecessor agencies	8.7			
Foor for peace: Voluntary relief agencies	16.2			
Other U.S. economic programs	7.1			
Military assistance	16.1			
Total grants	48.1	62.8	20.9	275.1

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$2.1
Fiscal year 1966 program—Technical cooperation	1.7
Fiscal year 1967 program—Technical cooperation	1.4

Other West Indies

[U.S. fiscal years; millions of dollars]

	Total, 1955–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
None				
GRANTS				
Food for peace: Voluntary relief agencies	2.9			
Other U.S. economic programs	.4			
Total grants	3.3			

	Millions
Total economic assistance	$3.3

Regional programs in Central America covering Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama, ROCAP

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	67.0		0.1	67.0
Social progress trust fund	2.9			2.9
Total loans	69.9		0.1	69.9
GRANTS				
AID and predecessor agencies	14.2			
Total grants	14.2		0.1	69.9

	Millions
Fiscal year 1966 program, technical cooperation	$3.9
Fiscal year 1967 program, technical cooperation	4.1

NOTE.—Proposed AID assistance in fiscal year 1967 through bilateral programs in 5 Central American countries comprises $10,400,000 in technical cooperation and $36,000,000 in development loans.

Latin America regional

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank, long-term loans	25.0	3.0	9.9	22.0
Total loans	25.0	3.0	9.9	22.0
GRANTS				
AID and predecessor agencies	137.2			
Food for Peace: Voluntary relief agencies	1.3			
Social Progress Trust Fund [1]	14.3			
Other U.S. economic programs [2]	550.0			
Military assistance	12.3			
Total grants	715.1	3.0	9.9	22.0

[1] AID has a footnote (see report, p. 55) stating that $2.9 million of this figure is a loan. The full amount is a grant.
[2] Represents subscriptions to Inter-American Development Bank.

	Millions
Fiscal year 1966 program, technical cooperation	$14.9
Fiscal year 1967 program, technical cooperation	16.3

AFRICA

Algeria, Burundi, Cameroon, Central African Republic, Chad, Congo (Brazzaville), Congo (Leopoldville), Dahomey, Ethiopia, Gabon, Gambia, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Libya, Malagasy Republic, Malawi, Mali, Mauritania, Morocco, Niger, Rwanda, Senegal, Sierra Leone, Somali Republic, South Africa, Republic of, Southern Rhodesia, Sudan, Tanzania, Togo, Tunisia, Uganda, Upper Volta, Zambia, East Africa Regional, Regional USAID/Africa, Africa Regional.

Africa, total

[U.S. fiscal years; millions of dollars]

[Population in 1965, 263,000,000; area, 11,300,000 square miles; GNP per capita, $145]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	724.3	11.1	37.9	713.2
Food for peace	150.2	.3	.6	149.9
Export-Import Bank, long-term loans	379.5	161.1	57.5	218.4
Other U.S. economic programs	31.3	24.2	4.7	7.1
Military assistance	10.7	2.8	0.5	7.9
Total loans	1,296.0	199.5	101.2	1,096.5
GRANTS				
AID and predecessor agencies	958.9			
Food for peace	701.8			
Other U.S. economic programs	105.4			
Military assistance	175.4			
Total grants	1,941.5	199.5	101.2	1,096.5

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	[1] $76.5
Fiscal year 1967 program:	
Supporting assistance	27.0
Technical cooperation	94.0
Development loans	100.0
Total	221.0
Sino-Soviet bloc assistance cumulative through 1965	1,121.0

[1] This figure includes Angola, Canary Islands, Madeira, Mozambique, and São Tôme.

Algeria

[U.S. fiscal years; millions of dollars]

[Population in 1965, 11,000,000; area, 920,000 square miles; GNP per capita, $225]

	Total, 1956–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	3.9			
Food for peace:				
Emergency relief and economic development	102.1			
Voluntary relief agencies	55.9			
Total grants	161.9			

	Millions
Total economic assistance	$161.9
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	1.8
Grand total	163.7
Sino-Soviet bloc assistance cumulative through 1965	302.0
Fiscal year 1966 program, technical cooperation	0.6
Fiscal year 1967 program, technical cooperation	0.9

Burundi

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,800,000; area, 11,000 square miles; GNP per capita, $50]

	Total, 1962–65	Principal repayments	Interest collected	Principal outstanding
LOANS	[1]	[1]	[1]	[1]
GRANTS				
AID and predecessor agencies	0.6			
Food for peace:				
Emergency relief and economic development	3.8			
Voluntary relief agencies	3.0			
Total grants	7.4			

[1] No loans.

	Millions
Total economic assistance	$7.4
Agricultural commodity exports under barter contracts from July 1, 1964, through Dec. 31, 1965, at export market prices	.1
Grand total	7.5
Fiscal year 1966 program, technical cooperation	.3
Fiscal year 1967 program, technical cooperation	.1

NOTE.—AID currently suspended due to treatment of U.S. officials.

Cameroon

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,700,000; area, 183,000 square miles; GNP per capita, $125]

	Total, 1961–65	Principal repayments	Interest due and unpaid	Principal outstanding
LOANS				
AID and predecessor agencies (total loans)	12.4			12.4
GRANTS				
AID and predecessor agencies	9.3			
Food for peace: Voluntary relief agencies	.4			
Other U.S. economic programs	2.7			
Total grants	12.4			12.4

	Thousands
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$58,000
Fiscal year 1966 program, technical cooperation	600,000
Fiscal year 1967 program, technical cooperation	900,000

Central African Republic

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,300,000; area 238,000 square miles; GNP per capita, $90]

	Total, 1962–65	Principal repayments	Interest due and unpaid	Principal outstanding
LOANS				
None				
GRANTS				
AID and predecessor agencies	2.8			
Total grants	2.8			

	Millions
Total economic assistance	$2.8
Fiscal year 1966 program—Technical cooperation	.8
Fiscal year 1967 program—Technical cooperation	.6

NOTE.—In 1964 Central African Republic received Communist commitments of economic aid amounting to $4,000,000.

Chad

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,400,000; area, 49,000 square miles; GNP per capita, $70]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	3.0			
Food for peace:				
Emergency relief and economic development	1.1			
Voluntary relief agencies	.1			
Total grants	4.2			

	Millions
Total economic assistance	$4.2
Fiscal year 1966 program—Technical cooperation	1.1
Fiscal year 1967 program—Technical cooperation	.8

Congo (Brazzaville)

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,000,000; area, 132,000 square miles; GNP per capita, $135]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank, long-term loans (total loans)	0.2			0.2
GRANTS				
AID and predecessor agencies	2.0			
Food for peace: Emergency relief and economic development	.2			
Total grants	2.4			.2

NOTE.—Mistreatment of U.S. officials became so flagrant the United States withdrew its Ambassador and suspended the small aid program.

Congo-Léopoldville

[U.S. fiscal years; millions of dollars]

[Population in 1965, 15,900,000; area 906,000 square miles; GNP per capita, $80]

	Total, 1953–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	15.0			15.0
Food for peace:				
Loans to private industry	3.4			
Loans to governments	20.1			
Total	23.5			23.5
Total loans	38.5			38.5

Congo-Léopoldville—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	192.9			
Food for peace:				
Grants for common defense	3.4			
Grants for economic development	36.8			
Emergency relief and economic development	17.6			
Voluntary relief agencies	9.6			
Military assistance	15.3			
Total grants	275.6			275.6

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$3.3
Fiscal year 1966 program—Technical cooperation	1.3
Fiscal year 1967 program—Technical cooperation	.8

NOTE.—Other assistance classified.

Dahomey

[U.S. fiscal years, millions of dollars]

[Population in 1965, 2,250,000; area 45,000 square miles; GNP per capita, $70]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
Food for peace:				
Loans to private industry	0.1			0.1
Loans to governments	.1			.1
Total loans	.2			.2
GRANTS				
AID and predecessor agencies	4.3			
Food for peace:				
Emergency relief and economic development	1.9			
Voluntary relief agencies	2.2			
Military assistance	.1			
Total grants	8.5			.2

	Millions
Fiscal year 1966 program, technical cooperation	$0.5
Fiscal year 1967 program, technical cooperation	.6

Ethiopia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 20,200,000; area 457,000 square miles; GNP per capita, $49]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	36.5	1.4	2.4	35.1
Food for peace:				
Loans to private industry	.2			
Loans to governments	.5			
Dollar credit sales	1.4			
Total	2.1	.1	.1	2.0
Export-Import Bank, long-term loans	20.5	7.7	2.2	12.8
Other U.S. economic programs	[1] 1.4	.4		
Total loans	59.5	9.6	4.7	49.9
GRANTS				
AID and predecessor agencies	68.2			
Food for peace:				
Emergency relief and economic development	10.0			
Voluntary relief agencies	2.6			
Other U.S. economic programs	10.6			
Military assistance	95.6			
Total grants	187.0	9.6	4.7	49.9

[1] AID carries this figure as $11,000,000; $10,600,000 of it is a grant. Other assistance classified.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market price	$1.1
Sino-Soviet bloc assistance cumulative through 1965	119.0

NOTE.—GAO's opinion of furnishing of military assistance to Ethiopia in excess of the country's ability to effectively utilize the equipment (classified). (Title is self-explanatory.) Date issued, May 6, 1964.

Gabon

[U.S. fiscal years; millions of dollars]

[Population in 1965, 454,000; area 103,000 square miles; GNP per capita, $275]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	2.5			
Food for peace: Voluntary relief agencies	.1			
Other U.S. economic programs	2.2			
Total grants	4.8			

	Millions
Total economic assistance	$4.8
Fiscal year 1966 program—Technical cooperation	.7
Fiscal year 1967 program—Technical cooperation	.4

Gambia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 300,000; area, 4,000 square miles; GNP per capita, $85]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	0.1			
Total grants	.1			

Total economic assistance	$100,000
Fiscal year 1966 program, technical cooperation	58,000
Fiscal year 1967 program, technical cooperation	50,000

Ghana

[U.S. fiscal years; millions of dollars]

[Population in 1965, 7,700,000; area, 92,000 square miles; GNP per capita, $251]

	Total, 1949–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	82.0	0.1	0.7	81.9
Export-Import Bank, long-term loans	65.0		1.1	65.0
Total loans	147.0	.1	1.8	146.9
GRANTS				
AID and predecessor agencies	9.0			
Food for peace:				
Emergency relief and economic development	1.6			
Voluntary relief agencies	4.9			
Other U.S. economic programs	3.0			
Total grants	18.5	.1	1.8	146.9

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$5.0
Sino-Soviet bloc assistance cumulative through 1965	231.0
Fiscal year 1966 program, technical cooperation	1.4
Fiscal year 1967 program, technical cooperation	1.2

NOTES

Other assistance classified.

In fiscal year 1967 AID will continue to discharge its loan obligations to the Volta Dam and aluminum refinery projects under commitments made several years ago. Other capital projects are not contemplated.

Guinea

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,500,000; area 95,000 square miles; GNP per capita, $70]

	Total, 1959–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	5.5		0.1	5.5
Food for peace:				
Loans to private industry	3.6			
Loans to governments	21.5			
Total	25.1			25.1
Total loans	30.6		.1	30.6
GRANTS				
AID and predecessor agencies	34.9			
Food for peace: Emergency relief and economic development	2.0			
Other U.S. economic programs	1.9			
Military assistance	.8			
Total grants	39.6		.1	30.6

	Millions
Sino-Soviet bloc assistance, cumulative through 1965	$120
Fiscal year 1966 program, technical cooperation	2.0
Fiscal year 1967 program, technical cooperation	3.3

NOTE.—Other assistance classified.

Ivory Coast

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,800,000; area, 125,000 square miles; GNP per capita, $215]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	6.7			6.7
Food for peace:				
Loans to private industry	.6			
Loans to governments	1.9			
Dollar credit sales	4.0			
Subtotal	6.5			6.5
Export-Import Bank, long-term loans	4.6		0.1	4.6
Total loans	17.8		.1	17.8
GRANTS				
AID and predecessor agencies	5.4			
Food for peace: Voluntary relief agencies	.1			
Other U.S. economic programs	2.6			
Military assistance	.1			
Total grants	8.2		.1	17.8

	Millions
Fiscal year 1966 program, technical cooperation	$0.2
Fiscal year 1967 program, technical cooperation	.9

Kenya

[U.S. fiscal years; millions of dollars]

[Population in 1965, 9,400,000; area 225,000 square miles; GNP per capita, $88]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	2.8			2.8
For for peace: Dollar credit sales	3.8			3.8
Total loans	6.6			6.6

Kenya—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	17.4			
Food for peace:				
Emergency relief and economic development	8.8			
Voluntary relief agencies	1.7			
Other U.S. economic programs	1.2			
Total grants	29.1			6.6

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.7
Sino-Soviet bloc assistance cumulative 1965	62.0
Fiscal year 1966 program—Technical cooperation	.3
Fiscal year 1967 program—Technical cooperation	.3

Liberia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,100,000; area 43,000 square miles; GNP per capita, $175]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	48.3	0.2		48.1
Food for peace: Dollar credit sales	8.6	.2		8.4
Export-Import Bank, long-term loans [1]	101.9	14.5	15.6	87.4
Other U.S. economic programs	[2] 7.0			7.0
Military assistance	1.1	.3		.8
Total loans	166.9	15.2	15.6	151.7
GRANTS				
AID and predecessor agencies	55.3			
Food for peace: Voluntary relief agencies	1.9			
Other U.S. economic programs	8.0			
Military assistance	4.6			
Total grants	69.8	15.2	15.6	151.7

[1] Excludes refunding of $13,200,000 in fiscal year 1963.
[2] AID carries this amount as $15,000,000; $8,000,000 of it is a grant.

	Millions
Agricultural Commodity Exports under barter contracts from July 1, 1954, through Dec. 31, 1965 at export market prices	$0.3
Fiscal year 1966 program, technical assistance	.7
Fiscal year 1967 program, technical assistance	.7

Libya

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,600,000; area, 680,000 square miles; GNP per capita, $365]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	7.1	0.8	0.9	6.3
Total loans	7.1	.8	.9	6.3
GRANTS				
AID and predecessor agencies	130.6			
Food for peace:				
Emergency relief and economic development	27.5			
Voluntary relief agencies	7.8			
Other U.S. economic programs	33.4			
Military assistance	10.6			
Total grants	209.9	.8	.9	6.3

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.3

NOTE.—No funds requested for Libya for fiscal year 1967, which no longer receives AID.

Malagasy Republic

[U.S. fiscal years; millions of dollars]

[Population in 1965, 6,200,000; area, 230,000 square miles; GNP per capita $95]

	Total, 1959–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	2.7			2.7
Total loans	2.7			2.7
GRANTS				
AID and predecessor agencies	3.3			
Food for peace: Voluntary relief agencies	1.9			
Total grants	5.2			2.7

	Millions
Fiscal year 1966 program—Technical cooperation	$0.9
Fiscal year 1967 program—Technical cooperation	.6

Malawi [1]

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,200,000; area, 46,000 square miles; GNP per capita, $39]

	Total, 1956–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
None				
GRANTS				
AID and predecessor agencies	5.0			
Food for peace:				
Emergency relief and economic development	.1			
Voluntary relief agencies	.1			
Other U.S. economic programs	3.0			
Total grants	8.2			

[1] Data shown includes assistance to Nyasaland during years prior to becoming the independent state of Malawi.

	Millions
Total economic assistance	$8.2
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	.5
Grand total	8.7
Fiscal year 1966 program, technical cooperation	1.7
Fiscal year 1967 program, technical cooperation	2.2

Republic of Mali

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,600,000; area, 465,000 square miles; GNP per capita $65]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	3.2			3.2
Total loans	3.2			3.2
GRANTS				
AID and predecessor agencies	9.5			
Food for peace: Emergency relief and economic development	.9			
Military assistance	2.2			
Total grants	12.6			3.2

	Millions
Sino-Soviet bloc assistance cumulative 1965	$98.0
Fiscal year 1966 program, technical cooperation	1.5
Fiscal year 1967 program, technical cooperation	1.0

NOTE.—All other assistance classified.

Mauretania

[U.S. fiscal years; millions of dollars]

[Population in 1963, 800,000; area, 419,000 square miles; GNP per capita, $138]

	Total, 1953–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	1.4			1.4
Total loans	1.4			1.4
GRANTS				
AID and predecessor agencies	.4			
Food for peace:				
Emergency relief and economic development	.3			
Voluntary relief agencies	.7			
Total grants	1.4			1.4

	Millions
Fiscal year 1966 program—Technical assistance	$0.2
Fiscal year 1967 program—Technical assistance	.2

Morocco

[U.S. fiscal years; millions of dollars]

[Population in 1963, 13,400,000; area, 171,000 square miles; GNP per capita, $191]

	Total, 1949–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	270.1	2.2	27.0	267.9
Food for peace:				
Loans to private industry	3.5			
Loans to governments	23.2			
Total	26.7			26.7
Military assistance	6.0			6.0
Total loans	302.8	2.2	27.0	300.6
GRANTS				
AID and predecessor agencies	19.4			
Food for peace:				
Emergency relief and economic development	104.8			
Voluntary relief agencies	60.6			
Other U.S. economic programs	2.6			
Military assistance	25.9			
Total grants	213.3	2.2	27.0	300.6

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$13.3
Sino-Soviet bloc assistance cumulative through 1965	17.0

NOTE.—Other assistance classified.

Niger

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,300,000; area, 489,000 square miles; GNP per capita, $75]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	2.3			2.3
Total loans	2.3			2.3
GRANTS				
AID and predecessor agencies	5.1			
Food for peace: Emergency relief and economic development	.2			
Other U.S. economic programs	1.1			
Military assistance	.1			
Total grants	6.5			2.3

	Millions
Fiscal year 1966 program, technical cooperation	$0.5
Fiscal year 1967 program, technical cooperation	1.2

Nigeria

[U.S. fiscal years; millions of dollars]

[Population in 1965, 43,500,000; area, 357,000 square miles; GNP per capita, $102]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	57.6	0.4	0.5	57.2
Export-Import Bank, long-term loans	6.7	1.3	.3	5.4
Other U.S. economic programs [1]	[2].2	.2		
Military assistance	.3			.3
Total loans	64.8	1.9	.8	62.9
GRANTS				
AID and predecessor agencies	79.2			
Food for peace: Voluntary relief agencies	2.2			
Other U.S. economic programs	13.8			
Military assistance	.7			
Total grants	95.9	1.9	.8	62.9

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$3.0
Sino-Soviet bloc assistance through 1965	14.0
Fiscal year 1966 program, technical cooperation	18.3
Fiscal year 1967 program, technical cooperation	18.3

[1] Includes $13,800,000 for Peace Corps; $200,000 for strategic materials.
[2] AID carries this amount as $14,000,000—$13,800,000 of it is a grant. (See report, p. 97.)

NOTE.—Other assistance classified.

Rwanda

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,000,000; area, 10,166 square miles]

	Total, 1962–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	0.8			
Food for peace:				
Emergency relief and economic development	.8			
Voluntary relief agencies	.1			
Total grants	1.7			

	Millions
Total economic assistance	$1.7
Fiscal year 1966 program—Technical cooperation	.5
Fiscal year 1967 program—Technical cooperation	.2

NOTE.—Other assistance classified.

Senegal

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,400,000; area, 76,000 square miles; GNP per capita, $200]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	1.3			1.3
Food for peace:				
Loans to private industry	.6			
Loans to governments	2.0			
Total loans	2.6			2.6
Export-Import Bank, long-term loans	.3			.3
Total loans	4.2			4.2
GRANTS				
AID and predecessor agencies	7.2			
Food for peace:				
Emergency relief and economic development	.3			
Voluntary relief agencies	2.6			
Other U.S. economic programs	2.3			
Military assistance	2.6			
Total grants	15.0			4.2

Senegal—Continued

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$5.8
In 1964 Senegal received Communist commitments of economic aid amounting to	7.0
Fiscal year 1966 program:	
Technical cooperation	.4
Supporting assistance	.2
Fiscal year 1967 program, technical cooperation	.6

Sierra Leone

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,300,000; area 28,000 square miles; GNP per capita, $115]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Food for peace: Dollar credit sales	1.8			1.8
Export-Import Bank long term loans	10.2			10.2
Total loans	12.0			12.0
GRANTS				
AID and predecessor agencies	7.2			
Food for peace: Voluntary relief agencies	2.8			
Other U.S. economic programs	5.1			
Total grants	15.1			12.0

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.1
Fiscal year 1966 program, technical cooperation	2.3
Fiscal year 1967 program, technical cooperation	2.1

Somali Republic

[U.S. fiscal years; millions of dollars]

[Population in 1965, 2,000,000; area, 246,000 square miles; GNP per capita, $50]

	Total, 1954–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	6.2		0.1	6.2
Total loans	6.2		.1	6.2
GRANTS				
AID and predecessor agencies	32.2			
Food for peace:				
Emergency relief and economic development	6.8			
Voluntary relief agencies	.3			
Other U.S. economic programs	1.9			
Total grants	41.2		.1	6.2

	Millions
Agricultural Commodity Exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.2
Sino-Soviet bloc assistance cumulative through 1965	85.0
Fiscal year 1966 program—Technical cooperation	3.5
Fiscal year 1967 program—Technical cooperation	3.3

Republic of South Africa

[U.S. fiscal years; millions of dollars]

[Population in 1965, 17,900,000; area, 500,000 square miles; GNP per capita, $30]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank long-term loans	152.8	133.8	32.7	19
Other U.S. economic programs	1.3	1.3		
Total loans	154.1	135.1	32.7	19
NO GRANTS				
Total	154.1	135.1	32.7	19

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$13.3

Southern Rhodesia [1]

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,800,000; area, 150,000 square miles; GNP per capita, $224]

	Total, 1954–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	5.0	2.2	2.0	2.8
Total loans	5.0	2.2	2.0	2.8
GRANTS				
AID and prececessor agencies	2.1			
Total grants	2.1	2.2	2.0	2.8

[1] These figures include assistance to Southern Rhodesia during the period this was part of the Federation of Rhodesia and Nyasaland.

Sudan

[U.S. fiscal years; millions of dollars]

[Population in 1965, 13,500,000; area, 967,000 square miles; GNP per capita, $102]

	Total, 1953–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	15.8			15.8
Food for peace:				
Loans to private industry	3.6			
Loans to governments	8.3			
Total	11.9			11.9
Total loans	27.7			27.7
GRANTS				
AID and predecessor agencies	55.3			
Food for peace:				
Grants for economic development	4.6			
Emergency relief and economic development	1.7			
Voluntary relief agencies	.1			
Military assistance	.4			
Total grants	62.1			27.7

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$1.7
Sino-Soviet bloc assistance cumulative through 1965	32.0
Fiscal year 1966 program, technical cooperation	4.0
Fiscal year 1967 program, technical cooperation	4.5

NOTE.—Other assistance classified.

Tanzania

[U.S. fiscal years; millions of dollars]

[Population in 1965, 10,500,000; area, 363,000 square miles; GNP per capita, $73]

	Total, 1958–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	12.9	0.1	0.1	12.8
GRANTS				
AID and predecessor agencies	8.7			
Food for peace:				
Emergency relief and economic development	14.7			
Voluntary relief agencies	3.1			
Other U.S. economic programs	4.6			
Total grants	31.1	.1	.1	12.8

	Millions
Sino-Soviet bloc assistance cumulative through 1965	$51.0
Fiscal year 1966 program, technical cooperation	2.5
Fiscal year 1967 program, technical cooperation	2.5

Togo

[U.S. fiscal years; millions of dollars]

[Population in 1965, 1,700,000; area, 22,000 square miles; GNP per capita, $90]

	Total, 1959–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	3.6			
Food for peace:				
Emergency relief and economic development	2.5			
Voluntary relief agencies	1.8			
Other U.S. economic programs	1.9			
Total grants	9.8			

	Millions
Total economic assistance	$9.8
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	.09
Grand total	10.7
Fiscal year 1966 program, technical cooperation	1.2
Fiscal year 1967 program, technical cooperation	.8

Tunisia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,700,000; area, 48,000 square miles; GNP per capita, $176]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	118.2	1.3	1.9	116.9
Food for peace:				
Loans to private industry	6.7			
Loans to governments	30.8			
Total	37.5		.5	37.5
Export-Import Bank long-term loans	4.8	.8	.2	4.0
Military assistance	3.3	2.5	.5	.8
Total loans	163.8	4.6	3.1	159.2
GRANTS				
AID and predecessor agencies	110.2			
Food for peace:				
Grants for economic development	7.2			
Emergency relief and economic development	160.6			
Voluntary relief agencies	7.8			
Other U.S. economic programs	3.1			
Military assistance	16.1			
Total grants	305.0	4.6	3.1	159.2

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$1.5
Sino-Soviet bloc assistance cumulative through 1965	48.0
Fiscal year 1966 program, technical cooperation	2.6
Fiscal year 1967 program:	
Technical cooperation	2.4
Food, Public Law 480	15.0
Total	17.4

NOTE.—Other assistance classified.

Uganda

[U.S. fiscal years; millions of dollars]

[Population in 1965, 7,600,000; area, 93,000 square miles; GNP per capita, $80]

	Total, 1954–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	4.8			4.8
Total loans	4.8			4.8

Uganda—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	10.8			
Food for peace:				
Emergency relief and economic development	.5			
Voluntary relief agencies	.8			
Other U.S. economic programs	.4			
Total grants	12.5			4.8

	Millions
Sino-Soviet Bloc assistance cumulative through 1965	$31
Fiscal year 1966 program—Technical cooperation	2.4
Fiscal year 1967 program—Technical cooperation	2.7

Upper Volta

[U.S. fiscal years; millions of dollars]

[Population in 1965, 4,500,000; area, 106,000 square miles; GNP per capita, $45]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	4.0			
Food for peace: Voluntary relief agencies	1.4			
Military assistance	.1			
Total grants	5.5			

	Millions
Total economic assistance	$5.5
Fiscal year 1966 program, technical cooperation	.5
Fiscal year 1967 program, technical cooperation	.7

Zambia [1]

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,700,000; area, 288,000 square miles; GNP per capita, $167]

	Total, 1953–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	5.0	2.2	2.0	2.8
Other U.S. economic programs	22.4	22.4	4.7	
Total loans	27.4	24.6	6.7	2.8
GRANTS				
AID and predecessor agencies	2.7			
Food for peace: Emergency relief and economic development	.1			
Total grants	2.8	24.6	6.7	2.8

	Millions
Fiscal year 1966 program, technical assistance	$1.2
Fiscal year 1967 program, technical assistance	1.3

[1] Figures include assistance to Northern Rhodesia during years prior to becoming the independent state of Zambia.

Far East, regional

[U.S. fiscal years; millions of dollars]

	Total, 1961–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies (total loans)	1.5			1.5
GRANTS				
AID and predecessor agencies (total grants)	9.7			1.5

	Millions
Fiscal year 1966 program, technical cooperation	$2.7
Fiscal year 1967 program, technical cooperation	3.0

Regional, USAID-Africa

[U.S. fiscal years; millions of dollars]

	Total, 1964–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies (total grants)	1.0			

	Millions
Total economic assistance	$1.0
Fiscal year 1966 program, technical cooperation	.5
Fiscal year 1967 program, technical cooperation	.7

Africa Regional

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank: Long-term loans	[1] 12.5	2.9	5.2	9.6
Total loans	12.5	2.9	5.2	9.6
GRANTS				
AID and predecessor agencies	39.3			
Food for peace:				
Emergency relief and economic development	.4			
Voluntary relief agencies	1.9			
Total grants	41.6	2.9	5.2	9.6

[1] Loan to Portugal for Mozambique.

	Millions
Fiscal year 1966 program:	
Technical cooperation	$9.6
Contingency Fund	1.0
Total	10.6
Fiscal year 1967 program, technical cooperation	17.4

FAR EAST

Burma, Cambodia, China, Hong Kong, Indochina (undistributed), Indonesia, Japan, Korea, Laos, Malaysia, Philippines, Ryukyu Islands, Thailand, Viet Nam, Far East regional.

Far East, total

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	703.6	43.7	47.7	659.8
Food for peace	499.2	5.1	25.5	494.1
Export-Import Bank, long-term loans	895.8	238.6	130.8	657.2
Other U.S. economic programs	823.9	268.0	70.2	555.9
Military assistance	34.8	14.3		20.5
Total loans	2,957.3	569.7	274.2	2,387.5
GRANTS				
AID and predecessor agencies	7,821.3			
Food for peace	1,481.1			
Other U.S. economic programs	3,967.0			
Military assistance	9,878.0			
Total grants	23,147.4	569.7	274.2	2,387.5

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$301.2
Sino-Soviet bloc assistance cumulative through 1965	101.0
Fiscal year 1967 program	799.0

NOTES

Supplemental appropriation requested in 1966 for $89,000,000 to southeast Asia contingency fund, also $415,000,000 in supplemental appropriations, $200,000,000 subscribed to Asian Development Bank.

Burma

[U.S. fiscal years, millions of dollars]

[Population in 1965, 25,000,000; area 262,000 square miles; GNP per capita, $67]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	33.7	0.2	2.7	33.5
Food for peace: Loans to governments	30.1		.8	30.1
Other U.S. economic programs	5.0	4.5	1.2	.5
Total loans	68.8	4.7	4.7	64.1
GRANTS				
AID and predecessor agencies	25.8			
Food for peace:				
Grants for economic development	7.9			
Assistance from other country sales agreements	5.0			
Voluntary relief agencies	3.4			
Total grants	42.1	4.7	4.7	64.1

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$3.8
Sino-Soviet bloc assistance cumulative through 1965	101.0
Fiscal year 1966 program, technical cooperation	.3
Fiscal year 1967 program, technical cooperation	.2

NOTE.—Other assistance classified.

Cambodia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 6,000,000; area, 67,000 square miles; GNP per capita, $132]

	Total, 1955–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	253.0			
Food for peace:				
Emergency relief and economic development	2.9			
Voluntary relief agencies	.1			
Military assistance	87.1			
Total grants	343.1			

	Thousands
Total economic and military assistance	$343,100
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	38

NOTE.—GAO's opinion of review of the military assistance program for Cambodia (classified report to the Secretary of Defense): "Suggestions for improving controls and developing long-range cost estimates of the program." Date issued, Sept. 30, 1958.

Republic of China

[U.S. fiscal years; millions of dollars]

[Population in 1965, 12,900,000; area, 14,000 square miles; GNP per capita, $189]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	219.9	14.1	21.7	205.8
Food for peace:				
Loans to private industry	13.9			
Loans to governments	34.4			
Dollar credit sales	39.2			
Total, food for peace	87.5	1.3	1.7	86.2
Export-Import Bank, long-term loans	36.0	5.3	3.1	30.7
Other U.S. economic programs	[1] 95.5	26.3	3.9	69.2
Total loans	438.9	47.0	30.4	391.9

Republic of China—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	1,155.2			
Food for peace:				
Grants for common defense	110.4			
Emergency relief and economic development	31.1			
Voluntary relief agencies	82.3			
Other U.S. economic programs	406.8			
Military assistance	2,530.8			
Total grants	4,316.6	47.0	30.4	391.9

[1] AID carries this amount as 502.3; 06.8 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $22.8

NOTES

GAO's opinion of economic and technical assistance program for China (Taiwan), fiscal years 1955–57: "General evaluation of the program plus specific needs for improved administrative practices and procedures." Date issued Aug. 29, 1958. Pertinent dollar amounts in millions, $225.

GAO's opinion of unofficial use and overstated needs of commercial-type vehicles by the Military Assistance Advisory Group and the Headquarters, Support Activity, Taipei, Republic of China. (Title is self-explanatory.) Date issued July 31, 1964.

GAO's opinion of review of the maintenance and supply support of Army equipment furnished under the military assistance program for Taiwan (classified). (All details are classified.) Date issued May 24, 1962.

GAO's opinion of review of the military assistance program for Taiwan (classified). (All details are classified.) Date issued June 27, 1961.

GAO's opinion of review of the military assistance program for Taiwan (classified report to the Secretary of Defense). (Details are classified.) Date issued Oct. 3, 1957.

Hong Kong

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,900,000; area, 400 square miles; GNP per capita, $392]

	Total, 1953–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
Food for peace:				
Emergency relief and economic development	3.9			
Voluntary relief agencies	36.2			
Total grants	40.1			

Millions

Total economic assistance $40.1

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices 15.6

Grand total 55.7

Indochina, undistributed[1]

[U.S. fiscal years; millions of dollars]

	Total, 1949–60	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	825.6			
Military assistance	709.6			
Total grants	1,535.2			

[1] Aid to Indochina after partition shown separately on tables for Vietnam, Cambodia, and Laos.

Millions

Total economic and military assistance $1,535.2

Indonesia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 106,000,000; area, 576,000 square miles; GNP per capita, $80]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	58.1	12.0	7.8	46.1
Food for peace:				
Loans to private industry	9.8			
Loans to governments	201.8			
Assistance from other country sales agreements	2.2			
Total	213.8	.6	1.2	213.2
Export-Import Bank, long-term loans	162.1	75.0	36.1	87.1
Other U.S. economic programs	[1] 63.6	28.9	18.8	34.7
Total loans	497.6	116.5	63.9	381.1
GRANTS				
AID and predecessor agencies	221.6			
Food for peace:				
Grants for common defense	30.7			
Grants for economic development	24.6			
Emergency relief and economic development	3.4			
Voluntary relief agencies	16.6			
Other U.S. economic programs	4.8			
Military assistance	68.9			
Total grants	370.6	116.5	63.9	381.1

[1] AID carries this amount as $68,400,000—$4,800,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $7.7

NOTES

GAO's opinion of inadequate planning, programing, and contracting for a fixed communications system for the Government of Indonesia under the military assistance program (classified). (Title is self-explanatory.) Date issued, Apr. 26, 1965.

GAO's opinion of review of the military assistance program for Indonesia (classified). (Details are classified.) Date issued, May 6, 1964.

Japan

[U.S. fiscal years; millions of dollars]

[Population in 1965, 97,000,000; area, 143,000 square miles; GNP per capita, $651]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Food for peace: Loans to governments	105.5	2.3	20.6	103.2
Export-Import Bank, long-term loans	467.4	94.5	69.3	372.9
Other U.S. economic programs [1]	[2] 504.0	94.9	28.5	409.1
Military assistance	34.8	14.3		20.5
Total loans	1,111.7	206.0	118.4	905.7
GRANTS				
AID and predecessor agencies	21.8			
Food for peace:				
Grants for economic development	.6			
Emergency relief and economic development	37.0			
Voluntary relief agencies	27.3			
Other U.S. economic programs	1,694.9			
Military assistance	1,040.8			
Total grants	2,822.4	206.0	118.4	905.7

[1] Includes civilian supplies $2,184.6 million; surplus property credits $14 million; and post-UNRRA $6.2 million.

[2] Aid carries this amount as $2,198.9; $1,694.9 of it is a grant. (See report, p. 63.)

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $204.6

NOTES

Military assistance excludes $540 million of materiel provided from Department of Defense stocks.

GAO's opinion of review of the military assistance program for Japan, Mar. 31, 1957 (classified report to the Secretarary of Defense). (Details are classified.) Date issued Oct. 3, 1957.

GAO's opinion of unnecessary payment by the United States of costs properly chargeable to Japan for administrative and related expenses of the MAP for Japan. (Title is self-explanatory.) Date issued June 27, 1963.

Korea

[U.S. fiscal years; millions of dollars]

[Population in 1965, 28,400,000; area 38,000 square miles; GNP per capita, $120]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	151.9	3.6	1.6	148.3
Food for peace: Loans to private industry	7.2	.6	.2	6.6
Other U.S. economic programs [1]	[2] 24.9	4.0	2.5	20.9
Total loans	184.0	8.2	4.3	175.8
GRANTS				
AID and predecessor agencies	2,351.3			
Food for peace:				
Grants for common defense	419.0			
Emergency relief and economic development	68.8			
Voluntary relief agencies	163.7			
Other U.S. economic programs	834.4			
Military assistance	2,290.7			
Total grants	6,117.9	8.2	4.3	175.8

[1] Includes (in millions) CRIK $420.2, civilian supplies $292.1, Korean aid program $121.6, surplus property credits $24.9, and UNRRA $0.6 million.
[2] AID carries this figure as 859.3; 834.4 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954 through Dec. 31, 1965 at export market prices	$14.0

NOTES

GAO's opinion of an examination of economic and technical assistance program for Korea, fiscal years 1957–61, pts. I and II: "Assistance exceeded country's economic and administrative capacities." Date issued Nov. 21, 1962. Pertinent dollar amounts in millions, 1,200.

GAO's opinion of review of contracts with McGraw-Hydrocarbon for the construction and operation of a fertilizer plant in Korea: "Recommends use of fixed-price contracts, incentive provisions in cost reimbursement-type projects, and more effective penalty provisions." Date issued Apr. 19, 1960. Pertinent dollar amounts in millions, 43.9.

GAO's opinion of mutual security program presentation to the Congress for fiscal year 1959 economic assistance for China, Korea, and Vietnam: "Recommendations for including more meaningful data in future program presentations." Date issued June 8, 1959.

GAO's opinion of administration of U.S. assistance program for Korea, fiscal years 1954–56: "Discloses general problem areas in program planning and implementation." Date issued June 24, 1957. Pertinent dollar amounts in millions, $845.9.

GAO's opinion on overprocurements resulting from ineffective supply management in Korea under the military assistance program. (Title is self-explanatory.) Date issued May 28, 1965.

GAO's opinion of review of the local currency military budget support program for Korea: "Weaknesses in U.S. controls over the program and deficiencies in its administration by the Republic of Korea Army." Date issued Jan. 8, 1963.

GAO's opinion of review of maintenance and supply support of Army equipment furnished under MAP for Korea (classified): "Some inefficiency of maintenance and supply of army vehicles." Date issued June 8, 1962.

GAO's opinion of review of military assistance program requirements for the Army and Air Force of Korea (classified). "Unneeded items requisitioned and program overstated."

GAO's opinion of review of the military assistance program for Korea, Mar. 31,1957 (classified report to the Secretary of Defense). (Details are classified.) Date issued Oct. 4, 1957.

Laos

[U.S. fiscal years; millions of dollars]

[Population in 1965, 3,000,000; area, 91,000 square miles; GNP per capita, $60]

	Total, 1953–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	414.9			
Food for peace:				
Emergency relief and economic development	.9			
Voluntary relief agencies	2.7			
Total grants	418.5			

	Thousands
Total economic assistance	$418,500
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	74
Fiscal year 1966 program, technical cooperation	12,000
Fiscal year 1967 program, technical cooperation	16,000

NOTES

All military assistance classified; other economic assistance classified.

GAO's opinion of economic and technical assistance program for Laos, fiscal years 1955–57: "Improvements needed in various administrative practices and procedures, including the negotiation of a realistic exchange rate." Date issued, Oct. 8, 1958. Pertinent dollar amounts, $134,400,000.

GAO's opinion of review of military assistance program for Laos (classified report to the Secretary of Defense): "Suggestions for improving controls and developing long-range cost estimates of the program." Date issued, Oct. 30, 1958.

GAO's opinion of the followup review of economic and technical assistance program for Laos, December 1958: "Observations on various administrative practices and procedures." Date issued, July 31, 1959.

Malaysia

[U.S. fiscal years; millions of dollars]

[Population in 1965, 10,853,000; area 28,000 square miles; GNP per captia, $284]

	Total, 1953–56	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	20.0	4.4	1.3	15.6
Total loans	20.0	4.4	1.3	15.6
GRANTS				
Food for peace: Voluntary relief agencies	9.2			
Other U.S. economic programs	8.3			
Military assistance	.1			
Total grants	17.6			

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$1.5

Philippines

[U.S. fiscal years; millions of dollars]

[Population in 1965, 32,000,000; area 6,000 square miles; GNP per capita $153]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	47.5	6.7	3.6	40.8
Food for peace:				
Loans to private industry	9.1			
Loans to governments	15.4			
Total, food for peace	24.5	.2	.6	24.3
Export-Import Bank, long-term loans	178.9	55.0	16.3	123.9
Other U.S. economic programs [1]	[2] 106.7	103.1	14.2	3.6
Total loans	357.6	165.0	34.7	192.6
GRANTS				
AID and predecessor agencies	226.6			
Food for peace:				
Grants for common defense	10.1			
Grants for economic development	2.9			
Assistance from other country sales agreements	.5			
Emergency relief and economic development	1.5			
Voluntary relief agencies	65.5			
Other U.S. economic programs	756.5			
Military assistance	467.7			
Total grants	1,531.3	165.0	34.7	192.6

[1] Includes Philippines rehabilitation grants, $634,000,000; RFC loans, $60,000,000; debt funding, $37,500,000; civilian supplies, $28,300,000; surplus property credits, $9,200,000; UNRRA, $7,700,000; Philippine war damage claims, $73,000,000; Peace Corps, $13,000,000.
[2] AID carries this figure as 863.3; 756.5 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$26.0
Fiscal year 1966 program: Technical cooperation	3.7
Fiscal year 1967 program: Technical cooperation	3.4

NOTE.—GAO's opinion of review of economic assistance provided to the Republic of the Philippines for development purposes (classified report): "Limited accomplishments of specific projects reviewed." Date issued Apr. 21, 1965. Pertinent dollar amounts, $70,200,000.

Ryukyu Islands

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Other U.S. economic programs [1]	[2] 18.0		0.3	18.0
Food for peace: Dollar credit sales	21.1			21.1
Total loans	39.1		.3	39.1
GRANTS				
Food for peace:				
Assistance from other country sales agreements	4.4			
Emergency relief and economic development	8.3			
Voluntary relief agencies	17.3			
Other U.S. economic programs	255.6			
Total grants	285.6		.3	39.1

[1] Includes relief and economic aid in liberated and occupied area, $255,600,000; and administrative area development, $18,000,000.
[2] AID carries this amount as $273,600,000; $255,600,000 of it as a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.9

Thailand

[U.S. fiscal years; millions of dollars]

[Population in 1965, 29,000,000; area, 198,000 square miles; GNP per capita, $114]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	74.2	1.9	6.5	72.3
Food for peace:				
Assistance from other country sales agreements	1.9			
Loans to governments	1.8			
	3.7		.3	3.7
Export-Import Bank, long-term loans	51.4	8.7	6.0	42.7
Other U.S. economic programs	[1] 6.2	6.2	.8	
Total loans	135.5	16.8	13.6	118.7
GRANTS				
AID and predecessor agencies	291.4			
Food for peace:				
Emergency relief and economic development	.2			
Voluntary relief agencies	.9			
Other U.S. economic programs	5.7			
Military assistance	4.6			
Total grants	302.8	16.8	13.6	118.7

[1] AID carries this figure as $11,200,000; $5,700,000 of it is a grant.
Other military assistance classified.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$4.5
Fiscal year 1966 program:	
Technical cooperation	13.0
Contingency fund (southeast Asia programs)	7.5
Total	20.5
Fiscal year 1967 program, technical cooperation	13.5

NOTES

GAO's opinion of examination of economic and technical assistance program for Thailand, fiscal years 1955–60: "General evaluation of progress made in selected projects and of practices followed in importing commodities." Date issued Aug. 21, 1961. Pertinent dollar amounts in millions, $214.

GAO's opinion of ineffective and overly costly aspects of military and economic assistance provided to Thailand (classified report). (Title describes the unclassified aspects of the report.) Date issued Feb. 17, 1965.

GAO's opinion of review of the utilization and maintenance of Army equipment furnished under the MAP for Thailand (classified). (Details are classified.) Date issued Aug. 31, 1962.

Vietnam

[U.S. fiscal years; millions of dollars]

[Population in 1965, 16,000,000; area, 66,000 square miles; GNP per capita, $115]

	Total, 1954–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	88.0	0.7	1.7	87.3
Food for peace: Loans to private industry	5.7			5.7
Total loans	93.7	.7	1.7	93.0
GRANTS				
AID and predecessor agencies	1,996.5			
Food for peace:				
Grants for common defense	141.0			
Emergency relief and economic development	69.7			
Voluntary relief agencies	76.6			
Military assistance	6.1			
Total grants	2,289.9	.7	1.7	93.0

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.1

Other military assistance classified.

Fiscal year 1966 program:	
Technical cooperation	9.1
Supporting assistance	[1] 475.0
Contingency fund (southeast Asian program)	57.0
Commercial imports supplemented by sales of agricultural commodities under Public Law 480	75.2
Total	616.3
Surplus food committed for fiscal year 1966 obligated for fiscal year 1966 to improve economic conditions	161.0
Total	813.3
Fiscal year 1967 program:	
Supporting assistance	550.0
Commercial imports supplemented by sales of agricultural commodities under Public Law 480	79.3
Total	629.3

[1] Includes $275,000,000 of fiscal year 1966 supplemental request.

NOTES

GAO's opinion of certain problems relating to administration of the economic and technical assistance program for Vietnam for 1958–62: "Inability or unwillingness of the foreign government to use country resources to support activities being supported by the United States plus ineffective administration by AID." Date issued, July 24, 1964. Pertinent dollar amount—$763,000,000.

GAO's opinion of review of the administration of assistance for financing commercial imports and other financial elements under the economic and technical assistance for Vietnam: "Unjustified assistance and unnecessary costs." Date issued, July 24, 1964 (see related report above).

GAO's opinion of review of economic aspects of loan for construction of water supply system in Saigon, Vietnam: "Nonexistent basis for evaluating a choice between 2 water supply systems." Date issued, Sept. 17, 1963. Pertinent dollar amount—$17,500,000.

GAO's opinion of review of the mutual security program presentation to the Congress for fiscal year 1961 for economic assistance to Korea, Pakistan, and Vietnam: "Suggestions for revealing more meaningful data in budget presentations." Date issued Mar. 29, 1961. Same opinion of review on the above date June 8, 1959.

GAO's opinion of economic and technical assistance programs for Vietnam fiscal years 1955–57: "General evaluation of program practices, and need for realistic exchange rates." Date issued, May 22, 1958. Pertinent dollar amount in millions—$787,200,000.

GAO's opinion of summary of reviews of the maintenance and supply support of Army equipment furnished to Far East countries under the MAP: "Maintenance and supply deficiencies resulting in defective equipment plus planned procurement of vehicles in excess of requirements." Date issued, Aug. 31, 1962.

GAO's opinion of management of spare parts for Army equipment provided to Far East countries: "Supply management deficiencies." Date issued, Oct. 13, 1961.

GAO's opinion of review of the military assistance program for Vietnam (classified report to the Secretary of Defense): "Suggestions for improving controls and developing long-range cost estimates of the program." Date issued, Nov. 26, 1958.

Far East regional

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies (total loans)	10.3	----------	0.6	10.3
GRANTS				
AID and predecessor agencies	37.6	----------	----------	----------
Food for peace: Voluntary relief agencies	4.5	----------	----------	----------
Military assistance	2,671.5	----------	----------	----------
Total grants	2,713.6	----------	.6	10.3

Millions

Fiscal year 1966 program, technical cooperation $1.0
Fiscal year 1967 program, technical cooperation 15.0

NOTES

Other assistance classified.

U.S. will finance 50 percent of the Nam Ngum hydroelectric dam on a tributary of the Mekong at Laos which will amount to $11,800,000 out of fiscal year 1966 funds.

EUROPE

Albania, Austria, Belgium-Luxembourg, Czechoslovakia, Denmark, East Germany, Finland, France, Germany (Federal Republic), Berlin, Hungary, Iceland, Ireland, Italy, Netherlands, Norway, Poland, Portugal, Spain, Sweden, United Kingdom, U.S.S.R., Yugoslavia, Europe regional.

Europe—total

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	1,876.7	619.4	502.8	1,257.3
Food for peace	1,013.9	107.7	68.3	906.2
Export-Import Bank, long-term loans	3,158.6	1,758.0	689.7	1,400.6
Other U.S. economic programs	5,695.2	2,193.2	1,189.2	3,502.0
Military assistance	125.6	100.8	----------	24.8
Total loans	11,870.0	4,779.1	2,450.0	7,090.9
GRANTS				
AID and predecessor agencies	13,353.0	----------	----------	----------
Food for peace	1,320.3	----------	----------	----------
Other U.S. economic programs	4,124.0	----------	----------	----------
Military assistance	16,066.0	----------	----------	----------
Total grants	34,863.8	4,779.1	2,450.0	7,090.9

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $1,124.0
World War I debt, June 30, 1965, principal and interest due and unpaid 14,408.4

NOTES

GAO's opinion of U.S. contributions to European Payments Union (succeeded by European Fund): "Factual summary of the background, purpose, operating mechanism, and terms of the U.S. contribution." Date issued Nov. 6, 1959. Pertinent dollar amounts, $350,000,000.

GAO's opinion of examination of $100,000,000 loan to European Coal and Steel Community: "Informative summary of broad policy matters involved in the project." Date issued Mar. 13, 1958. Pertinent dollar amounts $100,000,000.

GAO's opinion of lack of effective action by the military services to obtain NATO cost-sharing of military construction projects in Europe (classified). Title is self-explanatory. Date issued, June 4, 1965.

GAO's opinion of inefficient utilization of personnel to administer the MAP in advanced Western European countries (including a classified supplement): "Overstaffing in relation to substantially reduced programs." Date issued Apr. 2, 1964.

Albania

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
[NO LOANS]				
GRANTS				
Other U.S. economic programs [1]	20.4	----------	----------	----------
Total grants	20.4	----------	----------	----------

[1] United Nations Relief and Rehabilitation Administration.

Millions

Total economic assistance $20.4

NOTE.—No activity subsequent to fiscal year 1947.

Austria

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Food for peace: Loans to governments	25.5	0.4	2.9	25.1
Export-Import Bank, long-term loans	62.9	20.5	8.3	42.4
Other U.S. economic programs	[1] 11.7	11.4	2.3	.3
Total loans	100.1	32.3	13.5	67.8
GRANTS				
AID and predecessor agencies	726.1	----------	----------	----------
Food for peace:				
Emergency relief and economic development	28.1	----------	----------	----------
Voluntary relief agencies	27.4	----------	----------	----------
Other U.S. economic programs	316.4	----------	----------	----------
Total grants	1,098.0	32.3	13.5	67.8

[1] AID carries this amount as $328,100,000; $316,400,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $59.0
World War I debt June 30, 1965: Principal and interest due and unpaid 23.4

NOTES

All military assistance classified.

The Federal Republic of Germany has recognized liability for securities falling due between Mar. 12, 1938, and May 8, 1945.

Belgium-Luxembourg

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	68.0	16.9	21.5	51.1
Export-Import Bank, long-term loans	139.8	116.6	38.1	23.2
Other U.S. economic programs	[1] 31.0	25.3	3.4	5.7
Military assistance	8.4	7.5	----------	.9
Total loans	247.2	166.3	63.0	80.9
GRANTS				
AID and predecessor agencies	492.0	----------	----------	----------
Food for peace: Voluntary relief agencies	.2	----------	----------	----------
Other U.S. economic programs	1.1	----------	----------	----------
Military assistance	1,246.2	----------	----------	----------
Total	1,739.5	166.3	63.0	80.9

[1] AID carries this figure as $32,100,000; $1,100,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $120.6
World War I debt, June 30, 1965, principal and interest due and unpaid 457.2

Czechoslovakia

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Other U.S. economic programs [1]	[2] 7.6	2.7	0.7	4.9
Total loans	7.6	2.7	.7	4.9
GRANTS				
Food for peace: Emergency relief and economic development [3]	2.0			
Other U.S. economic programs	183.4			
Total grants	185.4	2.7	.7	4.9

[1] Includes UNRRA, $183.4 million; and surplus property credits $7.6 million.
[2] AID carries this figure as $191,000,000; $183,400,000 of it is a grant.
[3] Danube flood assistance through the Red Cross in fiscal year 1955.

Millions

World War I debt, June 30, 1965, principal and interest due and unpaid $177.6

Denmark

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	33.3	3.3	10.3	30.0
Export-Import Bank, long-term loans	20.0	18.7	6.0	1.3
Other U.S. economic programs	1.0	1.0	.1	
Total loans	54.3	23.0	16.4	31.3
GRANTS				
AID and predecessor agencies	247.5			
Military assistance	621.3			
Total grants	868.8	23.0	16.4	31.3

[1] Does not include loan of $2,300,000 from fiscal year 1955, sec. 402 program which is included in Europe regional.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $10.6

East Germany

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
Food for peace: Emergency relief and economic development (total)	[1] 0.8			

[1] Danube flood assistance through Red Cross, fiscal year 1955.

Millions

Total economic assistance $0.8

Finland

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Food for peace:				
Loans to private industry	4.5			
Loans to governments	24.5			
Total, food for peace	29.0	0.8	3.3	28.2
Export-Import Bank, long-term loans	77.7	30.4	37.4	47.3
Other U.S. economic programs	[1] 24.8	17.4	5.9	7.4
Total loans	131.5	48.6	46.6	82.9

Finland—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
Food for peace: Voluntary relief agencies	2.2			
Other U.S. economic programs	1.8			
Total grants	4.0	48.6	46.6	82.9

[1] AID carries this figure as $26,600,000; $1,800,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $11.2
World War I debt, June 30, 1965, principal and interest due and unpaid 5.1

France

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	225.6	225.6	51.2	
Food for peace: Loans to private industry	7.8	3.2	1.5	4.6
Export-Import Bank, long-term loans	1,221.4	1,035.8	434.7	185.6
Other U.S. economic programs	[1] 394.4	193.0	118.3	201.4
Military assistance	80.4	80.0		.4
Total loans	1,929.6	1,537.6	605.7	392.0
GRANTS				
AID and predecessor agencies	2,964.7			
Food for peace: Voluntary relief agencies	12.2			
Other U.S. economic programs	314.7			
Military assistance	4,180.4			
Total grants	7,472.0	1,537.6	605.7	392.0

[1] AID carries this amount as $709,100,000; $314,700,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $63.5
World War I debt, June 30, 1965, principal and interest due and unpaid 4,688.5

Germany (Federal Republic)

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	216.9	2.6	66.1	214.3
Export-Import Bank, long-term loans	2.3	2.3	1.9	
Other U.S. economic programs [1]	[2] 1,016.9	1,006.0	174.9	10.9
Total loans	1,236.1	1,010.9	242.9	225.2
GRANTS				
AID and predecessor agencies	1,255.5			
Food for Peace:				
Emergency relief and economic development	3.4			
Voluntary relief agencies	136.9			
Other U.S. economic programs	1,411.5			
Military assistance	951.6			
Total grants	3,758.9	1,010.9	242.9	225.2

[1] Includes civilian supplies $2,205,700,000; surplus property credits $216,900,000; and UNRRA and post-UNRRA $5,700,000.
[2] AID carries this figure as $2,428,400,000; $1,411,500,000 of it is a grant. (See report p. 123.)

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $154.0

NOTES

GAO's opinion of review of administrative costs of the U.S. military assistance program chargeable to the Federal Republic of Germany: "Failure to collect costs due the United States." Date issued Feb. 29, 1960.

GAO's opinion of review of the military assistance program for the Federal Republic of Germany, Mar. 31, 1957 (classified report to the Secretary of Defense). (Details are classified.) Date issued Aug. 30, 1957.

NOTES

GAO's opinion of review of license fees being charged the U.S. Government for the right to produce the SS–11 antitank guided missile mutually developed by France and the United States (classified): "Questions the need to pay the fees." Date issued Feb. 15, 1963.

GAO's opinion of review of payments made by the United States for the construction of airfields in France (classified): "Failure to claim reimbursement from NATO for airfields constructed by the USAF." Date issued Aug. 13, 1962.

GAO's opinion of review of the military assistance program for France, March 1957 (classified report to the Secretary of Defense). (Details are classified). Date issued Aug. 30, 1957.

GAO's opinion of review of the administration of the mutual defense assistance program for France and Turkey (classified report to the Assistant Secretary of Defense): "Programing based on unverified data from the countries, plus other classified matters." Date issued June 19, 1956.

Berlin

[U.S. fiscal years; millions of dollars]

	Total, 1953–55	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
AID and predecessor agencies	119.0			
Other U.S. economic programs	12.9			
Total grants	131.9			

Millions

Total economic assistance $131.9

NOTE.—Berlin received substantial assistance under a variety of programs: GARIOA, the blockade and stockpile programs, and various counterpart and U.S.-owned foreign currency programs. These programs are not identified in the report used for this study (the one used for these figures) as benefiting Berlin because of "double-counting" problems. Total assistance to Berlin in the postwar period including all the various programs was $1,094,000.

Hungary

[U.S. fiscal years; millions of dollars]

	Total, 1946–57	Principal repayments	Interest collected	Principal outstanding
LOANS				
Other U.S. economic programs [1] (total loans)	[2] 15.9	9.0	5.1	6.9
GRANTS				
Food for peace: Emergency relief and economic development	[3] 13.2			
Other U.S. economic programs	2.4			
Total grants	15.6	9.0	5.1	6.9

[1] Includes UNRRA, $2,400,000; and overseas surplus credits, $15,900,000.

[2] AID carries this figure as $18,300,000; $2,400,000 of it is a grant. (See report, p. 125.)

[3] Includes $6,100,000 in Danube flood assistance through the Red Cross in fiscal years 1955 and 1956, and $7,100,000 in relief assistance to Hungarian refugees in fiscal year 1957 through Catholic Relief Services, Church World Services, and other charitable organizations.

Millions

World War I debt, June 30, 1965, principal and interest due and unpaid [4] $2.9

[4] Interest payments from Dec. 15, 1932, to Jan. 15, 1937, were in pengo equivalent.

NOTE.—No activity subsequent to 1957.

Iceland

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	24.7	5.5	4.9	19.2
Food for peace:				
Loans to governments	12.5			
Dollar credit sales	2.6			
Total	15.1	.4	1.2	14.7
Export-Import Bank, long-term loans	.5	.1		.4
Other U.S. economic programs	.4	.2		.2
Total loans	40.7	6.2	6.1	34.5

Iceland—Continued

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
GRANTS				
AID and predecessor agencies	35.5			
Food for peace: Grants for economic development	.2			
Total grants	35.7	6.2	6.1	34.5

[1] Excludes $600,000 of local currency loans obtained from sales of surplus agricultural commodities to Denmark and the Netherlands. This was credited as "assistance" to Europe regional ($1,300,000 in fiscal year 1955) and Netherlands ($400,000 in fiscal year 1954).

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $15,000

Ireland

[U.S. fiscal years; millions of dollars]

	Total, 1946–55	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	128.2	14.9	40.5	113.3
Total loans	128.2	14.9	40.5	113.3
GRANTS				
AID and predecessor agencies	18.3			
Total grants	18.3	14.9	40.5	113.3

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $49.4

NOTE.—No activity subsequent to fiscal year 1955.

Italy

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	95.6	95.6	21.1	
Food for peace:				
Loans to private industry	3.6			
Loans to Governments	92.8			
Total	96.4	94.6	3.1	1.8
Export-Import Bank long-term loans	461.7	178.5	29.5	283.2
Other U.S. economic programs	[1] 209.3	191.4	59.4	17.9
Military assistance	.4	.2		.2
Total loans	863.4	560.3	113.1	303.1
GRANTS				
AID and predecessor agencies	1,554.7			
Food for peace:				
Emergency relief and economic development	91.6			
Voluntary relief agencies	271.3			
Other U.S. economic programs	961.7			
Military assistance	2,310.9			
Total grants	5,190.2	560.3	113.1	303.1

[1] AID carries this figure as $1,171,000,000; $961,700,000 of it is a grant.

Millions

Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices $35.8

World War I debt June 30, 1965, principal and interest due and unpaid 1,005.1

Netherlands

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	152.5	87.0	40.8	65.5
Export-Import Bank long-term loans	202.2	202.2	43.9	
Other U.S. economic programs	[2] 34.1	34.1	4.6	
Military assistance	2.2	2.2		
Total loans	391.0	325.5	89.3	65.5
GRANTS				
AID and predecessor agencies	839.1			
Other U.S. economic programs	1.9			
Military assistance	1,240.3			
Total grants	2,081.3	325.5	89.3	65.5

[1] Excludes $101,400,000 of fiscal year 1949 and 1950 aid to Indonesia channeled through the Netherlands.
[2] AID carries this figure as $36,000,000; $1,900,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$145.4

Norway

[U.S. fiscal years; millions of dollars]

	Total 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	39.2	14.2	10.9	25.0
Export-Import Bank long-term loans	100.0	45.8	14.3	54.2
Other U.S. economic programs	[1] 24.2	24.2	4.0	
Total loans	163.4	84.2	29.2	79.2
GRANTS				
AID and predecessor agencies	237.6			
Other U.S. economic programs	.8			
Military assistance	852.6			
Total grants	1,091.0	84.2	29.2	79.2

[1] AID carries this figure as $25,000,000; $800,000 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$29

Poland

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	61.0	5.2	17.0	55.8
Export-Import Bank: Long-term loans	40.0	24.3	16.2	15.7
Other U.S. economic programs [2]	[3] 37.7	23.2	11.7	14.5
Total loans	138.7	52.7	44.9	86.0
GRANTS				
Food for peace: Voluntary relief agencies	45.5			
Other U.S. economic programs	364.0			
Total grants	409.5	52.7	44.9	86.0

[1] Excludes $10,400,000 in grants to the Krakow Hospital shown as a nonregional program.
[2] Includes UNRRA, $364,000,000 and surplus property credits, $37,700,000.
[3] AID carries this amount as $401,700,000; $364,000,000 of it is a grant.

NOTE.—GAO's opinion of ineffective administration of U.S. assistance to Children's Hospital in Poland by the Agency for International Development and the Department of State: "Agency responsibility was not defined and Congress was not informed of need for appropriation to complete project." Date issued, June 17, 1964. Pertinent dollar amounts, $10,500,000.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$25.4
World War I debt, June 30, 1965—Principal and interest due and unpaid	325.5

Portugal

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	36.1	9.5	10.6	26.6
Food for peace:				
Loans to governments	3.4			
Dollar credit sales	24.1			
Total	27.5	3.8	1.7	23.7
Export-Import Bank long-term loans	59.1		3.2	59.1
Total loans	122.7	13.3	15.5	109.4
GRANTS				
AID and predecessor agencies	15.0			
Food for peace: Voluntary relief agencies	45.3			
Military assistance	333.7			
Total grants	394.0	13.3	15.5	109.4

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$14.4

NOTES

GAO's opinion of followup review of Department of Defense action to cancel excessive procurement and redistribute aircraft spare parts programed for or delivered to Portugal under the military assistance program: "Action is being taken to cancel procurements and redistribute excesses." Date issued August 14, 1964.

GAO's opinion on ineffective programing, delivery and utilization of aircraft and related equipment furnished to the Portuguese Air Force under MAP (classified). Date issued Sept. 17, 1963. (Additional details are classified.) (Reaffirmation of May 29, 1963, report.)

Same opinion as above issued on May 29, 1963.

Spain

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	99.2	31.8	25.6	67.4
Food for peace: Loans to governments	239.0	.6	22.3	238.4
Export-Import Bank long-term loans	278.9	37.9	29.0	241.0
Total loans	671.1	70.3	76.9	546.8
GRANTS				
AID and predecessor agencies	477.8			
Food for peace:				
Grants for common defense	9.9			
Emergency relief and economic development	3.8			
Voluntary relief agencies	171.5			
Military assistance	583.8			
Total grants	1,246.8	70.3	76.9	546.8

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$44.8

NOTES

GAO's opinion of deficiencies in the military assistance program for the Spanish Army (classified). (Details are classified.) Date issued Sept. 28, 1964.

GAO's opinion of review of the military assistance program for Spain (classified). Date issued June 27, 1961.

GAO's opinion of review of the military assistance program for Spain, Mar. 31, 1957. (Classified report to the Secretary of Defense.) (Details are classified.) Date issued Aug. 30, 1957.

Sweden

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	20.4	20.4	4.7	----------
Other U.S. economic programs	[1] 1.6	1.6	.2	----------
Total loans	22.0	22.0	4.9	----------
GRANTS				
AID and predecessor agencies	86.5	----------	----------	----------
Other U.S. economic programs	.5	----------	----------	----------
Total grants	87.0	22.0	4.9	----------

[1] AID carries this figure as 2.1; 0.5 of it is a grant. (See report p. 134.)

	Millions
Total economic assistance	$109.0
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	16.2
Grand total	125.2

United Kingdom

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	384.8	44.3	117.0	340.5
Export-Import Bank long-term loans	252.1	2.1	.1	250.0
Other U.S. economic programs [1]	[2] 3,828.5	652.7	797.6	3,175.8
Total loans	4,465.4	699.1	914.7	3,766.3
GRANTS				
AID and predecessor agencies	3,450.1	----------	----------	----------
Food for peace: Voluntary relief agencies	.3	----------	----------	----------
Other U.S. economic programs	8.4	----------	----------	----------
Military assistance	1,034.6	----------	----------	----------
Total grants	4,493.4	699.1	914.7	3,766.3

[1] Includes British loan, $3,750,000,000; surplus property credits, $60,000,000; and lend-lease silver credit, $18,500,000.
[2] AID carries this figure as $3,836,900,000; $8,400,000 of it is a grant. (See report, p. 135.)

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$311.0
World War I debt, June 30, 1965, principal and interest due and unpaid	6,837.7

U.S.S.R.

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
(NO LOANS)				
GRANTS				
Other U.S. economic programs [1]	186.4	----------	----------	----------
Total grants	186.4	----------	----------	----------

[1] United Nations Relief and Rehabilitation Administration.

	Millions
Total economic assistance	$186.4
World War I debt, Jan. 1960, 1965, principal and interest due and unpaid	640.7
Grand total	827.1

Yugoslavia

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies	188.2	14.5	24.4	173.7
Food for peace:				
Loans to governments	399.9	----------	----------	----------
Dollar credit sales	173.7	----------	----------	----------
Total	573.6	4.0	32.2	566.6
Export-Import Bank long-term loans	105.0	42.8	26.5	62.2
Military assistance	1.7	1.3	----------	.4
Total loans	868.5	62.6	83.1	805.9
GRANTS				
AID and predecessor agencies	386.3	----------	----------	----------
Food for peace:				
Grants for economic development	188.2	----------	----------	----------
Emergency relief and economic development	47.2	----------	----------	----------
Voluntary relief agencies	213.5	----------	----------	----------
Other U.S. economic programs [1]	335.7	----------	----------	----------
Military assistance	693.9	----------	----------	----------
Total grants	1,864.8	62.6	83.1	805.9

[1] Includes UNRRA $298,100,000; and emergency relief, $37,600,000.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$23.1
World War I debt, June 30, 1965, principal and interest due and unpaid	44.8

NOTE.—GAO's opinion of understatement of claims against the United Arab Republic and Yugoslavia for recovery of excessive ocean transportation costs financed by the Commodity Credit Corporation under title I, Agricultural Trade Development and Assistance Act of 1954. (Title is self-explanatory.) Date issued, Mar. 13, 1964. Pertinent dollar amounts, $278,000.

Europe regional

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	103.0	28.3	36.3	74.7
Export-Import Bank long-term loans	135.0	----------	.5	135.0
Other U.S. economic programs [2]	56.1	----------	1.0	56.1
Military assistance	32.5	9.6	----------	22.9
Total loans	326.6	37.9	37.8	288.7
GRANTS				
AID and predecessor agencies	447.6	----------	----------	----------
Food for peace:				
Assistance from other country agreements [3]	.8	----------	----------	----------
Voluntary relief agencies [4]	4.8	----------	----------	----------
Military assistance	2,016.7	----------	----------	----------
Total grants	2,469.9	37.9	37.8	288.7

[1] Includes fiscal year 1954 loan of $100,000,000 to Coal & Steel Community; fiscal year 1955 sec. 402 program in Denmark, $2,300,000 being serviced by Denmark, $300,000 by Iceland.
[2] Loans under the EURATOM Cooperation Act.
[3] Aid to San Marino from Italian Lira.
[4] Represents aid to Malta.

CANADA-OCEANIA

Canada, Australia, New Zealand, Trust Territory of the Pacific, regional.

Canada

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Other U.S. economic programs [1]	17.5	17.5	1.3	
Export-Import Bank: Long-term loans	5.7	5.7	0.7	
Total loans	23.2	23.2	2.0	
GRANTS				
Military assistance	13.1			
Total grants	13.1	23.2	2.0	

[1] Represents $6,000,000 for defense mobilization development; and $11,500,000 for strategic materials development.

	Millions
Total economic and military assistance	$36.3
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	3.7
Grand total	40.0

Oceania—Total

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank long term loans	19.6	17.4	6.2	2.2
Other U.S. economic programs	12.9	12.5	.1	.4
Military assistance	119.4	66.0	1.0	53.4
Total loans	151.9	95.9	7.3	56.0
GRANTS				
Food for peace: Voluntary relief agencies	.4			
Other U.S. economic programs	106.4			
Military assistance	3.0			
Total grants	109.8	95.9	7.3	56.0

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$9.8

NOTE.—GAO's opinion of review of central rebuild of World War II vehicles and assemblies in the Pacific Area Command under the military assistance program (classified): "Suggesting improvements in the assembly rebuild program." Date issued Apr. 27, 1962.

Australia

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank long-term loans	7.4	6.0	3.1	1.4
Other U.S. economic programs [1]	[2] 7.8	7.8		
Military assistance	117.7	65.3	1.0	52.4
Total loans	132.9	79.1	4.1	53.8
GRANTS				
Other U.S. economic programs	.2			
Total grants	.2	79.1	4.1	53.8

[1] Includes surplus property credits $7,800,000, and UNRRA $200,000.
[2] AID carries this figure as 8.0; 0.2 of it is a grant.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$9.5

New Zealand

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Export-Import Bank, long-term loans	12.2	11.4	3.1	0.8
Other U.S. economic programs [1]	4.3	3.9		.4
Military assistance	1.7	.7		1.0
Total loans	18.2	16.0	3.1	2.2
GRANTS				
Military assistance	3.0			
Total grants	3.0	16.0	3.1	2.2

[1] Represents surplus property credits.

	Millions
Agricultural commodity exports under barter contracts from July 1, 1954, through Dec. 31, 1965, at export market prices	$0.3

Trust Territory of the Pacific Islands

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
Other U.S. economic programs (total loans)	[1] 0.8	0.8	0.1	
GRANTS				
Food for peace: Voluntary relief agencies	.4			
Other U.S. economic programs	106.2			
Total grants	106.6	.8	.1	

[1] AID carries this figure as $107,000,000; $106,200,000 of it is a grant.

	Millions
Total economic assistance	$107.4

Nonregional, total

[U.S. fiscal years; millions of dollars]

	Total, 1946–65	Principal repayments	Interest collected	Principal outstanding
LOANS				
AID and predecessor agencies [1]	[2] 21.4	9.2	7.0	12.2
Other U.S. economic programs [1]	[2] 141.3	34.2	3.0	107.1
Military assistance	14.8			14.8
Total loans	177.5	43.4	10.0	134.1
GRANTS				
AID and predecessor agencies [1]	[2] 2,457.3			
Food for peace:				
Emergency relief and economic development	26.2			
Voluntary relief agencies [4]	331.5			
Other U.S. economic programs [1]	1,769.8			
Military assistance	1,016.7			
Total grants	5,601.5	43.4	10.0	134.1

[1] Excludes subscriptions to International Monetary Fund of $2,750,000,000 in fiscal year 1946, $1,375,000,000 in fiscal year 1959, and $258,800,000 in fiscal year 1965. The latter was a gold subscription for a U.S. quota increase not yet effective.
[2] Data excludes $10,500,000, $10,000,000, and $9,600,000 in fiscal years 1963, 1964, and 1965, respectively of Alliance for Progress funds obligated for nonregional programs.
[3] AID carries this figure as $1,911,100,000; $1,769,800,000 of it is a grant.
[4] Title III ocean freight paid from title II funds.

General Accounting Office reports issued to the Congress July 1, 1955, through Dec. 31, 1965, relating to foreign aid programs (incorporating information requested by Senator Everett M. Dirksen)

	Reference	Date issued	Pertinent dollar amounts (in millions)
ECONOMIC ASSISTANCE			
Examination of financial statements of the Export-Import Bank of Washington, fiscal year 1965 (opinion on financial statements)	B-114823	Nov. 29, 1965	(1)
Questionable aspects of budget-support loans made to the Government of Ecuador (loans made without insisting that the foreign government develop or utilize other domestic financial resources).	B-146998	Apr. 29, 1965	$15.0 (a)
Followup examination on certain aspects of United States assistance to the Central Treaty Organization for a rail link between Turkey and Iran (loan for equipment known to be unneeded).	B-146849	do	.543(a)
Review of economic assistance provided to the Republic of the Philippines for development purposes (classified report) (limited accomplishments of specific projects reviewed).	B-146984	Apr. 21, 1965	70.2 (c)
Ineffective utilization of excess property in the foreign assistance program (procurement of new equipment instead of utilizing available excess property).	B-146995	Apr. 12, 1965	3.5 (b)
Audit of Export-Import Bank of Washington, fiscal year 1964 (opinion on financial statements and disclosure of increased interest expense to U.S. Government).	B-114823	Mar. 8, 1965	(1)
Unnecessary dollar grants to Iran under the foreign assistance program (classified report) (grants used by Iran to procure wheat, valued at $12,500,000, from Australia whereas surplus wheat was available in the United States).	B-133258	Feb. 26, 1965	39.0 (c)
Additional interest costs to the United States because of premature releases of funds to the Social Progress Trust Fund administered by the Inter-American Development Bank (title is self-explanatory. The interest costs identified total as much as $60,000 annually).	B-146937	Sept. 8, 1964	(1)
Improper retention of dollar collections on loans made by Corporate Development Loan Fund (title is self-explanatory. Report covers collections totaling $43,000,000.)	B-133220	Sept. 3, 1964	(1)
Certain problems relating to administration of the economic and technical assistance program for Vietnam for 1958–62 (inability or unwillingness of the foreign government to use country resources to support activities being supported by the United States plus ineffective administration by AID).	B-133001	July 24, 1964	763.0 (c)
Review of the administration of assistance for financing commercial imports and other financial elements under the economic and technical assistance program for Vietnam (unjustified assistance and unnecessary costs).	B-133001	do	(2)
Examination of economic and technical assistance program for Turkey, fiscal years 1958–62 (failure to follow an overall plan based on country's resources and highest priority needs).	B-133026	June 30, 1964	1,750.0 (c)
Deficiencies in the administration of the earthquake reconstruction and rehabilitation program for Chile (including a classified supplement) (inadequate planning, inadequate staffing of AID mission and failure to obtain maximum exchange rate for dollars).	B-146754	June 29, 1964	120.0 (c)
Ineffective administration of U.S. assistance to Children's Hospital in Poland by the Agency for International Development and the State Department (agency responsibility was not defined and Congress was not informed of the need for appropriation to complete project).	B-146787	June 17, 1964	10.5 (c)
Examination of certain economic development projects for assistance to Central Treaty Organization fiscal years 1956–62 (defects in the projects and in their administration resulting in a questionable need for over $8,000,000 of program funds).	B-146849	Mar. 5, 1964	28.7 (c)
Audit of Export-Import Bank of Washington, fiscal year 1963 (opinion in financial statements)	B-114823	Feb. 20, 1964	(1)
Review of economic aspects of loan for construction of water supply system in Saigon, Vietnam (nonexistent basis for evaluating a choice between 2 water supply systems).	B-133220	Sept. 17, 1963	17.5 (c)
Audit of Export-Import Bank of Washington, fiscal year 1962 (opinion on financial statements and disclosure of increased interest expense to U.S. Government).	B-114823	May 15, 1963	(1)
Examination of economic and technical assistance program for Korea, fiscal years 1957-61, pts. I and II (assistance exceeded country's economic and administrative capacities).	B-125060	Sept. 21, 1962	1,200.0 (c)
Audit of Development Loan Fund, fiscal year 1961 (opinion on financial statements plus related observations)	B-133220	June 25, 1962	(1)
Audit of Export-Import Bank of Washington, fiscal year 1961 (opinion on financial statements)	B-114823	Jan. 22, 1962	(1)
Examination of economic and technical assistance program for Thailand, fiscal years 1955–60 (general evaluation of progress made in selected projects and of practices followed in importing commodities).	B-133258	Aug. 21, 1961	214.0 (c)
Economic and technical assistance program for Iran, fiscal years 1956–60 (improvements needed in various administrative practices and procedures of U.S. agencies).	B-133258	June 27, 1961	169.0 (c)
Negotiation and administration of selected construction and technical service contracts (improvements needed in the selection of contractors, the inclusion of incentive and penalty provisions, and the establishment of fees).	B-133355	Mar. 30, 1961	189.0 (c)
Review of the mutual security program presentation to the Congress for fiscal year 1961 for economic assistance to Korea, Pakistan, and Vietnam (suggestions for revealing more meaningful data in budget presentations).	B-133175	Mar. 29, 1961	(1)
Audit of Development Loan Fund, fiscal year 1960 (opinion on financial statements and related observations)	B-133220	Mar. 27, 1961	(1)
Audit of Export-Import Bank of Washington, fiscal year 1960 (opinion on financial statements)	B-114823	Jan. 19, 1961	(1)
Examination of economic and technical assistance program for Brazil, fiscal years 1955–59 (recommends integration of common support functions of the Department of State and ICA, and comments on other practices and procedures).	B-133283	May 27, 1960	28.4 (c)
Examination of the economic and technical assistance program for Bolivia, fiscal years 1954–59 (classified report) (action needed to evaluate status of projects in process, to recover usable equipment from defunct projects, and to follow up on trainee program).	B-133271	May 17, 1960	114.6 (c)
Review of contracts with McGraw-Hydrocarbon for the construction and operation of a fertilizer plant in Korea (recommends use of fixed-price contracts, incentive provisions in cost reimbursement type projects, and more effective penalty provisions).	B-133290	Apr. 19, 1960	43.9 (c)
Audit of Export-Import Bank of Washington, fiscal year 1959 (opinion on financial statements)	B-114823	Mar. 23, 1960	(1)
Examination of economic and technical assistance program for Guatemala, fiscal years 1955–59 (reveals corrective action taken in various administrative areas, including planning prior to project agreements).	B-114845	Mar. 22, 1960	58.6 (c)
Audit of Development Loan Fund, fiscal year 1959 (opinion on financial statements and related observations)	B-133220	Feb. 29, 1960	(1)
U.S. contributions to European Payments Union (succeeded by European Fund) (factual summary of the background, purpose, operating mechanism, and terms of the U.S. contribution).	B-133221	Nov. 6, 1959	350.0 (c)
Economic and technical assistance program for India, fiscal years 1955–58 (nonutilization of equipment and need to revise project agreement for a powerplant).	B-114845	Sept. 14, 1959	247.0 (c)
Audit of Development Loan Fund, fiscal year 1958 (opinion on financial statements and related observations)	B-133220	Aug. 31, 1959	(1)
Followup review of economic and technical assistance program for Laos, December 1958 (observations on various administrative practices and procedures).	B-133003	July 31, 1959	(1)
Mutual security program presentation to the Congress for fiscal year 1959 economic assistance for China, Korea, and Vietnam (recommendations for including more meaningful data in future program presentations).	B-133175	June 8, 1959	(1)
Economic and technical assistance program for Pakistan, fiscal years 1955–57 (need to adjust aid program to more realistic levels and to determine causes of unclaimed commodity imports).	B-114896	Mar. 31, 1959	307.5 (c)
Audit of Export-Import Bank of Washington, fiscal year 1958 (opinion on financial statements)	B-114823	Jan. 15, 1959	(1)
Economic and technical assistance program for Laos, fiscal years 1955–57 (improvements needed in various administrative practices and procedures, including the negotiation of a realistic exchange rate.)	B-133003	Oct. 8, 1958	134.4 (c)
Economic and technical assistance program for China (Taiwan), fiscal years 1955–57 (general evaluation of the program plus specific needs for improved administrative practices and procedures).	B-133074	Aug. 29, 1958	225.0 (c)
Economic and technical assistance program for Turkey (June 30, 1957) (improper practices in deposits of local currency sales proceeds and improper obligating procedures).	B-133026	July 24, 1958	(1)
Economic and technical assistance program for Vietnam, fiscal years 1955–57 (general evaluation of program practices, and need for realistic exchange rates).	B-133001	May 22, 1958	787.2 (c)
Examination of $100,000,000 loan to European Coal and Steel Community (informative summary of broad policy matters involved in the project).	B-132966	Mar. 13, 1958	100.0 (c)
Audit of Export-Import Bank of Washington, fiscal year 1957 (opinion on financial statements)	B-114823	Feb. 4, 1958	(1)
Administration of U.S. assistance program for Korea, fiscal years 1954–56 (discloses general problem areas in program planning and implementation).	B-125060	June 24, 1957	845.9 (c)
Audit of Export-Import Bank of Washington, fiscal year 1956 (opinion on financial statements)	B-114823	Feb. 19, 1957	(1)
Administration of U.S. assistance program for Israel, fiscal years 1952–55 (reporting action taken by agency to correct earlier program deficiencies).	B-125029	Sept. 20, 1956	233.2 (c)
Administration of U.S. assistance program for Lebanon, fiscal years 1952–55 (discloses need for improvements in various administrative practices and procedures, and questions desirability of employing American University of Beirut).	B-125021	June 7, 1956	21.4 (c)
Administration of the U.S. assistance program for Egypt, fiscal years 1953–55 (discloses need for improvements in programing and in administrative practices and procedures).	B-125010	Apr. 11, 1956	59.8 (c)
Administration of U.S. assistance program for Iran, fiscal years 1952–55 (recommends consolidation of common support functions of the Embassy and the mission, and that counterpart withdrawals be subject to prior approval by the mission).	B-125009	Mar. 15, 1956	205.0 (c)
Audit of Export-Import Bank of Washington, fiscal year 1955 (opinion on financial statements)	B-114823	Jan. 13, 1956	(1)
Administration of U.S. assistance program for Pakistan, fiscal years 1952–54 (need to evaluate status of lagging projects, improve program planning, and improve procurement and contracting policies and practices).	B-114896	Dec. 27, 1955	45.5 (c)
Audit of Institute of Inter-American Affairs, fiscal year 1954 (administrative policies and practices requiring improvement)	B-114837	Nov. 25, 1955	(1)

See footnotes at end of table.

General Accounting Office reports issued to the Congress July 1, 1955, through Dec. 31, 1965, relating to foreign aid programs (incorporating information requested by Senator Everett M. Dirksen)—Continued

	Reference	Date issued	Pertinent dollar amounts (in millions)
MILITARY ASSISTANCE			
Review of the military assistance training program for Iran (classified report to the Secretary of Defense) (lack of in-country training, insufficient personnel trained, nonutilization of trained personnel, and unnecessary transportation costs to the United States).	B-133134	Dec. 10, 1965	
Ineffective and inefficient administration of the training of foreign personnel under the military assistance program for Greece (classified) (unnecessary training and poor utilization of trained personnel).	B-133055	June 29, 1965	
Lack of effective action by the military services to obtain NATO cost sharing of military construction projects in Europe (classified) (title is self-explanatory).	B-156489	June 4, 1965	
Overprocurements resulting from ineffective supply management in Korea under the military assistance program (title is self-explanatory).	B-125099	May 28, 1965	
Inadequate planning, programing, and contracting for a fixed communications system for the Government of Indonesia under the military assistance program (classified) (title is self-explanatory).	B-146839	Apr. 26, 1965	
Review of military assistance provided to the Republic of the Philippines (classified report) (details are classified)	B-133359	Mar. 26, 1965	
Waste of funds in construction of Shahabad Depot in Iran under the military assistance program (classified) (Iranian Army neither needed nor wanted depot from the start, resulting in negligible use and present plans for dismantling).	B-133134	Mar. 22, 1965	
Ineffective and overly costly aspects of military and economic assistance provided to Thailand (classified report) (title describes the unclassified aspects of the report).	B-132913 B-133258	Feb. 17, 1965	
Inadequate consideration given to utilizing reserve fleet ships in lieu of providing new ships to Iran under the military assistance program (classified) (reluctancy of responsible officials to ask for congressional approval and use of unrealistic cost data).	B-133134	Feb. 3, 1965	
Review of the military assistance program for a Far East country (classified) (waiver of normal U.S. control over assistance, plus lack of cooperation by the country to establish a sound program).	B-146941	Sept. 29, 1964	
Summary of deficiencies related to the inadequate administration of military budget support funds provided to certain countries under the foreign assistance program (ineffective U.S. controls led to use of funds for nonapproved and nonessential purposes).	B-146943	Sept. 28, 1964	
Deficiencies in the military assistance program for the Spanish Army (classified) (details are classified)	B-125086	Aug. 25, 1964	
Followup review of Department of Defense action to cancel excessive procurement and redistribute aircraft spare parts programed for or delivered to Portugal under the military assistance program (action is being taken to cancel procurements and redistribute excesses).	B-146785	Aug. 14, 1964	
Unofficial use and overstated needs of commercial-type vehicles by the Military Assistance Advisory Group and the Headquarters, Support Activity, Taipei, Republic of China (title is self-explanatory).	B-146907	July 31, 1964	
Review of the military assistance program for Indonesia (classified) (details are classified)	B-146839	May 6, 1964	
Furnishing of military assistance to Ethiopia in excess of the country's ability to effectively utilize the equipment (classified) (title is self-explanatory).	B-146887	May 6, 1964	
Inefficient utilization of personnel to administer the military assistance program in advanced Western European countries (including a classified supplement) (overstaffing in relation to substantially reduced programs).	B-133280	Apr. 2, 1964	
Followup review of DOD actions to obtain reimbursement from foreign countries for administrative expenses under the military assistance program (reports on recoveries and identifies additional eligible recoveries).	B-146749	Mar. 18, 1964	
Unnecessary or premature procurement and delivery of Sidewinder missile training systems to foreign countries under the MAP (including a classified supplement) (inability or unwillingness of certain countries to use the systems).	B-146762	Mar. 12, 1964	
Inadequate administration of military budget support funds provided to Pakistan under the foreign assistance program (classified) (additional details are classified).	B-146815	Sept. 25, 1963	
Ineffective programing, delivery, and utilization of aircraft and related equipment furnished to the Portuguese Air Force under MAP (classified) (reaffirmation of May 29, 1963, report).	B-146785	Sept. 17, 1963	
Inadequate administration of military budget support funds provided to Iran under the foreign assistance program (classified) (additional details are classified).	B-133134	July 30, 1963	
Ineffective maintenance and utilization of equipment furnish ed to Iran under MAP (classified) (lack of U.S. assistance to overcome maintenance and utilization problems).	B-133134	July 16, 1963	
Unnecessary payment by the United States of costs properly chargeable to Japan for administrative and related expenses of the MAP for Japan (title is self-explanatory).	B-132913	June 27, 1963	
Excessive costs incurred for rehabilitating to original appearance and serviceability military equipment donated to foreign nations under the MAP (unreasonably high standards of appearance and serviceability for material given to foreign countries).	B-133280	May 31, 1963	
Ineffective programing, delivery, and utilization of aircraft and related equipment furnished to the Portuguese Air Force under MAP (classified) (title is self-explanatory).	B-146785	May 29, 1963	
Review of the programing, delivery, and utilization of selected missile system equipment delivered to European countries under the military assistance program (classified) (details are classified).	B-146762	Feb. 27, 1963	
Review of license fees being charged the U.S. Government for the right to produce the SS-11 antitank guided missile mutually developed by France and the United States (classified) (questions the need to pay the fees).	B-146766	Feb. 15, 1963	
Review of the local currency military budget support program for Korea (weaknesses in U.S. controls over the program and deficiencies in its administration by the Republic of Korea Army).	B-125099	Jan. 8, 1963	
Summary of reviews of the maintenance and supply support of Army equipment furnished to Far East countries under the MAP (maintenance and supply deficiencies resulting in defective equipment plus planned procurement of vehicles in excess of requirements).	B-132913	Aug. 31, 1962	
Review of the utilization and maintenance of Army equipment furnished under the MAP for Thailand (classified) (details are classified).	B-132913	do	
Review of payments made by the United States for the construction of airfields in France (classified) (failure to claim reimbursement from NATO for airfields constructed by the U.S. Air Force).	B-146738	Aug. 13, 1962	
Review of maintenance and supply support of Army equipment furnished under the MAP for Korea (classified) (some inefficiency of maintenance and supply of Army vehicles).	B-125099	June 8, 1962	
Review of the military assistance program for Turkey (classified) (details are classified)	B-125085	May 31, 1962	
Review of the maintenance and supply support of Army equipment furnished under the MAP for Taiwan (classified) (details are classified).	B-125087	May 24, 1962	
Review of central rebuild of World War II vehicles and assemblies in the Pacific Area Command under the military assistance program (classified) (suggesting improvements in the assembly rebuild program).	B-132913	Apr. 27, 1962	
Review of the military assistance program for Greece (classified) (various supply management deficiencies)	B-133055	Feb. 21, 1962	
Management of spare parts for Army equipment provided to Far East countries (supply management deficiencies)	B-132913	Oct. 13, 1961	
Reservation of Army excess material for the MAP (failure to reserve excess equipment parts needed by MAP, reserving that not needed, and MAP overcharged for delivered material).	B-133363	July 31, 1961	
Review of the military assistance program for Spain (classified) (details are classified)	B-125086	June 27, 1961	
Review of the military assistance program for Taiwan (classified) (details are classified)	B-125087	May 22, 1961	
Review of the military assistance program for the Philippines (classified) (need for improvement in supply management controls).	B-133359	Apr. 12, 1961	
Review of delivery and utilization of tactical air navigation equipment under the MAP (classified) (ineffective utilization of some equipment).	B-133353	Feb. 28, 1961	
Review of military assistance program requirements for the Army and Air Force of Korea (classified) (unneeded items requisitioned and program overstated).	B-125099	Jan. 31, 1961	
Review of programing and delivery under the military assistance program of equipment for vehicles already equipped (classified) (additional details are classified).	B-125086	June 30, 1960	
Administration of the military assistance program—Department of the Air Force (poor programing and provision of spare parts plus overcharges to MAP).	B-125061	Mar. 21, 1960	
Review of the military assistance program for Italy (classified) (details are classified)	B-125091	Feb. 29, 1960	
Review of administrative costs of the U.S. military assistance program chargeable to the Federal Republic of Germany (failure to collect costs due the United States).	B-125084	do	
Review of the pricing of material delivered to the military assistance program by the military departments (inequities in the pricing policies).	B-133280	do	
Review of the military assistance program for Korea (classified) (suggesting administrative improvements)	B-125099	Feb. 26, 1960	
Review of the military assistance program for Japan (classified) (details are classified)	B-132913	Feb. 25, 1960	
Review of the military assistance program for Turkey (classified) (details are classified)	B-123085	Jan. 29, 1960	
Review of the military assistance program for Pakistan (classified) (suggesting the use of austere standards and end-item utilization inspections, the consideration of existing country assets and the country's disposal practices, and the development of long-range cost estimates.)	B-125090	Jan. 12, 1960	
Administration of the military assistance program, Department of the Navy (new basis needed for spare parts requirements)	B-133128	Dec. 18, 1959	
Review of the military assistance program for Iran (classified) (suggesting the development of usage standards and the use of end-item utilization inspections, the suspension of deliveries pending a study of requirements, and better controls over disposal activities).	B-133134	Jan. 9, 1959	
Review of the military assistance program for Vietnam (classified report to the Secretary of Defense) (suggestions for improving controls and developing long-range cost estimates of the program).	B-133096	Nov. 26, 1958	

General Accounting Office reports issued to the Congress July 1, 1955, through Dec. 31, 1965, relating to foreign aid programs (incorporating information requested by Senator Everett M. Dirksen)—Continued

	Reference	Date issued	Pertinent dollar amounts (in millions)
MILITARY ASSISTANCE—continued			
Review of the military assistance program for Laos (classified report to the Secretary of Defense) (same as above)	B-133080	Oct. 30, 1958	
Review of the military assistance program for Cambodia (classified report to the Secretary of Defense) (same as above)	B-133085	Sept. 30, 1958	
Review of the Military Assistance Program for Greece (classified) report to the Secretary of Defense (suggestions for improving controls, determining and disposing of excesses, and developing long-range cost estimates).	B-133055	Sept. 8, 1958	
Review of the military assistance program for Taiwan (classified report to the Secretary of Defense) (details are classified)	B-125087	Jan. 29, 1958	
Administration of the military assistance program, Department of the Army (accounting and reporting system needs updating).	B-125097	Jan. 13, 1958	
Review of the military assistance program for Korea, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-125099	Oct. 4, 1957	
Review of the military assistance program for Japan, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-132913	Oct. 3, 1957	
Review of the military assistance program redistribution of programed excesses, December 1956 (classified report to the Secretary of Defense) (details are classified).	B-125088	Aug. 30, 1957	
Review of the military assistance program for Turkey, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-125085	do	
Review of the military assistance program for Spain, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-125086	do	
Review of the military assistance program for Pakistan, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-125090	do	
Review of the military assistance program for Italy, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-125091	do	
Review of the military assistance program for France, March 1957 (classified report to the Secretary of Defense) (details are classified).	B-125086	do	
Review of the military assistance program for the Federal Republic of Germany, Mar. 31, 1957 (classified report to the Secretary of Defense) (details are classified).	B-125084	do	
Examination of the military assistance program, as administered by the Department of Defense, Mar. 31, 1957 (general evaluation of entire program).	B-125098	Aug. 29, 1957	
Review of the administration of the mutual defense assistance program for France and Turkey (classified report to the Assistant Secretary of Defense) (programing based on unverified data from the countries, plus other classified matters).	B-125011	June 19, 1956	
FOOD-FOR-PEACE PROGRAM			
Insufficient amounts claimed from foreign governments for recovery of ocean transportation costs financed under the Agricultural Trade Development and Assistance Act of 1954 (failed to claim $5,700,000).	B-152538	July 30, 1965	$367.8 (c)
Significant dollar savings available in financing foreign sales agents' commissions on surplus agricultural commodities exported under title I Agricultural Trade Development and Assistance Act of 1954 (unnecessary disbursements in fiscal year 1963–64 of $2,400,000).	B-146820	July 23, 1965	2.7 (c)
Displacement of commercial dollar sales of tallow to the United Arab Republic (including a classified supplement) (title I, Public Law 480 program sales displaced commercial sales of $5,500,000).	B-156922	July 20, 1965	17.073(c)
Questionable grant of corn to the United Arab Republic under title II, Agricultural Trade Development and Assistance Act of 1954 (grant based on anticipated need that did not materialize. Much was sold commercially in United Arab Republic).	B-146820	July 16, 1965	23.7 (a)
Improper payment of port charges on shipments to Colombia of food donated under title III of the Agricultural Trade Development and Assistance Act of 1954 (tariff rates did not reflect terms of agreements covering the distribution of the food).	B-146820	May 20, 1965	.393(b)
Unnecessary costs resulting from an inflexible policy of donating flour instead of wheat to voluntary relief agencies for distribution abroad under the Agricultural Act of 1949, as amended (unnecessary costs of $3,700,000 applicable to a $24,000,000 program in 1 country, but the policy is also applicable to other countries).	B-146971	Mar. 19, 1965	3.7 (b)
Weaknesses involving primarily the disposition of surplus nonfat dry milk (losses resulting from infestation, excessive allowances for transportation costs, unnecessary transportation costs, failure to use U.S.-owned foreign currencies, and acceptance of unverified manufacture dates; plus unauthorized sales by overseas recipients).	B-148254	Feb. 2, 1965	3.7 (b)
Weaknesses in controls over dollar refunds due Commodity Credit Corporation for adjustments in amounts financed on cotton exported under title I, Agricultural Trade Development and Assistance Act of 1954 (failure to claim refunds and delays in collecting claimed refunds).	B-146820	Nov. 23, 1964	.198(b)
Summary of organization and procedures for the operation and administration of the Agricultural Trade Development and Assistance Act of 1954 (commonly known as Public Law 480 or food for peace) pts. I and II as of December 1963 (title is self-explanatory).	B-137856	Nov. 19, 1964	(1)
Improper payment of Colombian port charges for surplus agricultural commodities sold under title I, Agricultural Trade Development and Assistance Act of 1954 (tariff rates did not reflect terms of agreements covering the commodity sales).	B-146820	Nov. 17, 1964	.234(b)
Excessive ocean transportation costs incurred under title I, Agricultural Trade Development and Assistance Act of 1954 (a disproportionate percentage of shipments made at U.S. expense were routed to high-rate ports in East Pakistan, whereas most of the shipments made at Pakistan's expense were routed to lower rate ports in West Pakistan).	B-146820	Oct. 30, 1964	.850(a)
Understatement of claims against the United Arab Republic and Yugoslavia for recovery of excessive ocean transportation costs financed by the Commodity Credit Corporation under title I, Agricultural Trade Development and Assistance Act of 1954 (title is self-explanatory).	B-146820	Mar. 13, 1964	.278(a)
Inadequate controls for determining compliance by foreign governments with restrictions placed on the disposition of agricultural commodities made available under title I, Agricultural Trade Development and Assistance Act of 1954 (no assurance that commodity sales do not result in the increased availability of same or similar commodities to countries unfriendly to the United States).	B-146820	Oct. 7, 1963	9,500.0 (c)
INTER-AMERICAN HIGHWAY			
Unauthorized expenditures for the repair and reconstruction of a section of the Inter-American Highway in the Republic of Costa Rica ($376,000 unauthorized).	B-118653	Oct. 20, 1965	1.128(c)
Unnecessary costs resulting from inadequacies in the administration of the Inter-American Highway program in the Republic of Panama (unnecessary costs of $175,000).	B-118653	Mar. 24, 1965	60.0 (c)
Questionable validity of $32,000,000 estimate of funds needed to complete Inter-American Highway (title is self-explanatory)	B-118653	Dec. 8, 1964	32.0 (c)
Unnecessary costs resulting from deficiencies in construction activities of the Inter-American Highway program in Costa Rica (unnecessary costs of $125,000).	B-118653	Sept. 14, 1964	85.0 (c)
Unnecessary costs resulting from inadequacies in the administration of right-of-way activities o the Inter-American Highway program in Costa Rica (unnecessary costs of $1,100,000).	B-118653	May 27, 1964	(2)

[1] Not applicable.
See related report above.

[2] See above.

EXPLANATIONS OF DOLLAR AMOUNTS

To the extent possible, the dollar amounts represent the portions of the assistance programs reviewed rather than monetary measures of what was found to be questionable or deficient within those programs. Identification in these terms was not possible in every case, however, since some reviews were directed to an appraisal of apparent problem areas and restricted to indicated areas of deficiency, often on the basis of illustrative tests, instead of encompassing measurable program activities. In these cases, therefore, the dollar amounts represent the portions of the programs identified as questionable or deficient in some respect, some of which illustrate larger findings of undetermined amounts. Accordingly, each dollar amount has been identified by one of three letters which are explained below:

(a) These dollar amounts are the portions of the program or activity identified as questionable or deficient in some respect.

(b) These dollar amounts are also the portions of the program or activity identified as questionable or deficient in some respect, but are illustrative, we believe, of larger findings of undetermined amounts.

(c) These dollar amounts are the values of the programs reviewed, and should not be interpreted as any indication of what was considered to be questionable or deficient. In those cases where identified deficiencies have been reduced to dollar amounts, these amounts are revealed in the narrative descriptions under the report titles.

Mr. DIRKSEN. Mr. President, that is the case for a general reduction in the Development Loan Fund. What we are doing in so many fields, the commitments that we have made, and on which we rely, the conduct of the program, the presentations to Congress, and what they may have lacked in careful accuracy, the fiscal and economic condition that confronts the country today, the lack of

area in which we can cut in substantial amounts so that it will really register in the fight against inflation—these and other factors conjoin with exactly what has been happening in Great Britain in the last 24 hours and ought to be, in my judgment, a stimulus for a hard look-see and a reduction of this Development Loan program in the interest of our own solvency and stability.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COTTON. Mr. President, I understood the distinguished Senator to say that AID asked for money in the amount of approximately $10 billion for loans and then used that money for grants.

Mr. DIRKSEN. No; it was only a kind of presentation.

Mr. COTTON. After they used this money, it was earmarked for loans by Congress.

Mr. DIRKSEN. Well, I cannot quite say that that would be absolutely true, but the impression was left here by AID that this was to be loan money. That is the important point.

Mr. COTTON. My real question is this: After using this money for grants—whatever may have been the representation before—was that fact reported by them to Congress, or did it have to be dug out?

Mr. DIRKSEN. It had to be dug out. And we asked their representatives right here in the Capitol what the justification for it was. They said, "Well, you gave us authority to make grants and loans. Therefore, we felt that we had a kind of discretionary authority to make a grant or a loan, depending on the circumstances and the conditions that obtained in the country."

But we had a different impression. For a number of years we have been assailing this idea of doling this money out so freely, without any return whatsoever.

Mr. COTTON. But they did not voluntarily report that to Congress?

Mr. DIRKSEN. Everything we have here, we had to dig out, and it was like pulling turkey teeth to do it.

Mr. COTTON. I thank the Senator.

Mr. DIRKSEN. Mr. President, that is the case for a cut of $250 million in the Development Loan Fund, and I am willing to rest it on that basis. I hope the Senate will support the amendment.

I yield the floor.

Mr. LAUSCHE. Merely for the further information of the Senate, I ask the chairman of the committee and his staff adviser whether the administration did not ask for $665,400,000 under the development loan program.

Mr. FULBRIGHT. That is the appropriation requested.

Mr. LAUSCHE. Yes. And by how much did the committee cut the amount requested?

Mr. FULBRIGHT. To $620 million.

Mr. LAUSCHE. So the committee cut it $45,400,000?

Mr. FULBRIGHT. That is correct.

Mr. LAUSCHE. And the amendment of the Senator from Illinois would cut it another $250 million?

Mr. FULBRIGHT. That is correct.

Mr. LAUSCHE. That is all.

Mr. FULBRIGHT. As I said—I do not believe the Senator from Ohio was here at the time—the House has allowed $1 billion. There is a difference of $630 million. If we compromise it, as we have done in practically all cases, on a 50–50 basis, that would mean a restoration of $315 million, coming out with $685 million.

Mr. LAUSCHE. If we remain firm on that figure——

Mr. FULBRIGHT. No, if we accept his cut.

Mr. McCARTHY. Mr. President, I am opposed to the amendment offered by the Senator from Illinois.

I do not believe the Senate should take the position that it ought to go to conference with the House on a question of foreign aid and compromise it at a halfway mark. I believe that the time has come for the Senate, particularly, acting through the Committee on Foreign Relations, to exercise the constitutional primacy of the Senate in foreign policy. The Senate should establish a level of authorization for foreign aid which it believes ought to stand up in Congress.

When we go to conference with the House on a question of taxation of raising revenue, which is a case in which the House has primacy of jurisdiction, I am inclined to say that the Senate ought to make concessions to the House position. There is no question about the intent of the Constitution to give the House primary responsibility with reference to the raising of revenue; this was a part of the Revolution of 1776, and I believe we ought to honor it.

But the Constitution, in my mind, is just as clear in imposing primary responsibility for foreign policy and an international program upon the Senate.

I believe that to say that we should authorize $625 million while the House has authorized a billion dollars, and that we should go to conference and give them half of what they voted, is to give up and to yield an authority and a power which properly belongs to the Senate.

As Senators know, I have been one who has been insisting recently, with reference to foreign policy, that the Committee on Foreign Relations and the Senate ought to assert their authority and their responsibility with reference to foreign policy, to the Central Intelligence Agency, and to the sale and distribution of arms around the world. I believe the same issue is involved before the Senate today.

We should decide on the floor of the Senate, how much money we believe ought to be spent in foreign aid, and insist on that amount. We ought to go beyond the question of the amount and lay down procedures whereby that money will be spent. I am much more concerned about procedures, about control, about direction over our foreign aid program, than I am about the amount.

The device of cutting authorization or of cutting appropriations belongs to the House of Representatives primarily. It is also a device which is used when one is desperate. It goes back to the disputes between the kings and the parliaments in England in the 16th and 17th centuries. I believe we have moved beyond that, and that we should try to settle these differences on a somewhat more rational basis, giving recognition to the proper procedure and the assignment of authority and responsibility.

Every member of the Committee on Foreign Relations knows that I have been as willing as anyone on the committee to set limitations upon the authority of the executive branch, to insist that the Committee on Foreign Relations, acting for the Senate, be consulted; that it give advice; that it exercise real authority with reference to the foreign policy on this bill and every other bill.

I do not believe that at this point we ought to be pushed into the position of saying that the only way the Senate can control or direct or influence foreign policy is by refusing to authorize the expenditure of money. I do not believe we have come to that desperate point. I believe we can still consider procedures, that we can still give advice and can still give consent.

We should not take the position that the only way the Senate can exercise any influence on our foreign aid program is the negative one of saying, "We will not give you any money." This is the argument that is being made in support of the amendment offered by the Senator from Illinois: "Do not give them any money." This is not the constitutional conception of the U.S. Senate. It may come close to the conception of the prerevolutionary conception of a House of Representatives. But the Senate was conceived as having a different function—of developing ideas, giving direction, forming policy, and bringing that policy and determination to bear on the actual decision.

In my judgment, the technique proposed here of cutting by almost 50 percent the authorization for foreign aid is the kind of action that we should take only in an extreme case, and I do not believe that we have reached that point.

Therefore, I suggest that we not agree to the proposed amendment. Rather, we should deal with procedures, processes and methods by which the advice and the consent of the Senate on foreign policy are to be made effective, and not resort to the desperate device of cutting appropriations and accepting for the Senate the methods which may be justified for the House of Representatives but which are not justified for the Senate of the United States.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. SALTONSTALL. It is my understanding that the House bill cut the figure from $1.2 billion to $1 billion for each of the fiscal years 1967 through 1971; that the Senate bill struck out the words "$1,200,000,000" and the words "subsequent fiscal year," and authorized $620 million for the fiscal year 1967; and that the amendment proposed by the Senator from Illinois would cut that $620 million by $250 million more.

Mr. McCARTHY. To $370 million.

Mr. SALTONSTALL. To $375 million. So the difference would be a billion dollars in 5 years, in the House bill, and

$375 million for 1 year, in the Senate bill. Am I correct?

Mr. McCARTHY. That is approximately correct.

Mr. SALTONSTALL. Does the Senator from Minnesota agree with the figure given by the Senator from Illinois, that $228 million of funds are available now under previous acts?

Mr. McCARTHY. As far as I know that is the exact figure.

Mr. SALTONSTALL. I thank the Senator.

Mr. McCARTHY. I do not think that it has much bearing upon the decision to be made here with reference to an authorization.

I take slight issue with my friend, the Senator from Indiana [Mr. HARTKE]. I was surprised to find him defending William McChesney Martin on foreign aid since I know that he disagrees with William McChesney Martin in one area he has competency: To determine the interest rates of the country. I know that the Senator from Indiana rejects almost every position that William McChesney Martin has taken on interest rates and fiscal policy through the years.

I am distressed to find that the Senator is quoting William McChesney Martin on foreign aid. As far as I know, nobody has ever credited him with competency in that field.

Mr. HARTKE. I wish to point out to my dear friend from Minnesota [Mr. McCARTHY] what I am trying to do is to put in focus what the administration said is a very important program. William McChesney Martin is one of our chief monetary officers. If we are to accept the recommendation of the admintration on foreign aid, there should be accepted the opinions of some of their chief supervisors. I am not accepting his supervisor, but I would reject proposals of the administration. I would do this to show the conflict in the administration on this policy and how they find themselves in conflict.

This was no more vividly portrayed than it was by the chairman of the Appropriations Committee of the House of Representatives at page 16185 of the RECORD of July 19, 1966, in which Mr. MAHON points out something that I have been trying, and I know that the Senator from Minnesota has been trying to find out for some time: whether there is to be a supplemental request, how big it is going to be, and, if we are going to spend this money, how much it will be.

Mr. MAHON states:

If this situation should develop—

Speaking about the increasing cost of Federal expenditures—

in my opinion it would be most damaging to the welfare of the country, economically, and otherwise.

Mr. MAHON quotes from the news story about the President in which the President said:

While saying a tax increase is one alternative to a hold-down in non-defense spending, Johnson said there will be no decision by him on this until the appropriation bills are further along in Congress and after it has been determined how much additional spending will be required in Vietnam.

He [meaning the President] said there will be a request for a substantial supplemental appropriation for Vietnam.

I might call to the attention of the Senator that when I asked the Secretary of the Treasury and the Budget Director that same question about 2 weeks ago they said that they knew of no such supplemental request being prepared. Now, here is an interesting fact. Mr. MAHON says:

There will be a substantial additional request for defense. I might interpolate, it could be $10 billion. I do not know how much it will be, and neither does the President "but that it is impossible at this stage to tell how much it will be."

He said:

This is the largest single defense appropriation bill presented to Congress since World War II. This huge defense bill is not spoken of boastfully or capriciously. I speak of it with deep regret. Even without the anticipated supplemental request, the Department of Defense will have available to it during the current fiscal year, which began on July 1, the sum of $100 billion.

If we want to cut down nondefense spending, which the President said we should do, I share the view of the Senator from Illinois [Mr. DIRKSEN]. Here is the place to start.

My comment on the words of the Senator from Minnesota [Mr. McCARTHY], even ignoring the wisdom of William McChesney Martin, or the nonwisdom of his statements, the truth remains, that if we are going to cut any place, except in the defense budget, it will have to be in foreign aid. I think that it is a good time to start.

I hate to see my good friend, the Senator from Minnesota [Mr. McCARTHY], led down the paths of expenditures, but if that is his choice, we will have to let him go.

Mr. McCARTHY. I thank the Senator There is a rather strong tradition in this country with regard to using a man who has proved himself in one field, in every other field. An astronaut, because he has done well in space, becomes an expert in politics; a baseball player, because he has done well, becomes an expert in another field; or a movie actor, even if he was a bad actor, is considered competent in other fields.

The Senator from Indiana proposes that a man, who in his judgment has been proved wrong in the area of his competence, and having accepted that he was a failure, or at least that he was not a reliable judge in his field of competence—the Senator from Indiana has said that we should use him in a field in which he claims no competence. I am apprehensive that this would establish a new trend. People would run for office because they would not be competent in their own field.

The Senator is today opening up a new approach to political office: that if a man can prove he has not been competent in his own field, then he should be consulted with respect to his judgment in fields foreign to his field of competence; that this is a justification for his advice and being accepted in another field.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. HARTKE. I did not put those tags on Mr. Martin, even though they may be appropriate.

Mr. McCARTHY. The Senator disagreed with the interest policy of Mr. Martin.

Mr. HARTKE. I do not wish to disagree——

Mr. McCARTHY. The Senator disagreed with his tax proposals.

Mr. HARTKE. I wish to make it clear that I did not put the tags on him.

Mr. McCARTHY. I shall.

Mr. HARTKE. I shall be glad to join in putting those tags on him.

As far as Mr. Martin is concerned, I think that perhaps we could put him in charge of the AID program. This might make him more of an expert.

Mr. McCARTHY. We are spending up to $3 billion a month in connection with the Vietnamese war. The amendment of the Senator from Illinois would cut our total development loan program down to $370 million a year. This is approximately 15 percent of the amount we are spending, not on an annual basis, but every month, in connection with the Vietnamese war.

I think that we should run some risks and take some chances on losing some money in development loans, and that we can afford to authorize up to $620 or $650 million a year, when at the same time we are prepared to spend roughly $3 billion a month in pursuit of the Vietnamese war. Even though we lose some of it, it is the kind of premium or risk investment that we should be willing to take.

I urge the Senate to reject the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

LAND TO BE SET ASIDE IN MONTANA FOR CERTAIN INDIANS

Mr. METCALF. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 2948, to set aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill S. 2948 to set aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont., which was to strike out all after the enacting clause and insert:

That all of the right, title, and interest of the United States in the 487 acres, more or less, described below are hereby declared to be held in trust for the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Montana.

PRINCIPAL MERIDIAN, MONTANA

Township 18 north, range 21 west, section 8, lot 7; section 17, lot 2.

The areas described aggregate 66.54 acres.

Township 19 north, range 23 west, section 31, northeast quarter southwest quarter.

The area described contains 40 acres.

Beginning at the southwest corner of southeast quarter southeast quarter section

14, township 18 north, range 20 west, principal meridian, from the initial point—

north 0 degrees 01 minutes west, 660 feet, east 330 feet,

north 0 degrees 01 minutes west, 1,320 feet, east 990 feet,

south 0 degrees 01 minutes east, 275.9 feet,

south 59 degrees 0 minutes west, 849.6 feet,

south 45 degrees 33 minutes east, 43.1 feet,

south 58 degrees 50 minutes west, 96 feet,

south 31 degrees 10 minutes east, 130 feet,

south 56 degrees 37 minutes east, 298 feet,

south 0 degrees 22 minutes east, 72.7 feet,

north 56 degrees 37 minutes west, 377.6 feet,

south 0 degrees 22 minutes east, 462.8 feet,

north 89 degrees 35 minutes east, 314.3 feet,

south 0 degrees 22 minutes east, 589.5 feet,

west 858 feet to the point of beginning.

The tract as described contains 28.66 acres, more or less.

Township 21 north, range 20 west, section 36, southeast quarter southeast quarter, east half east half east half northeast quarter southwest quarter southwest quarter southeast quarter, north half southeast quarter southwest quarter southeast quarter, east half east half southwest quarter southeast quarter southwest quarter southeast quarter, southeast quarter southeast quarter southwest quarter southeast quarter, northeast quarter southwest quarter southeast quarter.

The areas described aggregate 58.4375 acres.

Beginning at the northwest corner of section 1, township 20 north, range 20 west, principal meridian, Montana.

Thence from the initial point, east along north line of said section 1,660 feet, south 0 degrees 01 minutes east, 396 feet, west 660 feet, north 0 degrees 01 minutes west, 396 feet, to the point of beginning.

The area described contains 6 acres, more or less.

Township 22 north, range 24 west, section 33, southeast quarter southeast quarter.

The area described contains 40 acres.

Township 21 north, range 20 west, section 11, east half southeast quarter northeast quarter, section 12, northeast quarter northwest quarter, southwest quarter northwest quarter, south half northwest quarter northwest quarter, northeast quarter northwest quarter northwest quarter, south half northwest quarter northwest quarter, northeast quarter northwest quarter northwest quarter northwest quarter.

The areas described aggregate 137.5 acres.

Township 16 north, range 19 west, section 16, west half east half southwest quarter, northwest quarter southwest quarter.

The area described contains 80 acres.

Beginning at the southwest corner of section 16, township 16 north, range 19 west, from the initial point—

north 0 degrees 02 minutes west 1,320 feet, east 1,317.36 feet, south 0 degrees 02 minutes east 528 feet, west 462 feet, south 0 degrees 22 minutes east, 792 feet, west 857.34 feet, along section line to point of beginning, excepting east half northwest quarter northeast quarter southwest quarter southwest quarter and west half west northeast quarters northeast quarter southwest quarter southwest quarter section 16, township 16 north, range 19 west.

The area described contains 29.725 acres, more or less.

The areas of the tracts listed above aggregate 486.8625 acres, more or less.

SEC. 2. This Act shall become effective when the Tribal Council of the Confederated Salish and Kootenai Tribes by resolution accepts the transfer of the property involved.

SEC. 3. The Indian Claims Commission is directed to determine in accordance with the provisions of section 2 of the Act of August 13, 1946 (60 Stat. 1050), the extent to which the value of the title conveyed by this Act should or should not be set off against any claim against the United States determined by the Commission. The Court of Claims is directed to make the same determination in connection with any claim against the United States adjudicated by it.

Mr. METCALF. The House has amended S. 2948 in only one technical way—that is, to correct the total acreage to be conveyed by this bill. As passed by the Senate, a total of 526.8 acres would have gone to the Flathead Indians, but the correct figure is 487.8. I have discussed this change with the members of the Interior Committee, and it is agreeable to the chairman. Therefore, Mr. President, I move that the Senate concur in the amendment of the House to S. 2948.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

FOREIGN ECONOMIC ASSISTANCE, 1966

The Senate resumed the consideration of the bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, unless there are other speakers, I suggest the absence of a quorum for a short time.

Mr. ELLENDER. Mr. President, I rise in support of the pending amendment. I have an amendment that I intended to offer which would cut the development loan fund by $200 million. It is my belief that the pending amendment should be adopted, but if it is not, then I will offer the one I intended to present.

Unfortunately, I was not in the Chamber to hear all of the debate, and I am sure that some of the facts I will present about the development loan program have been made available to most Senators. In any event I want to document the evidence to support the pending amendment.

Last year, the Development Loan Fund had available for expenditure, a total of $780,212,000. For the fiscal year 1967, the year for which funds are being currently authorized in the pending measure, there will be available $848,862,000 in the aggregate when the amount authorized by the committee for development loans; namely, $620 million is added to the carryover, reimbursements, repayments, and recoveries from appropriations of past years.

If the sum recommended by the committee is permitted to stand, it will mean that we will be making available to the Development Loan Fund, in fiscal year 1967, almost $70 million more than was made available last year.

In my opinion, for Congress to lavish these funds on the Development Loan Fund amounts to waste to the nth degree. Especially, in view of the fact that AID was unable to obligate more than half of the funds available to the DLF in fiscal year 1966.

As of May 31, AID had only obligated $360 million out of the $780 million available. More than 50 percent of the obligational authority was still available to the Development Loan Fund when the last month of fiscal year 1966 arrived. But, lo and behold, during the last month of fiscal year 1966, the AID obligated $367 million of development loan funds.

Mr. President, there is no question that Congress has consistently made more money available for development lending than can be used for sound economic projects, and the amount reported by the committee for fiscal year 1967 is no exception.

I am convinced that most of the $367 million that has been obligated in June of 1966 will be deobligated because the commitments are not firm.

But this is the normal way for operating the AID program and it is no wonder because Congress makes excess funds available. AID cannot find good projects, so in the closing days of the fiscal year they proceed to obligate funds helter skelter and the taxpayers' funds go down the rathole.

I wish I were able to give the countries involved, in which obligations were made during June of 1966. I could almost certify, from past experience, that the obligations were made without there being any idea what the money was going to be used for. It is because of this method of excess financing that these programs have been so costly, and really why there has been so much waste.

Furthermore, the excess amount of money available in the Development Loan Fund has caused AID to institute unsound practices in general. Foremost among these are the so-called program loans.

Mr. President, it was never intended that the Development Loan Program should be used for the purchase of commodities. The program was designed for project-type aid that would enable the developing country to enjoy self-sustaining growth.

But during the past few years there has been instance after instance where loans are made in order to give the host country the opportunity to buy food and other consumable goods. When the Development Loan Fund was first created in 1958, under the Mutual Security Act, and later, when it was revised under the Foreign Assistance Act of 1961, it was contemplated by Congress that development loans would be applied to specific projects, either of a public or private nature, that were found to be feasible on economic grounds. But there has been a shortage, so to speak, of these economic projects because the developing nations have encountered obstacles in trying to conceive projects that meet development criteria and, consequently, development loan funds have been piling up and have been left begging. To rid itself of these huge unobligated balances, AID, in my opinion, has devised the program loan system.

Through this loan system, dollars are made available to finance essential imports, and the recipient country commits itself to particular economic policies at the behest of AID. As the country implements these policies to AID's satisfaction, funds under the loans are re-

leased intermittently. The local currency generated by the sale of the commodities that have been imported under the program loan are placed in a special account by AID and made available to the country for mutually agreed upon projects or sectors in the recipient nation's budget. Thus, Mr. President, it might be stated that program loans made from the Development Loan Fund are quite similar to title IV loans made under Public Law 480.

Mr. President, development loan funds should not be used to finance commodity imports because the payout on development loans is long term, usually 40 years. Commodity imports are normally quickly consumed and should be financed on a short-term basis, usually a maximum of 10 years but preferably for 3 to 5 years. In any event, the criteria for development loans spelled out in section 201 of the Foreign Assistance Act of 1961, as amended, which is quoted below, in my opinion, precludes the use of development loan funds for program loans.

SEC. 201. GENERAL AUTHORITY.— * * *

(b) The President is authorized to make loans payable as to principal and interest in United States dollars on such terms and conditions as he may determine, in order to promote the economic development of less developed friendly countries and areas, with emphasis upon assisting long-range plans and programs designed to develop economic resources and increase productive capacities. In so doing, the President shall take into account (1) whether financing could be obtained in whole or in part from other free-world sources on reasonable terms, including private sources within the United States, (2) the economic and technical soundness of the activity to be financed, including the capacity of the recipient country to repay the loan at a reasonable rate of interest, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, (4) the consistency of the activity with, and its relationship to, other development activities being undertaken or planned, and its contribution to realizable long-range objectives, (5) the extent to which the recipient country is showing a responsiveness to the vital economic, political, and social concerns of its people, and demonstrating a clear determination to take effective self-help measures, (6) the possible effects upon the United States economy, with special reference to areas of substantial labor surplus, of the loan involved,

I shall quote further from the same section, but I want to point out that the Committee on Foreign Relations has added prerequisites 7, 8, and 9, and I shall also read them.

I shall do so because, as I have said, it was never intended that the Development Loan Fund should be used for any purposes other than those designated and outlined in section 201. In my opinion section 201 provides for project loans that enhance the economic development of the newly emerging and underdeveloped nation.

I shall now read prerequisites 7, 8, and 9 which have been added to the Foreign Assistance Act of 1961 by the committee in the pending measure.

(7) The degree to which the recipient country is making progress toward respect for the rule of law, freedom of expression, and of the press, and recognition of the importance of individual freedom, initiative, and private enterprise;

(8) The degree to which the recipient country is taking steps to improve its climate for private investment, both domestic and foreign, through the encouragement of maximum private ownership in new and existing industry, through nondiscriminatory treatment between national and non-national and between public and private enterprises and products, through adequate protection of industrial property rights (such as patents and trademarks); and

(9) Whether the activity to be financed will contribute to the achievement of self-sustaining growth. Loans shall be made under this title only upon a finding of reasonable prospects of repayment.

Mr. President, these three added requirements show further that it was not the intent of Congress that a development loan should be used to finance the purchase of any commodity for immediate consumption. Yet, in case after case during the past few years exactly that has been done. I wish I could state to the Senate the countries that have been afforded loans during June of 1966. Practically all of these loans have been so-called program loans wherein commodity imports will be financed.

By using development loan funds to finance commodity imports, AID is merely exacerbating the ability of the developing nations to service their debts. The extent of the severity of this problem has long been of concern to the World Bank, as is indicated in language that I shall now read.

According to information contained in the justifications furnished the Senate Appropriations Committee by AID, the total debt of developing countries has now reached $35 billion, and probably is as much as $40 billion, or almost seven times the annual value of net aid from DAC countries in recent years.

This debt includes a good deal of short-term, high-interest debt, which does not appear in the statistics of AID.

Statistics prepared by the World Bank illustrate the degree and the nature of the debt problem. According to the World Bank, its lending to developing countries of $500 million resulted in net lending of less than $200 million in 1965, because of the payments by borrowers on amortization, interest, and charges on outstanding loans with the World Bank.

Needless to say, the same thing may be applied to aid furnished by us. A good portion of our aid is being used, Mr. President, not only to take care of the interest that may be due us on past loans we have made, but more so to pay the interest on loans that have been made by our prosperous allies of Western Europe which are member of the DAC. Mr. President, I say in passing that, in my opinion, this is one other reason why we have been granting 40-year loans, with a 10-year grace period.

I note further in passing, Mr. President, that usually the loans that are made by our prosperous allies from Western Europe are not made for 40 years nor for 30 years, but usually for from 5 to 10 years, and the interest rate they extract ranges from 4 to 6 percent. Indeed we are paying them well.

When anybody tells me that the underprivileged people of Asia and other parts of the world are getting a good deal of assistance from our rich allies, I say they get it, but we pay for it, through the grants and soft loans we make available out of the Development Loan Fund. I think it is ridiculous.

Mr. President, a second unsound practice by AID, which surfaces because of the presence of excess funding in the Development Loan Fund, is the granting of loans that should be financed in a businesslike manner by the Export-Import Bank.

The most conspicuous example of instances of this type is the nation of Israel. Here is a nation—in sound economic condition—which is well able to pay on regular commercial terms for what it gets, still on the loan list of the Development Loan Fund in fiscal year 1966.

It would seem that Israel will never get off the soft-loan dole. In fiscal year 1962, development loans aggregating $45 million were made. In fiscal year 1963, the congressional presentation indicated that loans amounting to $20 million would be made. Actually, loans totaling $45 million were again made in 1963, or $25 million more than the amount presented to the Congress. In fiscal year 1964, $20 million was programed according to the presentation made to the Congress and the same amount, $20 million, was actually made available. In fiscal year 1965, the program presented to Congress indicated that loans would be made in the range of $0 to $10 million. Actually, loans aggregating $20 million were made in 1965.

In other words, every loan made in the last 4 or 5 years to Israel exceeded the amount that was presented to Congress.

One again in fiscal year 1966, it was contemplated that loans would be made in the range of $0 to $10 million. Actually, loans of $10 million were made in fiscal year 1966, and to make matters worse, they were for commodity imports. And I repeat, these loans, or this form of a loan, should be made for the economic development of the country; but here we have a classic example of this loan fund being used to buy consumable commodities for Israel as well as many other countries.

The astounding fact is that Israel receives any soft loans at all. This nation is well off and should be able to get along with regular financing through either the Export-Import Bank or the World Bank.

Mr. President, I have here two exhibits, which give the details on program loans that we have made to Israel during the past 2 years and I ask that they be printed in the RECORD at this point.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

TABLE IV.—*Status of development loans*

[In thousands of dollars and equivalent]

Country: Israel.

Title and number of loan: Program loan (IV); AID loan No. 271-H-096.

Date authorized: May 25, 1964.

Date signed: October 22, 1964.

Loan status as of Dec. 31, 1964:	*Amount*
Authorized	$8,000
Disbursed	
Repayments	
Interest collected	
Loan terms:	
Duration	20 years.
Grace period	5 years.
Interest rate	3½ percent.
Currency of repayment	U.S. dollars.

PURPOSE OF LOAN

To assist the Government of Israel to meet the foreign exchange costs of imports of capital equipment and materials for the country's investment program.

Eligible commodities include equipment for chemical, plastics, pharmaceutical, and metals manufacturers, construction and earth-moving machinery, and automotive and railway vehicles.

The growth of Israel's economy has been very impressive, and in recent years GNP has increased about 10% per year. Israel's development program consists of well-conceived priorities and operates through an elaborate system of fiscal, monetary and other controls designed to provide maximum stimulus to the economy by encouraging the most productive enterprises.

FINANCIAL STATUS

The documentation to meet the conditions precedent to disbursement has only recently been submitted by the Government of Israel. This is under review. It is expected that requests for reimbursement for eligible expenditures will result in most of these funds being disbursed during CY 1965.

PROCUREMENT SOURCES

All equipment, materials and related services to be financed by the loan will be procured in the U.S.

TABLE IV.—*Status of development loans*

[In thousands of dollars and equivalent]

Country: Israel.

Title and number of loan: Commodity financing, 271-H-120.

Date authorized: June 23, 1966.

Loan status as of June 30, 1966:	
Authorized	$10,000
Disbursed	
Repayments	
Interest collected	
Loan terms:	
Duration	20 years.
Grace period	5 years.
Interest rate	3½ percent.
Currency of repayment	U.S. dollars.

The essential purpose of the loan is to assist the Government of Israel to meet the foreign exchange costs of imports to carry on the investment and production necessary for continued development of the Israel economy.

All goods and related services financed with loan funds will be procured in the United States. The loan is subject to such other terms and conditions as the A.I.D. may deem advisable, including approval of the specific categories of imports to be financed from the loan.

Mr. ELLENDER. Mr. President, funds available for foreign assistance are limited and they should be made available to those nations that are truly in need, if they are to be made available at all.

For a number of years now, Congress has been told that Israel, like Greece and Taiwan, was a transitional country in which aid is expected to be ended over the next several years. Well, both Greece and Taiwan—neither of which is as well off as Israel—have been taken off the economic aid list but, somehow, Israel manages to remain on the dole, getting the advantage of soft loans from the Development Loan Fund.

Mr. President, I am told that exhibits E and F, which I hold in my hand, are classified, and therefore I shall not ask that they be printed in the RECORD, nor shall I read them. But again, they show, Mr. President, that the funds borrowed will be used in order to finance the purchase of commodities.

The amount recommended by the Foreign Relations Committee for the Development Loan Fund should be reduced by the $250 million called for in the pending amendment. I am confident that if this is done, there may be a slim chance of getting the Development Loan Fund on a sound economic footing. I want to remind Senators that if the pending amendment is adopted, there will still remain $598,862,000 for development lending in fiscal year 1967, which could be devoted hopefully to sound economic projects in the developing nations rather than to wasteful program loans, as has been done by AID during the past few years.

If the AID fund is reduced by the $250 million called for in the pending amendment then AID may get the message.

It may stop obligating funds in the last month of the fiscal year. It may stop making so-called program loans for commodity imports. It may conform with the intent of Congress by making loans for projects that are economically feasible.

At least, Mr. President, these are my hopes.

I shall vote for the pending amendment and I urge Senators to do likewise.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. RUSSELL of South Carolina in the chair). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Illinois. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS] and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Connecticut [Mr. DODD] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. SPARKMAN] would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Kansas [Mr. PEARSON].

If present and voting, the Senator from Connecticut would vote "nay" and the Senator from Kansas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. PEARSON] is necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent because of illness.

If present and voting, the Senator from Pennsylvania [Mr. SCOTT] would vote "yea."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Connecticut would vote "nay."

The result was announced—yeas 59, nays 34, as follows:

[No. 145 Leg.]

YEAS—59

Aiken	Fulbright	Prouty
Allott	Gore	Proxmire
Bennett	Griffin	Randolph
Bible	Gruening	Robertson
Boggs	Hartke	Russell, S.C.
Burdick	Hickenlooper	Russell, Ga.
Byrd, Va.	Hill	Saltonstall
Byrd, W. Va.	Holland	Simpson
Cannon	Hruska	Smathers
Carlson	Jackson	Smith
Church	Jordan, N.C.	Stennis
Cotton	Jordan, Idaho	Symington
Curtis	Kuchel	Talmadge
Dirksen	McIntyre	Thurmond
Dominick	Metcalf	Tower
Eastland	Miller	Williams, Del.
Ellender	Morse	Yarborough
Ervin	Morton	Young, N. Dak.
Fannin	Mundt	Young, Ohio
Fong	Murphy	

NAYS—34

Anderson	Javits	Montoya
Bartlett	Kennedy, Mass.	Moss
Bayh	Kennedy, N.Y.	Muskie
Brewster	Lausche	Nelson
Case	Long, Mo.	Neuberger
Clark	Long, La.	Pastore
Cooper	Mansfield	Pell
Douglas	McCarthy	Ribicoff
Harris	McGee	Tydings
Hart	McGovern	Williams, N.J.
Hayden	Mondale	
Inouye	Monroney	

NOT VOTING—7

Bass	McClellan	Sparkman
Dodd	Pearson	
Magnuson	Scott	

So Mr. DIRKSEN's amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMINICK. Mr. President, I call up my amendment No. 678.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. The Senator from Colorado [Mr. DOMINICK] proposes amendment No. 678, as follows:

On page 3, before the period at the end of line 24, insert a comma and the following: "and by striking out '1 per centum' and substituting '2 per centum' ".

Mr. DOMINICK. Mr. President, I should like to get the yeas and nays on the proposed amendment, because it is my understanding that a vote will be required.

The yeas and nays were ordered.

Mr. DOMINICK. The proposed amendment is very simple. It would

provide that in the development loans, which have now been set at $370 million, the interest rate would be raised over the first 10-year period, which is given as a grace period in the development loans, from 1 percent, which is provided in the committee bill, to 2 percent.

I shall not discuss the proposed amendment at length, but I wish to call to the attention of Senators the fact that an interest rate as low as 1 percent is not available to any American citizen, in any way whatsoever, on any loan program affiliated with the Federal Government. The lowest interest rate generally in effect for anyone in this country is under the REA loans, at 2 percent.

With our deficit financing, it is costing us 4⅜ percent to borrow money from our citizens, and we are then asking our Government to give it away for 10 years, with no principal payments, and at only 1 percent interest.

It does not seem correct to me that we should go forward in this way.

Mr. President, while we have a sufficient number of Members present, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. DOMINICK. Mr. President, as I said, I am not going to take a long time, but I do call the attention of Senators to page 9 of the committee report.

In the committee report, for the second portion, after the grace period, the interest rate is raised from 2½ to 3 percent, but nothing is done on the first 10 years of the interest rate.

We have an SBA disaster loan for our own people, but we ask our own people, when they are trying to get help from their own Government to help overcome disasters in their areas, to pay an interest rate of 3 percent.

It seems to me only proper, with this kind of interest situation facing our own people in the United States, that the very least we can do is to say to other nations: "You can pay at least 2 percent interest in the process of getting money from the Treasury of the United States."

I would cite college housing as an example in the point I am trying to make. We have established the improvement of our educational system and facilities as part of our national policy yet 3 percent is required to be repaid into the Treasury for college housing loans. The same thing is true in connection with academic facilities. The Economic Development Act rate is 3.75 percent to 4 percent; under the National Defense Education Act it is 3 percent; and under the Farmers Home Loan it is 3 to 5 percent.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. SYMINGTON. As I understand the Senator's presentation, his amendment would establish an interest rate not more than the lowest interest rate known in this country, on any basis, of any kind whatsoever—specifically, the REA interest rate—and also it would be 2⅜ percent less than the current cost of money to the Federal Government. Is that correct?

Mr. DOMINICK. The Senator is correct. I believe that this explains the entire situation in a nutshell.

Mr. SYMINGTON. I say to my friend from Colorado [Mr. DOMINICK] that I think his amendment is sound, therefore I look forward to voting for it.

Mr. DOMINICK. I thank the Senator from Missouri. I appreciate his support and I hope that the amendment is adopted.

I think that we are all taking a new look at the fiscal situation in this country. I think it has been intensified, as the Senator from Illinois [Mr. DIRKSEN] said in the process of debate on the previous vote, by the British situation at this time in which they are taking drastic action to prevent devaluation of the pound. This matter is accentuated even more by the recent conference which the President had with certain Senators and the leadership of the House, in order to say to Congress, as a whole, that we have to do something to put our financial situation in order. This is one way we can do something about it.

I am not so naive as to believe that every nation that receives this money is going to pay us 2 percent interest. I suspect that we will find the situation as in the past. In the past the AID program has folded interest money, which is not being repaid, into the principal amount and then has gone ahead and refinanced it.

In view of the fact, as the Senator from Illinois [Mr. DIRKSEN] pointed out, we have had over $117 billion already expended on this program to date with commitments beyond that to the international agencies, it seems to me proper that when these countries come to us for money—which our taxpayers cannot get anywhere—that we should make them pay at least 2 percent for the privilege of those funds.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOMINICK. I yield.

Mr. MORSE. Mr. President, I shall support the amendment of the Senator if we cannot get something better. I do not think that it goes far enough. I shall support it if we cannot get something better.

This has been a matter of considerable discussion for several years in our foreign aid debates and there are some facets of it that I believe the Senate should take into account.

I believe that 2 percent for the first 10 years is too low, and that paying 3 percent after the first 10 years is too low.

I certainly think that after the first 10 years, the so-called grace period, if the projects for which the money was loaned were worthwhile at all, the American people ought to get back, if possible, the use of the money, which is, of course, an interest rate far below the legal rate of interest in most of the countries in which we are making the loans.

I would have the Senator from Colorado consider the desirability of a rate of 3 percent, which is still below the cost of the use of money for the first 10 years, and the cost of the use of the money, or the interest rate, thereafter. I have urged this proposal for some years past, and in broad summary my reasons are as follows:

Although there are differences in the interest rates charged by other countries in their foreign aid loan programs, Canada, for example, charges an interest rate lower than ours; but let us face it: she does not make loans, even in relation to her national wealth, anywhere nearly comparable with the loans the United States makes.

France, I say in all fairness, makes a great many grants rather than loans; but as is also characteristic of the French foreign aid program, most of the aid from France goes to her former colonies, rather than to the areas of the world that have not had a French colonial interest in years gone by.

West Germany has an interest rate of 5 percent. It will be found that although the rates are somewhat spotty, by and large, other countries charge higher interest, I am advised, than does the United States.

But there is another facet that I should like to have the Senator from Colorado consider, and that is the effect of the low-interest-rate psychology upon the government we seek to benefit. In our debate yesterday in connection with another amendment, it was pointed out that the Agency for International Development does not have the salutary checking requirement that is imposed in our own country upon Government agencies that seek appropriations from our Government for the building of various projects; to wit, the Corps of Army Engineers, in connection with dam, reclamation, and flood control programs; or, for that matter, in connection with other public works programs. We have a benefit-cost ratio requirement that must be shown. But we have not insisted upon such a requirement in the expenditure of American funds in connection with the AID program. I have carefully analyzed the Comptroller General's reports of criticism of our AID program over the years. In my judgment, what stands out as one of the causes of much of the inefficiency that characterizes some of the AID program is the very fact that loans are not sufficiently considered in order to assure the American people that they will go into good projects.

Mr. DOMINICK. I feel sure that the Senator from Oregon remembers that in the past I have supported amendments offered by the Senator from Oregon and the Senator from Alaska raising the interest rate. We went up that hill and we came down that hill several times. I am trying to exercise forbearance.

I have great sympathy for the point the Senator from Oregon is making. His point is well taken. But if we can at least get the rate up to the lowest level at which our own citizens can borrow it, we shall be making one step up the hill and be making a footprint that will give us enough leverage to go forward next year.

Mr. MORSE. I understand. That is why I will support the Senator's amendment if that is the vote I am called upon to cast.

But I should like to speak a little longer, if the Senate will permit, in regard to the effect of the low interest rates on other countries. It has a tendency for the submission of projects not so strong as they would have been had the country known it would have to pay a higher interest rate. Some pretty slipshod work has been done over the years in connection with the making of AID loans. I think that a fair interest rate has a good chance to help guarantee to the American people that there will be a sounder program of projects than is likely to be the case if it is almost a giveaway interest program.

Furthermore, I cannot escape taking note of what the fiscal policies of some of these countries are in regard to some of the loans they make. When we make this AID money available at a low interest rate, what it amounts to, as I pointed out in the analysis I gave yesterday in connection with another amendment, is greater economic savings to these countries using this AID money in relation to the economic resources of the country.

And what is their interest rate?

It is 12, 13, 14, 15 percent—in some instances, the record shows it goes up to 34 percent.

That is why we often hear criticism that we are soft in regard to the handling of our own taxpayers' money. These governments do not do it with their own money. It seems to me that we should not let them make excess profits off the American taxpayer by way of saving on the interest rate, as a result of the savings we make available to them so that they will have more capital to loan out at their exorbitant interest rates.

The last point I should like to make, which is one of our most serious problems in connection with the Alliance for Progress program, is trying to get them to adopt interest reform, to bring down their interest rates to a reasonable amount so that their people will not be gouged by excessive interest rates which the countries charge. I think we have an opportunity to teach a good lesson here. We say to them that we want to make sure that the project will be one which will pay off, that if it is a sure loser we should not be making the loan in the first place. If it is a project that has a favorable benefit-cost ratio, then we should make the loan.

That is the kind of foreign aid I want to support. That is why Senators hear me say that I would increase foreign aid for that kind of program. If they are sound projects, the American taxpayer should be entitled to repayment and also to the cost of the use of the money interest rate.

I think that this is a lesson we should teach in connection with the whole system of a sound program of economic freedom, or private enterprise. We cannot reconcile the interest rate program we have been following, in my judgment, with what I think is the responsibility we owe the people who invest their money in sound projects and expect them to pay a fair interest rate.

I know that the Senator from Colorado has already answered my question, because I was going to suggest to him if he would be willing to make that 3 percent for the first 10 years and the cost of the use of the money interest rate after 10 years. Apparently, the Senator feels that the proposal which I have made from time to time in past years could not pass this session of Congress—although I should like to try—and he feels that he should settle for the 2 percent and do nothing about the interest rate after 10 years. I would at least plead with him to modify his amendment so that after 10 years interest rate it would be 3 percent but the cost of use of the money interest rate would be left at 2 percent for a starter.

Mr. DOMINICK. I thank the Senator from Oregon for his support and thank him also for the cogent comments he has made concerning these problems.

I would suggest that the question of the interest rates after 10 years could come up in a separate amendment. One of the things my proposal would do on the first 10 years, would be to make sure that each country knows that the development loan is in fact a loan and not a grant. This is part of the problem we have had in the past, and part of the reason, I suspect, why AID administrations over a period of time have taken the authority which has been given to them and given over $10 billion worth of grants which Congress at least was led to believe were loans originally. I think, by putting this up to 2 percent, we can really make an impact by showing the people who are coming in and asking for this money that we do consider this as an obligation, that this is a debt that they will have to repay, that this is a loan and not a grant, and that we do not intend to fold it back in again and refinance it in the form of a grant.

Mr. LAUSCHE. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I am happy to yield to the Senator from Ohio.

Mr. LAUSCHE. I should like to point out that in the past we have had three categories of loans. One, hard current interest rate loans. Two, loans that did not bear the current rate, nor were bound in length of tenure to current provisions. The third category was not a loan but a grant.

This policy was developed in trying to choose a midway ground. One, current rate of interest and current tenure. Two, grants. Thus, there was chosen a midway ground, and that is what the Senator from Colorado is speaking about.

I do not completely eliminate the midway ground. We should keep it in existence. I will support the proposal of the Senator from Colorado to make the interest rate 2 percent in the first 10 years, and continuing the 3 percent interest for the remainder of the time allowed to amortize the entire debt. But I do think it would be a mistake to eliminate this midway ground which has been in existence for the past 10 to 15 years.

Mr. DOMINICK. I thank the Senator from Ohio. I deeply appreciate his support. I am inclined to agree with him.

The problem, of course, is that by the development loan, what we are trying to do in part is to get the economies of the other countries built up so that they can improve the total world market, in order, thereby, to become a market for the United States. We do not wish to take a position which would be self-defeating by imposing tough terms so that countries could not build themselves up. This is one reason why I brought the rate up to only 2 percent at this time, although I know what a burden it will be on our taxpayers in order to provide the funds, and to have to borrow it at 4⅜ percent and loan it out again at only 2 percent.

I thank the Senator from Ohio.

Mr. McGEE. Mr. President, the United States has been solidly committed to the effort of raising the level of economic and social development in southeast Asia for the past 20 years. While assistance levels have risen considerably—from only a few millions annually just after the end of World War II to the present rate that represents more than 25 percent of all U.S. economic assistance worldwide—the aims have not appreciably altered. Basically, they remain American efforts to help the people help themselves. Throughout its history, our AID program's primary purpose has been to eradicate the conditions which make South Vietnam a fruitful field for Communist subversion.

We have devoted our efforts toward lifting the living standards of that unfortunate nation's 16 million people. Rather than improve, the per capita share of South Vietnam's gross national product of barely $115 million a year can hardly keep up with the almost 3 percent annual growth rate in population. To survive economically, the Government must count on receiving more than half of its total revenues from foreign grants.

In fiscal year 1966 this meant approximately $725 million in economic aid from the United States, including surplus agricultural commodities under Public Law 480. The current year program is planned to cost about the same.

From the start, this program has not committed the United States to military action. On the contrary, they have commited us to assist in the economic and social development of the Vietnamese nation. The military commitment is a separate subject, related to the aid program only in the sense that they both proceed from a single U.S. policy. When, as a result of the Geneva Conference, Vietnam was divided at the 17th parallel in June 1954, the northern half held almost all of the available natural and industrial resources. It also held almost 1 million persons who refused to live under communism and immediately started their refugee trek to the south.

South Vietnam's existence was fragile indeed, but nevertheless, with the help of American aid, considerable progress was made. In the first 5 years after partition, rice production was doubled. The malaria eradication program had expanded to protect 83 percent of the people, and other endemic diseases such as cholera were being brought under control. An industrial base was in the

making with the establishment of new industries ranging from food processing to textiles and pharmaceuticals. Mining was being developed and communications were moving forward.

When the Vietcong set out to destroy this young nation, South Vietnam became a battlefield, with its most skilled people the deliberate targets of assassination. The subversion by the Communists, which had begun right at the beginning in 1954 with an estimated 10,000 of them fading into the peasant population, according to Senator MANSFIELD'S report to the Foreign Relations Committee, was stepped up. More cadres and soldiers moved in from the north, bringing more insecurity and more terror.

In 1965 alone, 354 Vietnamese civilians engaged in rural development programs were murdered and another 500 were wounded. Since 1958, the Vietcong have assassinated or kidnaped 61,000 village leaders and local representatives of the Government. In the past 5 years, 13 malaria control workers have been killed and more than 150 have been wounded or kidnaped.

While this subversion was infecting the nation, the United States was trying to help the Government build effective economic and social programs for the people. Four-fifths of the population are farmers or fishermen. Agrarian reform has long been recognized by both the Government of South Vietnam and the United States advisers as an essential need. Large landholdings in this predominantly agricultural country had traditionally been the rule. In the Mekong Delta, for example, 2½ percent of the owners of property held title to about half of all the cultivated land. High rentals, high fees for irrigation, uncertain rights to renew leases—all these contributed to the dissatisfaction that the Government sought to mitigate.

Beginning in 1955, a land reform program was developed with these principal features: to limit rental fees to 25 percent of the main crop, to provide for 5 years' tenure security, to purchase and distribute to the farmers French-owned riceland, to limit Vietnamese-owned riceland holdings to about 250 acres, to provide for distribution of land to former tenants, and to establish a farmers' association. While the increasing insurgency has made more difficult the land reform program, still some million and a quarter acres of arable land are presently being distributed to the farmers of South Vietnam.

We have a right to ask ourselves: "What has all this aid done for Vietnam?" In terms of people, we see many favorable signs, such as the increase of elementary school enrollment three times over since 1954; the distribution of 7 million elementary textbooks with a goal of double that number by the end of next year; the construction of 6,200 rural classrooms; and a teacher-training program that is graduating almost 3,000 new elementary school teachers each year.

These are things that have meaning for people. So does our program to help improve the health facilities of this nation. There are approximately 1,000 doctors in South Vietnam, but more than 600 of them are in the armed forces. This means 1 doctor for every 40,000 people; the U.S. ratio is better than 10 times that. With American assistance, the Government of Vietnam has built a training center designed to graduate 200 new doctors annually. Village and hamlet health stations have been established and stocked with medicine in 12,500 rural areas—about the number of hamlets in all of South Vietnam.

To make all this possible, the AID program must provide large quantities of commodities—such as $21 million worth of paper, pulp, and newsprint partly to assist with the schoolbook publishing program, $17 million worth of fertilizer to increase the rice yield. All these commodities and many more arrive in Vietnam through AID's commercial import program, the C.I.P. The C.I.P. has three interlocking objectives. In the first place, it helps counter inflationary pressures by putting more goods on the market. In the second place, the C.I.P. makes available to the Government of Vietnam the foreign exchange it lacks but needs for essential imports. Finally, the C.I.P. generates counterpart revenues additional to the Government's own taxing potential.

This is a big program. How it can help alleviate a price squeeze can be seen in a recent example with cement. AID provided C.I.P. for the import of more than $13 million worth of cement last year, but still the price rose as demand increased. Six months ago, an acute shortage, with military commanders vying with farmers and contractors for every bag, drove the price for a 100-pound sack up to 300 piasters. Efforts on the part of AID personnel to move more cement into the country under the C.I.P. succeeded in driving the price down 40 percent, so that today the same bag sells on the open market for 180 piasters.

At Honolulu last February, Premier Ky said of the social and economic programs his Government was putting into effect: "We are 12 years late—but we are not too late." In the same way, our aid to that country, while it has been consistent in its purpose of building a viable country strong against internal subversion and external aggression, has not until recently been provided in such large quantities. But it is hopefully not too late to bring about the changes that we have been striving for ever since we started providing aid to South Vietnam.

Mr. ANDERSON. Mr. President, I am going to work toward the passage of a reasonable foreign aid bill and will try to sustain the committee in the decision that our Foreign Relations Committee reached.

It has been almost 20 years since the Marshall plan was established. The plan was a major American commitment of moral support and material wealth to the rebuilding of war-torn Western Europe. I had some involvement in that program as Secretary of Agriculture. My primary responsibilities, however, were in the worldwide food relief program. The devastation of war and severe weather had left scores of millions suffering from acute hunger; famine was stalking India, China, and other lands. Those were the days of the Combined Food Board, which was a multinational organization based here in Washington to allocate scarce food among the hungry nations. By 1948—after a strenuous effort here and abroad, the food crisis has been eased.

It is with a feeling of dismay that I view the global food situation today and see that in many parts of the world the situation is as critical or more so than it was two decades ago. In the past 5 years population in Asia has climbed 5 percent; in Latin America population is up 17 percent. But food production has risen by only 10 percent, so that per capita food conditions in Latin America and in Asia are worse today than 5 years ago. I mention this food crisis simply because some 20 years ago I had a day-by-day involvement with famine—and today famine and malnutrition still plague many lands.

Shipments of surplus food and the food-for-peace program are only part of our assistance program abroad. Since the Marshall plan the United States has provided over $65 billion in aid. That figure may be startling to some, but it should be kept in proper perspective. In the post-World War II period we were contributing 2 percent of our gross national product to foreign economic assistance. The aid bill now under consideration authorizes about one-third of 1 percent of our gross national product—although I am aware that there are other contributions which the United States makes for foreign economic development through loans and grants apart from the present authorization. The members of the Foreign Relations Committee have far more initimate knowledge of the aid program than I do, and some of them have been critical of the assistance policies and the conduct of the program.

There have been instances where aid commitment has been too small to have significant impact, or where the receiving nation has used our help to perpetuate incompetency, corruption, and social injustice. There is no intention on my part to be an apologist for those conditions. But I think it is important that the committee, despite, its criticism, declared:

> Finally, the committee deems it appropriate to reaffirm its view that, despite the irritations, frustrations, and disappointments, the foreign aid program remains an essential instrument of American foreign policy and is likely to be so for some time to come. It is necessary and will continue to be necessary, for a transfer of resources to take place in one form or another between rich countries and poor countries.

Barbara Ward has written:

> If you do not change agriculture you will not change the economy.

There have been countries which have ignored agriculture and instead have assigned too much of their limited resources to premature schemes for industrialization, or for the trappings of a highly developed society. But agriculture is basic in the underdeveloped lands. Most of the population lives on the land and it is the starting point of wealth. While the Communists have attempted

to lure the underdeveloped areas of the world toward the left, it is in this area of agriculture that they can hold out little hope because of their own lack of success. Before the war the Soviet Union, the Communist bloc countries, and mainland China were exporters of food. Today they are importers, and the Soviet Union—with 50 percent of its people on the farms—is not self-sufficient and mainland China must turn to other areas to meet food deficits.

A portion of the mineral resources of New Mexico is going into an increasing effort to raise world food productivity. And, at the same time, New Mexico's economy is the beneficiary.

In 1965 foreign aid export orders in New Mexico totaled over $6 million for potash fertilizer, according to the Agency for International Development. Approximately one-third of the potash fertilizer exported was obtained through the AID programs. In addition, a number of foreign nations made direct purchases of potash fertilizer, and those countries were able to do so, in part, because they had been recipients of American aid and had reached the point where their growing economies required additional purchases in this country. Sometimes, I think, people forget that aid recipients are large customers for American products.

I am heartened by the international and regional approach to economic problems which seems to be growing in Central America, in Africa, and in southeast Asia. It is a new but vitally essential way to approach development as we are discovering in the United States.

On April 7, 1965, at Johns Hopkins, President Johnson declared this Nation's support for an intensive development of the resources of the lower Mekong River to provide water and power for a watershed embracing Cambodia, Laos, Thailand, and Vietnam. Twenty million people live in that vast basin; this number will double in the next 25 years. After hearing that speech I immediately wrote to the President to declare my support for this undertaking in cooperation with a number of other nations because, as I wrote, "it would be far more constructive to use the money in building up the economy of the area involved."

But we have more than dollars to offer this area. We have talent as well. The United States has years of experience in developing huge multipurpose water projects here at home.

I was quite interested on Monday in the Bureau of Reclamation announcement that it was creating a special technical staff to investigate the Pa Mong project on the Mekong River between Thailand and Laos. Pa Mong would produce more hydroelectric power than the Tennessee Valley Authority, as well as having the potential for irrigating more than 2 million acres of land. I think all Americans can be proud of this effort, undertaken at the request of the Agency for International Development.

We must not undertake these projects simply to be anti-Communist or anti-any-other hostile ideology. To do that would be to open the way to being continually blackjacked into assistance programs neither in the real interest of the foreign nation or our own.

I recall a meeting in Paris with the Premier and members of the Cabinet of a certain European country which was threatened by internal political turmoil and virtual civil war. The Premier told me that unless we met his full demands for food that the government would topple and the country would go Communist. My suggestion to him was that he and his cabinet look around for other jobs because we simply could not meet his demands. When he calmed down I discussed with him what we could do and he recognized that there are limitations to any country's resources and commitments, and we were then able to arrive at a level of help which, in part, helped preserve a free nation.

We should recognize that even if there were no threat from communism in the less developed lands their economic and social plight would create mass discontent. We need to continue foreign aid.

THE 1966 BUDGET DEFICIT PARED BY $4.1 BILLION

Mr. PASTORE. Mr. President, yesterday, together with several of my colleagues from the Senate and also from the House, it was my privilege to attend a meeting called at the invitation of the President of the United States at the White House.

I came away with a very deep and abiding feeling that the President and his administration are to be congratulated for their superb performance in reducing the budget deficit for the fiscal year just ended. Only last January, the gap between receipts and expenditures was estimated at nearly $6½ billion; today, we know that the actual deficit for the year turned out to be $2.3 billion.

Thus, the estimated deficit has been pared by $4.1 billion—it has been cut by two-thirds. This achievement constitutes an important milestone along the path to a balanced budget.

The shrunken deficit for 1966 is even more impressive when placed in the perspective of recent history.

It is the smallest deficit in 6 years.

Even more striking, it is an improvement of about a half billion dollars per year in the average budget result for the past 20 years beginning in 1947.

This latest fiscal feat attests to the basic strength of our economy, and the close rein the President has held on Government spending. It gives added stamina to our prolonged prosperity. It occurred despite the added costs of defending the freedom and integrity of the Vietnamese people. In fact, because of these demands on an already vibrant economy, the reduction in the deficit is a welcome sight. It reflects the administration's commitment to exercise the restraint necessary to protect the value of the dollar and future economic progress.

THE AIRLINES STRIKE—POSSIBILITY OF LEGISLATION TO RESUME OPERATION OF PLANES

Mr. SMATHERS. Mr. President, the 13-day-old airline strike has become an intolerable burden on the American public.

Because of an unresolved dispute between five major airlines and 35,400 members of the International Association of Machinists, millions of citizens with no direct interest in the negotiations have had their lives—and in many cases, their livelihoods—severely disrupted by the grounding of 60 percent of the Nation's domestic airliners.

More than 150,000 travelers and 4,100 flights a day have been affected by the machinists' walkout; 231 cities in the United States and 23 foreign countries have had their air service limited in some degree. Seventy of the cities now have no commercial traffic at all.

The struck airlines normally carry approximately 70 percent of all airmail shipments, and currently, airmail is flowing from hours to days behind schedule.

In my State of Florida alone, 534 daily flights that carried an estimated 20,000 passengers in and out of our three largest cities have been canceled.

Mr. President, this strike would be serious enough if it did nothing more than keep a businessman from a meeting, a family separated, or a relative from the bedside of a dying patient. But its effects are far wider and more devastating than these.

The five airlines—National, Eastern, Northwest, TWA, and United—have been forced to furlough without pay more than 20,000 nonstriking workers.

Allied industries, such as hotels and motels, taxicabs, tourist attractions, and retail stores have also felt the economic pinch brought on by a partially immobilized America.

In the larger picture, the present strike—if allowed to continue much longer—could prove to be the catalyst that sets off a general economic downturn. For, even without idle airlines, there are ominous indications that the period of sustained growth could be beginning to give way.

Second quarter retail sales for this year are off 2.6 percent from the preceding quarter. The gross national product registered the smallest increase in the second quarter since the fall of 1964. Personal income gained less than in any quarter since the spring of 1963.

The severe shortage of money in the lending market and the consequent spiraling interest rates have braked expansion substantially in several areas of the economy.

These factors, coupled with a prolonged stalemate between 5 corporations and 35,000 employees, could ultimately mean incalculable losses to all Americans—losses stretched over a considerable length of time.

Mr. President, with the passing of each hour, the situation grows more desperate, and the need for a remedy grows more desperate, and the need for a remedy grows more urgent. But a remedy through the normal processes of collective bargaining does not appear to be close at hand.

While progress toward a settlement moves at a turtlelike pace, the Nation stands on the sidelines, helpless to do

anything but watch in agony as the slow drama unfolds. Our sole legal recourse, the Railway Labor Act has been exhausted—and found wanting.

Under these circumstances, several Senators and I are at present exploring the possibilities of introducing legislation to put the planes back in the air while Federal arbitrators decide the issues in contention. We are not thinking in this instance in terms of a broad, general bill requiring compulsory arbitration of all major strikes. Rather, we have in mind a bill to deal only with the airline strike now confronting our citizens. It would be a limited measure to correct this particular set of circumstances.

We are not without precedent for such a move. On August 28, 1963, the late President Kennedy signed into law a bill requiring arbitration of the railroad work rules dispute. This was a law tailored to a specific situation and designed to protect the interests of the general public against the potentially disastrous effects of a stalemate between labor and management.

There are some differences between the work rules fight of 1963 and the airline strike of 1966, but there are also clear similarities.

The railroad industry and the airline industry are two of the cornerstones of our Nation's transportation system.

Allowed to go unresolved, strikes in either industry could hamstring the economy.

In each instance, the machinery of the Railway Labor Act was exhausted without producing tangible results.

Mr. President, even if Congress is forced to take the action necessary to end this particular strike, there will be no guarantee that future deadlocked labor disputes, whether in the airline industry, or the steel industry, or on the docks, or in the subways, will be settled without first causing hardships for millions of innocent Americans.

Experience has proven that neither the Taft-Hartley Act nor the Railway Labor Act provides adequate machinery to deal with major disputes between labor and management that adversely affect the national interest. Yet, year after year, Congress fails to take remedial action, and year after year the public is subjected to the inconveniences and losses that invariably accompany important strikes.

On February 8 of this year, I introduced S. 2891, a bill to establish a U.S. Court of Labor-Management Relations. This court would have jurisdiction in labor disputes—such as the current airline strike—which harm the public interest and would, after first making every effort to persuade the parties to effect a settlement through the traditional processes of collective bargaining, be empowered to hand down binding decisions on the points in dispute.

The need for such a court—where differences between employer and employee could be settled in an impartial and judicial atmosphere—has long been evident to many persons. The late Bernard Baruch had advocated a labor court at least since the close of World War I.

But the New York transit strike earlier this year, and now the airline strike, have served to make clear to everyone the glaring inadequacies of our present labor laws. Now, while the painful memories of the days without transportation are vivid in the minds of the people, we must move to make certain that such memories will not recur.

The time for talking has passed. The time for action is here.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. SMATHERS. I yield.

Mr. HICKENLOOPER. I was interested in the statement just concluded by the Senator from Florida. His statement indicates that the Senator has given considerable thought to this matter. It appears strange to me that the President has not acted with the same vigor, with respect to the unions and airlines to end the strike, that he carried on with respect to the steel industry when industry raised its prices. I am not for increases in prices, but will the Senator tell me why he thinks the President has not acted with the same coercive influence with respect to the labor unions and management of the struck airlines as he did with reference to the price rise in the steel industry?

Mr. SMATHERS. The distinguished Senator from Iowa is asking a question and making a statement at the same time.

Mr. HICKENLOOPER. Of course I am.

Mr. SMATHERS. I think the President, in his press conference which started at 4 o'clock this afternoon, will answer the question as to what he must do, if anything, with respect to the struck airlines. I am sure we can expect him to give a particular answer to that question. The statement I have made is my statement, and my statement only, as to what should be done and what I would expect to do, in conjunction with several other Senators, if the dispute is not resolved shortly. Specifically answering the distinguished Senator from Iowa's question, I feel confident and in fact know that the President is as much concerned about the impact of the pending strike as all of us. I am confident too that he is doing all he can to resolve the matter. I am sure his actions are in the public and national interest. Unfortunately perhaps, the action which he is taking and the methods he is using are not publicized. As the Senator knows this is a delicate situation but knowing the President I am sure that the prestige of his office is being exerted in the national interest.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. PASTORE. I think, in fairness to the President, it should be said that the present strike is not the same as the steel price increase, because the price increase involved only one party, and that was the steel industry. Here we have a dispute between two parties, management and the union, who are using collective bargaining. So this is not the same kind of a situation. The Senator from Iowa can be assured that the President will do everything he can to bring the dispute to an end. I hope the strike will be brought to a conclusion before there is further damage. The President has gone as far as he can under the law when he appointed a Commission to look into the matter. It is simply tragic that the parties have not been able to agree, but I do not think anyone should say that the situation is the same now as it was at the time of the steel price increase.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SMATHERS. Let me first reply to what the Senator from Rhode Island said. Then I shall yield to the distinguished majority leader.

I agree with what the Senator from Rhode Island has said. I think the President has done everything he can possibly do under the law. He has appointed a commission, I believe it is called a panel, which is headed by the distinguished senior Senator from Oregon [Mr. MORSE], which has made recommendations to the President. The recommendations have not been accepted. The President is aware of what the situation is and as to what he must do about it. All I have done by my statement is indicate what I think is desirable and what may be necessary to be done. That is the reason I made the statement I have made. I am certain, if the strike is not settled, legislation will have to be considered as a solution to the problem.

Now I am glad to yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, to follow up what the distinguished Senator from Rhode Island [Mr. PASTORE] has said, the President did fulfill his obligations in appointing a three-man panel, headed by the distinguished senior Senator from Oregon [Mr. MORSE], who, I think, is the most qualified man, not only in this Chamber but in the United States, on labor-management relations.

The Taft-Hartley Act does not apply in this instance; it is the Railway Labor Act which applies to airline strikes. I think a good job was done by the panel headed by the Senator from Oregon, but up to now, neither party seems ready to accept its findings.

Several Senators addressed the Chair.

Mr. SMATHERS. I yield to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I have the deepest compassion for the President of the United States in the trials to which he is subjected. I just now saw him on television, and I could not help but feel deeply sympathetic toward him, because of his wan and troubled look. He has problems confronting him on all sides.

I do, however, think that he could relieve himself to a great degree of one worry if he carried into effect the promise or the statement which he made in his message on the state of the Union. He said:

> I also intend to ask the Congress to consider measures which, without improperly invading State and local authority, would enable us to deal effectively with strikes which threaten irreparable damage to the Nation.

Mr. President, he is faltering with respect to that commitment. Someone has indicated to him, in my judgment,

that it would be unwise to make a specific recommendation. I repeat that his worries could be lessened, his political strength could be increased, and the interest of the Nation would be promoted if he would boldly state, "I propose a law that will, in an effective manner, make possible the termination of these management-labor disputes which cause irreparable damage to the Nation.

He is vacillating. He is not carrying into effect the commitment which he made in his January statement to Congress.

Mention has been made of the Senator from Oregon. I listened to his statement of about 1 week ago, and my recollection is that he said that the recommendation of the committee went to the ultimate extent possible in granting increased benefits, marginal and direct, in the labor dispute.

I thank the Senator from Florida for yielding.

Mr. SMATHERS. Mr. President, I now yield to the Senator from Oregon.

Mr. MORSE. Mr. President, due to the fact that the President's position has been brought up, I only wish to say that in my judgment, the President has been doing everything he can in an attempt to try to get this case settled.

There are various ways for the President to act. The President, it has been brought out, has followed the Railway Labor Act, and every part of the Railway Labor Act. A board was appointed. The Board conducted a quasi-judicial hearing.

An emergency board, under the Railway Labor Act, is not a mediation board. It meets as a quasi-judicial tribunal, to take evidence on the issues. We had 48 issues in the case.

The representatives of the union protested the hearing, served notice on the Board that they did not want the hearing, made clear that they considered it a waste of their time and of the taxpayers' money, and stated as their first argument that the Board was handcuffed, that a decision, in effect, had already been rendered by the 3.2-percent guidelines. That surely indicated their antagonism to the emergency board procedure under the Railway Labor Act. In fact, the first exhibit filed by the representative of the union was a wire to the Board from the international president of the union, protesting the hearing and making clear that the union considered it a waste of their time and a waste of the taxpayers' money.

That is not the most auspicious atmosphere under which to start a quasi-judicial hearing, may I say. I said that the reflection upon the Board was immaterial, but the reflection upon the President was very material, and that the Board wanted the parties to know that the case had not been decided, and that the President would not think of appointing a Board to function as the union had intimated the Board would be required to function. I told the parties that the 3.2-percent guideline was not a factor in the dispute at all; the only factor in the dispute would be the evidence that the parties put in the record, issue by issue.

The Chairman made it very clear that the proponent of a given issue would have the burden of proof on that issue, and that the Board's recommendations would be based upon the application to the transcript of the preponderance of the evidence rule.

In some of the issues, the union completely failed to sustain its burden of proof, and the Board's report shows that when that was found to be true, we decided that issue by saying, "It is the recommendation of the Board that the issue be withdrawn, because the union has failed to sustain its burden of proof."

There were some issues on which the finding was made that the carriers had failed to sustain their burden of proof. But we made our recommendations on the basis of that judicial process.

The Railway Labor Act provides that after such a report has been handed to the parties, then the parties do have 30 days in which to decide whether or not they wish to accept or reject the report. Within a matter of 2 or 3 days, the carriers did accept the report. In accepting the report they said, in effect, that there were some things that they did not like about it.

But if anyone who was ever involved in a labor dispute involving 48 issues issued a report which pleased both sides on each issue, there must have been something wrong with the report. You cannot, in controversies such as a labor-management dispute, satisfy both parties on every issue.

But the carriers did accept the report. Not only that, but in the mediation that has followed, they have agreed to modify the report to the extent of another $2 million.

The report increases the benefits to the union by $76 million. I gave an analysis the other day of the past history of this union in regard to wage rates, and shall not take time now to repeat it. But it is not a low-paid union. This is a union whose wages, for the last 10 years, have averaged far above the national average. But the companies concerned, for the last 10 years, as the evidence put in the record shows, have had an average 5.1-percent return on their investment. So they will have some difficulty, between now and 1972, buying new jet planes that will cost from $9 million to $13 million each, to say nothing about what is on the drafting boards now—another plane that, within 10 years, will be very common for long distance hauls, which will cost a minimum of $20 million.

Who buys those planes? In effect, the traveling public buys them, through the rates it pays, and the investors buy them, through the investments they make in stocks and bonds. But if you offer investors only 5.1 percent income, you will have considerable difficulty in obtaining the necessary investments to re-equip these airlines that the public interest calls for.

The Senator from Oregon insists that these men receive good wages. They are employed in an industry which operates 24 hours a day, 365 days a year. They are performing a great public service.

But we granted them wage increases, in our recommendations, which continue to keep them in the blue ribbon class among American workers.

Do not forget also that they are working in a regulated industry. It is an industry vested with the public interest. That is of great economic value to them, for they are given greater assurance than are employees in nonregulated industries that Government attention will be paid to their income.

Furthermore, because they are in this type of regulated industry, they have a pretty good assurance of continued employment. This is not a seasonal industry. A large body of these workers have employment available to them the year round.

There is another facet that needs to be kept in mind. Regulated industry means that a public interest is involved and that the public is entitled to some benefit in reduced rates when this industry makes large profits.

The last 2 years have been very good years in this industry; but that has been true for only 2 out of the past 10 years, as the report shows and as the material that I put in the CONGRESSIONAL RECORD when I discussed it the other day proves.

The propaganda of the union concerns the profit of the last 2 years, but nothing is said about the financial obligations the industry will undertake, or the right of the public to some reduction in rates. After all, one of the responsibilities of the CAB is to take a look at the rates that are charged for passengers, express, and freight to determine whether, with all of the benefits that the industry, and through the industry the workers, have obtained from the Treasury of the United States—which means the taxpayers of the United States—that taxpayer interest is taken into account.

There is no question about the huge sums of money that the Federal Government has poured into the industry by way of various forms of subsidy, to say nothing, for example, about the hundreds of millions of dollars that the taxpayers contribute to the building of the great airports in this country. Those airports are of vital concern to those workers. Those airports bear a relationship to the security of their jobs and the availability of their jobs.

There is the public contribution that the taxpayers are making to the workers in giving them an economic environment that provides them with their wage-earning opportunity.

Let me say again that we are not talking about workers that are getting just the average income. We are talking about workers who are above the average income. There is a great public interest in this industry, and the workers have an obligation to that public interest.

That is what we tried to get them to see. They are entitled to a fair settlement. We gave them, we are sure, a fair settlement.

I am going to say something about legislative proposals in a moment. I did not intend to do so, but the President's name has been brought into this. I have worked very closely with him, but he can speak for himself. The Emergency

Board has no place in this dispute now. That does not mean, however, that the members of the Emergency Board have not made themselves available night and day for advice to the White House and to the Department of Labor in respect to anything that transpired during the 3 weeks of hearings in regard to this case.

The President has been following this case very carefully day in and day out, and sometimes late into the night, and I can so testify.

Mr. President, labor has a great responsibility here to make mediation work. Labor has a great responsibility to come to a reasonable settlement in this case. Unfortunately, I do not think the union is following that course of action. In fact, when the Board finished the hearings, about 20 minutes to 1, counsel made their closing arguments. Both sides were very generous at that point and asked for an informal meeting with the Board.

I set the informal meeting for 3 o'clock that afternoon. The Board met with counsel. Counsel for the carriers said that he had had a conference with representatives of the union and he would speak for both sides. The representatives of the union said that the Board ought to know that the probabilities were great that the union would not ratify any report that the Board had adopted.

It is not the practice of this union to ratify emergency board reports. They usually use the 30-day period for further discussions and mediation. But they were so pleased with the way the board had handled the case that both sides were suggesting that the board make itself available for mediating disputes that might arise from the report the board might write. The board had not yet gone into executive session to analyze the evidence.

I said good naturedly, "I have heard everything now. In my 32 years of settling labor cases, this is the first time I have ever been told, before the report has been written, that a report to which I am a party is not going to be accepted. What makes you think the probabilities are that you will not accept the report?"

The representatives of the union boasted that this was the most autonomous union in America at the local level, and that it was not the practice of the local to ratify a report. Such a report was rejected in 1963; and there have been other instances in which it has been done.

I said, "Of course, we could not accept your proposal, because both of you have become very knowledgeable of the details of the Railway Labor Act during the 3 weeks of hearings; but you have missed this one. I suggest that you reread it, because if you do, you will discover that when we hand in our report on June 5, this board will go out of existence. There will be no board for you to have further relationships with. Your relationships will be between the President and the agency."

The next day the board went to the Secretary of Labor and the Assistant Secretary of Labor, Mr. Reynolds, who I consider has no peer in America as a labor mediator, and said they had decided to have the Secretary of Labor and the Assistant Secretary of Labor ask the President to appoint the chairman of the board as a special mediator of any differences that might develop between them as a result of the report which the board had the legal obligation to hand down.

When the Secretary of Labor and the Assistant Secretary of Labor advised us of this request, I said we could not accept it; that we could not be a party to it; that whatever further might happen, we had nothing further to do with the case.

I also made clear, when we handed in the report, that we were through, and that other forces should be used for mediation.

That leads me to the final point I wish to make. It is perfectly obvious to me that this union sought from the very beginning—and under the law, it has the right—to use the 20-day period following the filing of the report to see if they could not get a better settlement. Whatever settlement we gave them, they would want a better one. That is understandable.

But in my judgment, in this instance, they do not deal objectively with their public responsibility. They have a great public responsibility. They have a great public responsibility to face up to the economic effects on this country of what their demands would lead to. But if they should succeed—and I cannot believe that the Government would stand by and let them succeed—by the use of economic might to force upon the taxpayers of the country and upon a regulated industry such a grossly inflationary wage program as they are insisting upon, they will have failed, in my judgment, to carry out what I call their clear obligation to the public.

Their demand is so far above a reasonable demand, that it would open the floodgates of inflationary demands for all the other potential disputes in the wings, waiting to come out onto the stage, to proceed to play their act, in an attempt to use this hour, this time of great concern and crisis in our country, to force inflationary wage demands upon the American people.

So, as occurred at the beginning of World War II, we may have to come to grips with the necessity of working out the necessary economic controls. I should like to avoid it. I should like to see it avoided; I think it can be avoided. But it can be avoided only if the leaders of this union and every other union in this country carry out their responsibilities of industrial statesmanship. That applies to every corporation and business in the country, also; for they have a corollary obligation, in regard to prices, to see that the flood of inflation in this country is not fed by unjustifiable and unconscionable price increases.

We may have to resort to legislation. I hope not. But I believe that if we resort to legislation, it should be broad legislation which faces up to the reality of inflation control, and not legislation which would face up to it piecemeal, case by case.

However, if we must resort to piecemeal legislation, then I make a tentative suggestion—I shall not even bind myself to it. I believe it would be well to have it out and to have a little discussion of it and a little thought about it.

In my judgment, if the facts are as I believe them to be, if the course of action followed by this union is creating a national emergency—and I think it is—if as a result of this strike a great loss is suffered, not only by this particular industry but also by industries that are dependent upon the operation of the airlines for their economic welfare, if a serious problem is developing in regard to our national security and defense—and I believe there is—then I do not see how Congress can avoid declaring that a state of emergency exists in respect to this particular case.

Mr. LAUSCHE. Amen.

Mr. MORSE. And if the situation results in that course of action, then I am inclined to believe that the slate ought to be wiped clean, that the Government should then declare a state of national emergency, with legislation implementing it and authorizing court enforcement of that declaration for a period of time. The parties should then be given the opportunity to start all over again, at work—at work—trying the case.

In my judgment, if the union had a second chance to try its case, it would come forward with a better record. I do not believe it would come forward with a position on issues where a quasi-judicial body can say, "You did not sustain your burden of proof." The union would come in with the necessary evidence. Under that new procedure, both sides would be given an opportunity to establish their case, at work.

I close by saying that in all my work in the field of labor disputes—I have settled many of them over the years on the west coast, as the west coast arbitrator of maritime disputes—I have never sat with a strike gun at my head. When I was called into a case, the parties always knew that I would first issue a temporary order that put them back to work. They would work under that temporary order, and then I would hear their evidence.

The difficulty in this situation is that in this hour of great national crisis and concern, this union in fact is holding a strike gun at the head of the best interests of this country. And the union is not at stake. If this were a case of an attempt to deny this union to exist, if this were a case of an attempt to prevent this union from existing, of denying these workers the right of collective bargaining no one would support more than I, even in that kind of crisis, the right of free men to organize for the precious right to collectively bargain. But that is not involved here at all. The existence of this union and its representation as the bargaining agent for these workers is not threatened at all. It is one of the strongest unions in America; and being one of the strongest unions in America, it has an increased responsibility to the public.

If they are not willing to mediate reasonably and agree to a settlement that is noninflationary, we may be on the threshold of legislation declaring an emergency, providing for enjoinment of a work stoppage for a given period, and

letting the courts rule as to whether or not a national emergency exists. If a national emergency did exist, then all that would be required would be a court order. The union would have to decide whether it desired to continue to be a legal union or an outlaw union. That would put it up to the union squarely. Then they would go back to work.

I would have the legislation provide for wiping the slate clean and permitting the parties to come in and present their case again. I believe that the members of the union would then understand the situation better than they now do, and it would be made clear to the members of the union, on that second go-round, that they go back to work and that they stay at work on the basis of a fair settlement, noninflationary in nature.

I have talked quite informally. I have lived with this dispute; and I do not believe that this union should be allowed to get by with the course of action that it is following in this hour of crisis in America.

Mr. SMATHERS. Mr. President, I wish to commend the very distinguished Senator from Oregon for his statement. I do not know when I have heard a statement made in the Senate which has added so much clarity and light to a very complicated problem as the statement which the Senator has just made.

Certainly, everyone who knows the able Senator and knows of his record in labor-management dispute—a record extending over some 32 years—knows that he knows much about the procedures in this type and character of problem. Let me also add that during his long record of public service he has never failed to recognize the rights and equities of the laboring man.

When the distinguished Senator from Oregon arrives at the conclusion he has arrived at, we know that he has done so on the basis of facts and his own objectivity, and that it certainly is an impartial conclusion.

I told the Senator from Oregon, before I rose to speak this afternoon, that some Senators were considering drafting some type of legislation which would have the effect of at least temporarily settling this strike. However, none of us expected to move until we had conferred with him, because we recognize that he knows more about this subject than does anyone else, and that still goes with me.

The only purpose of the statement which I made today—and repeat now—is that we all have a responsibility in this matter. It seems to me that the strike has attained proportions of such a serious nature that it is impairing the public interest and damaging the economy of our country. As legislators, who have a responsibility in this field, we must begin to concern ourselves with what we should do to resolve the crisis in the national interest.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. FULBRIGHT. I wonder whether we could proceed with the business under consideration. We have been here all day today and have had only one vote.

Mr. SMATHERS. I should be happy to yield the floor at this point.

Mr. FONG. Mr. President, will the Senator yield for just 1 minute?

Mr. SMATHERS. If the Senator from Arkansas will permit me to yield to the Senator from Hawaii, I shall do so.

Mr. MANSFIELD. Go ahead.

Mr. FONG. Mr. President, I should like to commend the distinguished and able Senator from Florida for bringing this matter to the Senate floor this afternoon. I commend him for his excellent statement.

I know how damaging the airline strike has been to the State of Florida. The airline strike also has been very damaging to the State of Hawaii. With two out of three domestic airlines on strike, our tourist business is suffering greatly.

As everyone knows, our tourist business brings in an income of over $200 million a year, which is much larger than the income derived from either sugarcane or pineapples. Estimates indicate that the economy of the State of Hawaii is now losing approximately $4.5 million a week because of the nonflow of tourists into our State. I am aware of the extent to which the airline strike has affected the tourist business in the State of the distinguished Senator from Florida. I understand that it is causing a loss of approximately $300,000 a day.

I am very happy that the distinguished Senator is intending to introduce a bill dealing with the current phase of the present strike. He said that he is going to limit it only to this strike and not deal with strikes in general.

I hope that the appropriate committees will look into the matter promptly. Yesterday I asked the chairman of the Committee on Commerce, the chairman of the Committee on Labor and Public Welfare, and the chairman of the Subcommittee on Labor to look into the strike situation to see what alternatives they can bring forward to end the strike.

It has been said that the President has done all that he can in connection with this strike. I disagree.

Under the Railway Act there are no more powers left to him. But he has not used the prestige, influence, and the full weight of his high office to call the disputing parties to the White House and make them bargain around the clock until they arrive at a decision.

It has been said that the rolling back of the price of steel, the rolling back of the price of molybdenum, and the rolling back of the price of copper were not in the same category as this dispute because this is a dispute between labor and management.

When the steel strike was imminent last September, the President, using his tremendous power, prestige, and influence, called the disputants to the White House and made them remain there. He had lunch brought in and dinner brought in. They sat there until they resolved their differences.

Certainly the President can use the prestige, influence, and weight of his high office to bring the airline mechanics and the five airlines to the White House and make them do the same thing. I think that if he used the prestige of his office and brought them to the White House, he could resolve the strike.

Mr. SMATHERS. As I have previously pointed out, the President is as much concerned about this crisis as all of us here. I am confident that he is doing everything possible to bring an early end to the strike and is using the prestige of his office undoubtedly in many ways though, by virtue of the delicate situation, his action is not publicized. I have complete confidence in the President and feel sure he is working toward an early settlement of the issues involved.

Mr. CANNON. Mr. President, I wish to join the distinguished Senator from Hawaii [Mr. FONG] and the distinguished Senator from Florida [Mr. SMATHERS] in complimenting the senior Senator from Oregon [Mr. MORSE] on the outstanding job which he has done, first, in sitting on the Presidential Emergency Board, and second, in outlining today to the Senate the issues involved.

I think it is no secret that the Secretary of Labor has been meeting regularly with the President to try to resolve this difficult situation.

It is my understanding that after such a meeting today the Secretary of Labor made, in substance, the following statement:

That the proposals of the IAM to attempt to ratify something that has never been agreed to is a pointless gesture; that the price demands of the union are intolerable; that the union to date has made a farce of competitive bargaining.

The Presidential Emergency Board does not set up a binding final agreement, but provides the framework for a fair and just settlement. The President has said that the Morse report provides a proper framework and the public is now entitled to expect the union to give some responsible consideration to this problem and bring about an immediate end to this strike.

In conclusion, it is my understanding that the Secretary requested the parties to sit down at a bargaining table and stated, "Let's start negotiating around the clock beginning now."

If those remarks attributed to the Secretary of Labor are correct, I commend him and I suggest to him that he should cause these parties to bargain in this very important matter.

Mr. President, the strike against major airlines by the Machinists Union is now nearly 2 weeks old.

The strike is harming the traveling public, the national economy and the national interest.

It is time, Mr. President, that firm and vigorous steps be taken to end this costly strike which is affecting countless industries and the livelihood of hundreds of thousands of individuals.

The foregoing suggestion and other similar proposals made on the floors of the Senate and House during the last week are not radical. Indeed, they are proposals to return to normal operation an industry that is not only federally regulated but subsidized by the American

people through their tax dollars. The people who are paying the subsidies have the right to protection from a strike that is adversely affecting their convenience and economic well-being, as well as the financial health of their city, State, and Nation.

The history of the present strike is well known. The parties have been negotiating for nearly 1 year. The existing agreements expired on December 31, 1965. The National Mediation Board, unable to bring the dispute to a successful conclusion, offered arbitration. This proposal was rejected.

On April 21, the President appointed an Emergency Board to ascertain the facts and recommend a settlement. The Board, headed by the distinguished Senator from Oregon who is nationally known as a friend of labor and the public interest, made its recommendations. The terms were accepted by the airlines, but rejected by the union leaders—just as the union leaders refused to work within the wage-price guidelines recommended by the President. Since the Emergency Board's actions, the carriers have, in fact, offered even more than the settlement recommended by the Board; but this, too, has been rejected by the union leaders. One wonders, Mr. President, if these leaders are subjecting the national interest to personal interests and ambitions.

In his state of the Union message this year, the President stated that he intended to ask the Congress to consider measures which, without improperly invading State and local authority, would enable us to deal effectively with strikes threatening irreparable damage to the Nation. To date, no proposals have been received, although several bills dealing with such situations have been introduced.

There is no doubt that the present strike does, indeed, threaten the national interest. My State, especially, is feeling the effects of the strike. Hotels, motels, restaurants, travel agencies, and other tourist-related businesses have advised me of the adverse impact the strike is having at the peak of the tourist season. Some of these firms are considering layoff of employees unless the strike is settled soon.

Other States, not only those in which tourism is a major industry, but all those dependent upon adequate airline service for business and commerce, are experiencing sharp economic hardship. Income losses to individuals are incalculable.

It is estimated that the revenue loss to the airlines is now approaching $100 million. The Federal Government is losing badly needed tax revenue on these earnings, in addition to taxes on the salaries of airline employees, the earnings of businesses whose volume and sales are slumping because of the strike, and the 5-percent air transportation tax for airline passengers.

Last week, Mr. President, I appealed to the chief negotiators for labor and management to submit the dispute to binding arbitration. I also requested that the President use his fullest power in resolving the strike. I am confident that either approach would result in a fair and equitable settlement.

Since the public interest in our modern civilization demands that steps be taken to end the strike, I again appeal to the President to employ the full resources of his office to bring the dispute to settlement.

I recall his positive action last fall in calling the parties in the steel dispute to the White House for continuous sessions, and his constant appeals for negotiations to proceed in an atmosphere of cooperation and respect.

I would also welcome the President's legislative proposals for dealing with this and future strikes involving the national interest.

Traditionally, both labor and management have expressed opposition to compulsory arbitration, but demands are increasing daily for action to resolve the problem of costly and disruptive strikes in which the general public is the biggest loser. I believe that if the day comes when compulsory arbitration legislation is enacted by the Congress, it will be inspired by such situations as we are presently experiencing. The immediate, short-range problem demands Presidential impetus if the strike continues. The long-range problem requires a thorough congressional study of methods to protect the national interest in disputes affecting the traveling public and the national economy.

Mr. ROBERTSON. Mr. President, I ask unanimous consent to print in the RECORD a statement concerning the airline strike I issued to the press yesterday.

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

FROM THE OFFICE OF SENATOR A. WILLIS ROBERTSON, DEMOCRAT, OF VIRGINIA

Senator A. WILLIS ROBERTSON, Democrat of Virginia, warned airline machinists today that a continuation of their strike against five major airlines may force Congress to consider legislation making labor unions subject to the anti-trust laws.

The Senator said, "It would pay labor leaders to take notice of the unjustified loss being inflicted on the business interests of the nation, as well as on the traveling public, by the stubborn refusal of a relatively small group of airline employees to accept a very fair settlement offered by a fact-finding board headed by Senator MORSE of Oregon."

"If the strike continues much longer, Congress, in defense of the public interest, will be forced to act on legislation that would make labor unions subject to the anti-trust laws when they use their bargaining power to threaten the general welfare of the nation," Senator ROBERTSON continued.

The Virginia Senator said he has received complaints from all of the major cities of his State, which he promptly brought to the attention of the President and Secretary of Labor. He said the President had indorsed the fairness of the report of the Commission he appointed to arbitrate the wage issue, and the Senator said he personally feels it would be inexcusable on the part of this union to continue its demand for still higher wages under the circumstances.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 318) to amend section 4071 of the Internal Revenue Code of 1954.

FOREIGN ECONOMIC ASSISTANCE, 1966

The Senate resumed the consideration of the bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, the pending business is the amendment of the Senator from Colorado [Mr. DOMINICK]. I wonder if we might get to a vote on his amendment. The Senator from Colorado has made his statement. I wish to say a few words in connection with the amendment.

I shall oppose the amendment.

This aspect of the development loan program is essential if we are to carry on this kind of assistance program. There are already a number of sources for high-interest-rate loans. We have the Export-Import Bank, the World Bank, and there are the regular commercial banks.

Loans under the development loan program are subsidized loans and especially tailored for underdeveloped countries.

These countries already devote a very high proportion of their income to the repayment of loans and the payment of interest. There has been much public discussion about this problem. Mr. Woods of the World Bank has made statements on two or three occasions recently. I had them printed in the RECORD recently and I will not delay the Senate by reviewing them now.

The increases in the burden for servicing existing loans are going up rapidly. Adopting this amendment is a practical way of stopping this aspect of our loan program. As long as we are going to have this type of development assistance it should be on soft terms.

Statements were made about much softer terms being extended in smaller amounts, it is true, by Canada and England. But their programs are not at all comparable to ours. The existing approach is the correct one.

I hope that the Senate will reject the amendment.

Mr. KUCHEL. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I am glad to yield to the Senator from California.

Mr. KUCHEL. So that the record may be clear will the Senator repeat how this percentage figure would apply to the Development Loan Fund and the inter-American lending program?

Mr. FULBRIGHT. As I understand it, Alliance for Progress loans and development loans are both made at 1 percent for the first 10 years. The Senator from Colorado [Mr. DOMINICK] wishes to make the interest rate 2 percent for that period.

Mr. KUCHEL. Are they 1 percent administratively or by statute?

Mr. FULBRIGHT. By law. The law provides for a minimum of 1 percent for the grace period and 2½ percent afterward. But the bill increases the

interest rate on the second stage to 3 percent, not with my approval, I might say. I opposed that but the committee, in its wisdom, approved an increase to 3 percent.

Mr. KUCHEL. How long is the grace period?

Mr. FULBRIGHT. 10 years.

Mr. KUCHEL. The Senator says that the bill provides after a 10-year grace period, the period for repayment is pegged in the bill at 3 percent.

Mr. FULBRIGHT. No. The bill reported by the commitee increases the rate for the second stage to 3 percent.

Mr. KUCHEL. The existing law is 2½ percent during the repayment period and the bill would change it to 3 percent?

Mr. FULBRIGHT. The Senator is correct.

Mr. KUCHEL. I thank the Senator.

Mr. DOMINICK. Mr. President, I wish to make one statement. The committee report increases from 2.5 percent to 3 percent the interest rate during the period of the loan after the 10-year grace period. This could go on for as long as another 20 years. In other words, the loan could go for 30 years.

In fixing the interest rate, the report states as follows:

> In view of the significant increase in the cost of government and private borrowings since then, the committee believes that the increase of one-half of one percent is fully justified.

I suggest that raising this in the prerepayment period from 1 to 2 percent, when they do not have to pay any principal at all, and putting them on a par with the cheapest form of borrowing that our citizens can obtain in this country—under REA—is equitable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. DOMINICK].

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. BASS], the Senator from Washington [Mr. MAGNUSON], and the Senator from Georgia [Mr. RUSSELL] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Virginia [Mr. ROBERTSON], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

I further announce that, if present and voting, the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. PEARSON] is necessarily absent.

The Senator from Pennsylvania [Mr. SCOTT] is absent because of illness.

The Senator from New York [Mr. JAVITS] is absent on official business.

If present and voting, the Senator from Kansas [Mr. PEARSON] and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 51, nays 38, as follows:

[No. 146 Leg.]

YEAS—51

Allott	Ervin	Morton
Bennett	Fannin	Mundt
Bible	Fong	Murphy
Boggs	Gore	Prouty
Brewster	Griffin	Proxmire
Burdick	Gruening	Randolph
Byrd, Va.	Hartke	Russell, S.C.
Byrd, W. Va.	Hill	Saltonstall
Cannon	Hruska	Simpson
Case	Jackson	Smith
Cooper	Jordan, N.C.	Stennis
Cotton	Jordan, Idaho	Symington
Curtis	Lausche	Talmadge
Dirksen	Long, La.	Thurmond
Dominick	McIntyre	Tower
Eastland	Miller	Williams, Del.
Ellender	Morse	Young, N. Dak.

NAYS—38

Aiken	Inouye	Moss
Bartlett	Kennedy, Mass.	Muskie
Bayh	Kennedy, N.Y.	Nelson
Carlson	Kuchel	Neuberger
Church	Long, Mo.	Pastore
Clark	Mansfield	Pell
Douglas	McCarthy	Ribicoff
Fulbright	McGee	Smathers
Harris	McGovern	Tydings
Hart	Metcalf	Williams, N.J.
Hayden	Mondale	Yarborough
Hickenlooper	Monroney	Young, Ohio
Holland	Montoya	

NOT VOTING—11

Anderson	Magnuson	Russell, Ga.
Bass	McClellan	Scott
Dodd	Pearson	Sparkman
Javits	Robertson	

So Mr. DOMINICK's amendment was agreed to.

Mr. DOMINICK. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DIRKSEN, Mr. PROUTY, and Mr. HRUSKA moved to lay the motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MONDALE. Mr. President, I send to the desk an amendment to the foreign aid bill, and ask that it be read.

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

The assistant legislative clerk read the amendment, as follows:

> On page 6, line 9, strike out "subsection" and insert in lieu thereof, "subsections".
>
> On page 6, line 16, strike out the quotation marks.
>
> On page 6, between lines 16 and 17, insert the following subsection:
>
> "(e) In any developing countries or areas where food production is not increasing enough to meet the demands of an expanding population, or diets are seriously deficient, a high priority shall be given to efforts to increase agricultural production, particularly the establishment or expansion of adaptive research programs designed to increase acre-yields of the major food crops. Such research programs, to the greatest extent possible, should be based on cooperative undertakings between universities and research institutions in the developing countries and United States universities and research institutions."

ADAPTIVE AGRICULTURAL RESEARCH AMENDMENT

Mr. MONDALE. Mr. President, my amendment is very simple. It would amend the title dealing with technical cooperation and development grants by adding a declaration of congressional policy stressing the importance of adaptive agricultural research in nations facing serious food shortages.

I have been impressed, Mr. President, by the overwhelming agreement in the administration and the Congress on the need to increase emphasis on agricultural development in our foreign assistance programs. We are all recognizing, as never before, that agriculture is the foundation of a nation's development, and that unless it can produce enough to feed its people, or earn enough foreign exchange to buy food in international commercial markets, it cannot hope to achieve sustained economic progress.

But it is not enough to increase emphasis on agriculture. We must also make sure that we are doing all the right things in our farm aid program.

And in the past, supporting practical farm research is one of the "right things" that we have not been doing nearly enough of. As Prof. Theodore W. Schultz, the distinguished agricultural economist at the University of Chicago, said in testimony before the House Agriculture Committee earlier this year:

> Although we have developed an outstandingly productive agriculture in the United States, we have not done well as builders of agriculture abroad. We have long been hampered by what I would call the extension bias, and as a consequence, agricultural research has been postponed, put off, and grossly neglected. When research has been undertaken, altogether too little attention has been given to the development of viable agricultural research centers.

And if we look at what others have said, we find that experts in foreign agriculture join overwhelmingly in the verdict that such practical farm research has been seriously neglected in aid programs of past years.

As one example of this neglect, we can look at the statistics for Latin America. In the period from 1960 to 1962, the U.S. Government and international and regional agencies together spent less than $8 million on agricultural research in tropical Latin America. At the same time, we spent nearly $2 billion—about 250 times as much—on adaptive agricultural research in the United States.

Such research is essential to adapt seeds, fertilizers, techniques, farm equipment, and methods which have worked in other locations to the particular soils and weather conditions in hungry lands. My amendment would require that it be given the high priority it deserves in our aid program.

My amendment would, in addition to stressing agricultural research, urge that research and educational institutions in the United States play as great a role as possible in our foreign aid programs in this area. Our land-grant colleges have been the key to farm progress in America. We must draw more fully upon their know-how in helping overseas agriculture.

Mr. President, I hope that this amendment can support the changes being proposed in our foreign aid program, and in the Food for Freedom Act now before the Senate Agriculture Committee, to

give proper attention to agricultural assistance in our foreign aid. Too often in the past we have shortchanged agriculture in favor of glamorous industrial projects which have little impact on the lives of the common people. And when we have assisted agriculture, we have been too inclined to use short-term, crash programs, without a serious effort to develop the knowledge needed to increase farm output through continuing research.

My amendment, if adopted, would put the Congress clearly on record to remedy these past deficiencies, and to support strong, practical farm research programs in developing countries.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MONDALE. I yield.

Mr. FULBRIGHT. Mr. President, the committee considered this amendment. We thought it was a good amendment and we put the language in the report concerning it. I approve of the objective of the amendment. If the Senator from Minnesota feels very strongly that it ought to be in the law, I have no objection. I am perfectly willing to take the amendment, since the Senator feels very strongly that it should be in the law as well as in the report.

Mr. MONDALE. The reason why I would prefer to have the language in the law as well as in the report is that, as the distinguished Senator from Arkansas knows, we have had difficulty in persuading those who administer the program to give enough emphasis to adaptive agriculture research. They are beginning to move in that direction, and I feel sure that this language would be more effective in persuading them to emphasize research if it is made a directive in the law.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. MONDALE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 658

Mr. DIRKSEN. Mr. President, I call up my amendment No. 658.

The PRESIDING OFFICER. The amendment of the Senator from Illinois will be stated.

The assistant legislative clerk read the amendment, as follows:

On page 20, between lines 3 and 4, insert the following:

"(f) Section 620, which relates to prohibitions against assistance, is amended by adding at the end thereof the following new subsection:

"'(p) No loan shall be made to any country under the authority of this Act for use in any manner by such country in meeting all or part of its obligations to the United States under any other loan made to such country under this Act.'"

Mr. DIRKSEN. Mr. President, the purpose of this amendment is to prevent AID from making loans where there has been a delinquency in interest and it has undertaken on its own to fold interest into the loans and then recapitalize it. We submit it is a bit of bad practice. I have discussed this matter with the chairman of the committee. I think it should be made part of the bill. It will forestall that kind of practice on the part of AID.

Mr. FULBRIGHT. Mr. President, as a matter of administrative policy, of course AID does not now make loans to pay off other loans. I think the amendment is objectionable, because that is not the policy. On the other hand, it should not be done. I agree with the Senator on that. The AID officials say they do not do it, but I admit that the amendment carries out a good principle. I think it is good policy.

Mr. DIRKSEN. The only difficulty is that AID does it.

Mr. FULBRIGHT. I do not know how the Senator could prove it.

Mr. DIRKSEN. We had the AID people up here and we went over the books. AID can say that they do not do this, but in the first instance there should be an interdiction of that kind of practice.

Mr. FULBRIGHT. I have no objection to the principle. AID should not make loans which are used to pay off others. That is not a development loan by any stretch of the imagination. AID says it is against its policy to do that.

Mr. DIRKSEN. The officials told me they do it.

Mr. FULBRIGHT. They told me something else. Apparently the wires got crossed somewhere. At any rate, I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

AMENDMENT NO. 659

Mr. DIRKSEN. Mr. President, I call up my amendment No. 659.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The assistant legislative clerk read the amendment, as follows:

On page 20, between lines 3 and 4 insert the following:

"(f) Section 620, which relates to prohibitions against furnishing assistance, is amended by adding the following new subsection:

"'(p) No assistance shall be furnished under this Act to any country which is in default, during a period in excess of six calendar months, in payments to the United States of principal or interest on any loan made to such country under this Act, unless such country meets its obligations under the loan or unless the President determines that assistance to such country is essential to the national interest and notifies the Speaker of the House of Representatives and the Committee on Foreign Relations of the Senate of such determination.'"

Mr. DIRKSEN. Mr. President, this amendment simply meets the problem of default on the loans. But we do put in an exception clause, so that the prohibition could be waived on notice to the Speaker and to the Senate Committee on Foreign Relations that a loan would be essential in the national interest. Obviously, we do not wish to prohibit loans of that character.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. According to our calculations, this amendment would affect only one country presently, Indonesia. It might affect others at other times.

Inasmuch as we are not now providing aid to Indonesia, and I do not recommend that we do so, I have no objection to the amendment, particularly since there is the proviso that loans could be made if the President determines that it is in the national interest.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DIRKSEN. I move to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 660

Mr. DIRKSEN. Mr. President, I call up my amendment No. 660, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 4, between lines 10 and 11, insert the following:

"(d) Amend section 204, which relates to the Development Loan Committee, by inserting '(a)' after the section number and by adding at the end thereof the following new subsection:

"'(b) No loan shall be made under this title until (1) the application therefor shall have been submitted to the International Bank for Reconstruction and Development with a request for recommendations concerning the need for the loan, the propriety of the proposed terms thereof, and the likelihood of repayment, and (2) such recommendations shall have been received and considered, or a period of sixty days shall have elapsed following such request and no such recommendations shall have been received.'"

On page 4, line 11, strike out "(d)" and substitute "(e)".

Mr. DIRKSEN. Mr. President, at the rate the facilities of the World Bank are expanding, it is quite fair to assume that, as an appraisal instrumentality, it will probably be the best that we shall ever have.

I do believe that before we put the people's money out on loan in some far-off place, there ought to be an assessment or an appraisal of the conditions far better than what we receive today.

This amendment merely proposes that it be done by the World Bank, and that there be a waiting period of 60 days.

However, AID can still go ahead and make the loan, notwithstanding an adverse appraisal by the World Bank. But at least we shall be fortified with basic information on the character of the loan, and whether it is worthwhile and will be put to a good purpose, or whether it is an unnecessary risk for our people.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. I think this is a good amendment. I am sorry I did not think of it myself. It is in the direction, as the Senator knows, of bringing the

World Bank with its knowledge and judgment into this area. It is quite consistent with what I have been urging upon the Senate for a long time—that we take advantage of the most efficient and effective organization in this field.

In addition, particularly on important loans, there should be coordination between these two major organizations. They should not be competing, for example, for a loan; they should be coordinating their efforts.

I think it is a good amendment, and I favor it.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DIRKSEN. I move to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 662

Mr. DIRKSEN. Mr. President, I call up my amendment No. 662, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 20, between lines 3 and 4, insert the following:

"(f) Section 620, which relates to prohibitions against assistance, is amended by adding at the end thereof the following:

"'(p) No recipient of a loan made under the authority of this Act, any part of which is outstanding on or after the date of enactment of this subsection, shall be relieved of liability for the repayment of any part of the principal of or interest on such loan."

Mr. DIRKSEN. Mr. President, the simple purpose of this amendment is to prevent AID from converting loans into grants, and thereby relieving the recipient country of its liability for repayment of interest or principal at a later period.

I must say that this has been done only to a limited extent. But we must remember that now we are coming to grips with a great many of these aid loans made by a predecessor agency, and it will be a different story in the future. I am quite confident that hereafter they may want to convert from loans into grants.

I believe that would contravene the very spirit of the Senate, and the point we have tried to make for years, that wherever possible, these funds would be put on a loan rather than on a grant basis, and the money retrieved for our Treasury if possible.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. There is, under existing law, no authority to do that. The present law on the development loans and the Alliance for Progress requires that the loans be repaid in dollars, at minimum interest rates fixed in the law. In other words, there is no authority to make such conversions in existing law. It is possible that it can be done with some loans made under other authority, such as under Public Law 480. Perhaps that is what the Senator has in mind.

In any case, it would have no effect on loans made under the Foreign Assistance Act because there is now no authority to do it.

Mr. DIRKSEN. It is anticipatory to a considerable extent.

Mr. FULBRIGHT. Well, in the sense that it is anticipatory, on principle, of course, I cannot disagree with it.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. FULBRIGHT. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 663

Mr. DIRKSEN. Mr. President, I call up my amendment No. 663, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read, as follows:

On page 20, between lines 20 and 21, insert the following:

"(b) Section 634 (which relates to reports and information) is amended by adding the following new subsection:

"'(f) The Secretary of the Treasury shall transmit to the Speaker of the House of Representatives and to the Committee on Foreign Relations of the Senate semiannual reports showing as of June 30 and December 31 of each year the repayment status of each loan theretofore made under authority of this Act any part of the principal or interest of which remains unpaid on the date of the report.'"

On page 20, line 21, strike out "(b)" and substitute "(c)".

On page 21, line 1, strike out "(c)" and substitute "(d)".

Mr. DIRKSEN. Mr. President, in our exploration of this entire operation, we had some difficulty in obtaining accurate and very recent figures. We have gone to the Treasury, we have gone to the General Accounting Office, we have gone to AID. In some cases, they either did not have the figures or they did not wish to disclose them.

We do believe that, on the basis of a 6-month period, there should be an agency in Government where a report would be made, so that the information would be available to us.

What this amendment would do is simply to say that the Secretary of the Treasury is required to report, on June 30 and December 31 of each year, on the repayment status of every loan made under the authority of this Act; and to show the delinquent interest and principal. We will then know exactly what the score is, what our commitments are, what we collect, and what the status of the loan is.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. The Senator from Delaware [Mr. WILLIAMS], about 2 or 3 years ago, raised such a fuss about these statistics that the Department of Commerce has undertaken and is now presently making such reports on an annual basis—more extensive, in fact, than the Senator's amendment would require.

There is no objection, of course, to having the Treasury make such reports, but I would submit to the Senator that if he has not seen these reports made by the Department of Commerce, which cover not only aid under the authority of the Foreign Assistance Act, but also other Government loans—such as through the Export-Import Bank, for example—that these are very extensive statistics. I really do not believe the additional reports called for by the amendment are necessary.

Of course, there is no objection to having the Treasury provide this information, except that if we do that, I would think we should then tell the Department of Commerce to cease doing it. They are doing it now without a requirement of law, but in response to a request—I would say a very urgent request—initiated by the Senator from Delaware.

I do not know whether the Senator is thoroughly familiar with this publication or not. I think it is quite adequate.

Mr. DIRKSEN. I am. I might say frankly that the Treasury would like to have this amendment. We have discussed the amendment with the Treasury Department.

Mr. FULBRIGHT. I have no objection to the Treasury doing it.

Mr. DIRKSEN. They have a little difficulty getting the figures on their own, strange as it may seem.

Mr. FULBRIGHT. I have no idea why they should have.

Mr. DIRKSEN. Neither do I.

Mr. FULBRIGHT. These are very adequate figures. We have only been receiving them recently. That is the history of it. I have no objection to the Treasury taking this over if they wish to do it. I do not speak for Commerce. I have not investigated that phase of it.

Mr. DIRKSEN. In our conversation with the Treasury officials, they said they would like to have it.

Mr. FULBRIGHT. In any event, we will take this amendment to conference. I cannot see any disadvantage to the proposal. It is a question of which is the more economical and effective way to present this material to Congress.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 665

Mr. DIRKSEN. Mr. President, I call up my amendment No. 665.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 19, between lines 8 and 9, insert the following new subsection:

"(d) Section 613, which relates to accounting, valuation, reporting, and administration of foreign currencies, is amended by adding at the end thereof the following new subsection:

"'(e) In addition to any other terms and conditions which may be applicable with respect to any loans made from funds made

available under authority of this Act, each such loan shall include a provision or provisions whereby the recipient of such loan shall (1) express the par value of its currency in terms of the United States dollar at a rate of exchange between those currencies which the Secretary of the Treasury finds to be reasonable and (2) agree to maintain, notwithstanding any changes in the foreign exchange value of its currency, such initial par value of its currency for purposes of all computations relating to those currencies in connection with such loan. No provision of the terms of any loan heretofore or hereafter made from funds made available under authority of this Act, which requires the maintenance of the value of the currency of the recipient of such loan in relation to the United States dollar during the period such loan is outstanding, may hereafter be altered.'"

On page 19, line 9, strike out "(d)" and insert "(e)".

On page 19, line 15, strike out "(e)" and insert "(f)".

Mr. DIRKSEN. Mr. President, it has been a practice by AID off and on to have a provision in these loan agreements by which the value of a country's money would be maintained so that we would not be losers as a result of a modification of the exchange rates. Sometimes it was included and sometimes it was left out.

I read here from the General Accounting Office report to the effect that AID amended six loans in fiscal years 1963 and 1964 that eliminated the maintenance-of-value provision.

These loan agreements totaled $158.8 million and were originally entered into in 1956, 1958, and 1959 with three countries under the authority of section 104 (d) of Public Law 480 and very promptly we lost a good many millions of dollars.

I pointed out this afternoon that, on this whole transaction, by virtue of the fact that the maintenance-of-value provision was not maintained in this contract, we lost somewhere in the neighborhood of $350 million. The General Accounting Office gives it as their opinion that they anticipate future losses unless this is done.

I think our people are entitled to a safeguard against this practice. Therefore, I urge the adoption of the amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. I think it has been since 1961 that Development Loans and Alliance for Progress loans must be repaid in dollars.

The Senator has reference to loans made prior to that time, or loans made under Public Law 480, because now all the loans are repayable in dollars. It would be inappropriate to include a maintenance-of-value provision in the loans because they do not deal with local currencies.

They make such loans under Public Law 480, but not under this act.

Therefore, I think the amendment is superfluous. But if we wish to make it cover the contingency, or the possibility I might say, that a supporting assistance loan might be made for local currency in the future, I certainly approve of having this provision in the loan agreements as we have done in the past.

Mr. DIRKSEN. Mr. President, AID evidently feels that way also. They forgot to include these maintenance value provisions, and the result is that we are renewing a loss of somewhere around $350 million.

Mr. FULBRIGHT. Is the Senator sure that these are from AID loans or are they from Public Law 480? For example, the ones in India were revalued recently, and were not most of them made under Public Law 480?

Mr. DIRKSEN. Yes, they can be either one, as a matter of fact. The Accounting Office says that on June 30, 1964, AID records showed that the net aggregate AID loss on the loan program, after AID was established in November 1961, has the dollar equivalent of $351.2 million.

Mr. FULBRIGHT. Is the Senator sure that is not under Public Law 480?

Mr. DIRKSEN. They do not say that it is.

Mr. FULBRIGHT. My impression is that it is.

Mr. DIRKSEN. I do not want to quarrel with the Senator.

Mr. FULBRIGHT. I do not want to quarrel either. I thought the proposal was superfluous, since the present loans under AID are all repayable in dollars and we do not have that problem.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COOPER. Mr. President, I have just listened to what the Senator from Arkansas said about Public Law 480 loans. We deal with these loans on the Committee on Agriculture and Forestry. We always have these Public Law 480 bills come up. We have one now.

I do know that the chairman of the committee, the Senator from Louisiana [Mr. ELLENDER], has been very vigorous in the treatment of the rate of exchange. The committee has written into the bill that the actual rate, rather than a fictitious rate, should be applied, and provisions are made to assure that that rate of exchange would be maintained.

I should think it would be very helpful if we could postpone action on this amendment until the chairman of the Committee on Agriculture and Forestry comes to the Chamber. I think it must relate in some way to the Public Law 480 program.

Mr. DIRKSEN. It will be in conference.

Mr. COOPER. The Senator is correct, but we spend a lot of time on this.

Mr. FULBRIGHT. I meant the way the act as it is now. I did not mean that the amendment offered by the Senator from Illinois applied to the Public Law 480 loans, more than that was the way it would work out. It was that it would apply to loans made from funds accumulated under Public Law 480. I do not object to the principle at all.

Mr. DIRKSEN. Mr. President, the Comptroller General makes a distinction, of course, and sets up one group here.

He refers here to section 104(g) of Public Law 480. On those, the loss was $91.7 million. In another part of the report, he sets up these other AID loans. He says that our aggregate loss is $351.2 million.

I did not make the distinction. The Comptroller General did.

Mr. FULBRIGHT. He must have been referring to losses arising from old loans and not from the current ones. Since 1961, all of the Alliance for Progress and the Development Loan loans have been repayable in dollars.

Now, some of the old ones were not repayable in dollars. It could refer to that.

Mr. DIRKSEN. He said as of June 30, 1944.

Mr. FULBRIGHT. They could be the old ones.

Mr. DIRKSEN. They could be.

Mr. FULBRIGHT. I have no objection.

Mr. COOPER. Mr. President, may I ask the Senator a question?

If this amendment were taken to conference, it would not in any way affect Public Law 480?

Mr. FULBRIGHT. No, it would not.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

AMENDMENT NO. 673

Mr. DIRKSEN. Mr. President, I have one more amendment, No. 673.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk read as follows:

On page 21, after line 7, insert the following new subsection:

"(d) At the end of such chapter add a new section as follows:

"'SEC. 640A. AUDIT BY GENERAL ACCOUNTING OFFICE.—(a) The General Accounting Office is authorized and directed to conduct an audit of any program of assistance to any country being conducted under part I of this Act for any fiscal year, beginning with the fiscal year 1966, for which the United States has expended or obligated in excess of $500,000 for such program.

"'(b) For the purpose of aiding in carrying out its duties under this section, the General Accounting Office shall have access to all records, reports, audits, reviews, documents, papers, recommendations, or other material of the agency of the United States Government administering part I of this Act. Such agency shall cooperate with the General Accounting Office and furnish assistance upon request to the General Accounting Office in aid of its responsibilities under this section.'"

Mr. DIRKSEN. Mr. President, I do not wish to imply by the proposed amendment that General Accounting does not audit AID, nor would I ever imply that AID does not ask General Accounting to come in. But too many instances have occurred in which this has not been done, and today I put into the RECORD the titles of I do not know how many GAO reports, many of them highly critical.

It occurs to me that if this is to be a regularized program and is to be effective, these loans over $500,000 ought to be audited by General Accounting, even though considerable staff would be required. But we can afford to hire a considerable staff, in view of the amount of losses in this field. I believe this

would be an assurance to the American people.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. Mr. President, I concur in what the Senator from Illinois has said about the need of auditing. But I believe even more important is the right of Congress and the American people to be able to read these audit reports when we receive them. Now, when we find that they are embarrassing to the administration, they are marked secret, and therefore we are not allowed to release them to the public.

I know that some of the reports that have been brought to our committee stamped "Secret" or "Confidential" would embarrass no one except the officials of AID and of the agency administering the program.

Mr. DIRKSEN. We had the same difficulty. A report was sent out, and in big letters it was marked "classified." Well, we respected classification as circumspectly as anybody could; and in the material we put out we did not intrude upon classified material or military material. But when they hand it to us and we know some paydirt is in it and it says "classified"——

Mr. WILLIAMS of Delaware. The point I make is that some of these reports should not be classified.

Mr. DIRKSEN. I agree.

Mr. WILLIAMS of Delaware. Many of these reports do not even deal with the military. They merely deal with the abuse and waste and extravagance in the handling of our AID program in some of these countries. Nothing in the reports would in any way jeopardize the security of the United States if it were revealed. It may jeopardize the security of a couple of officials responsible for handling the program. Other than that, I know of no reason why they have been classifying these reports in that manner, except that they are ashamed of what is in them.

Mr. DIRKSEN. When the independent offices appropriation bill comes to the Senate, it will contain provisions for money for the General Accounting Office. If perchance they are the culprits in the case—I do not say they are—I believe that probably a limiting proviso could be put in, to make sure that they do not classify things that ought to come to the attention of every Member of Congress.

Mr. WILLIAMS of Delaware. I am glad the Senator raised that point. It is not the responsibility of the General Accounting Office.

Mr. DIRKSEN. I would not say it is.

Mr. WILLIAMS of Delaware. They do not classify any of these reports. They prepare the reports and submit them to the respective agency, and then the agency stamps them "Confidential" or "Secret," and the General Accounting Office has neither the responsibility nor the authority to declassify them.

Mr. DIRKSEN. I do not care what agency it is.

Mr. WILLIAMS of Delaware. I am speaking of the fact that the agency which would be embarrassed if the reports were released then.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. The Senator from Illinois has pretty well covered the subject. Two questions occur to me. First, the GAO has authority to do this now. Whether or not it has the manpower to do this on every program of $500,000 without a very substantial increase, I do not know. At present, I do not know how many programs would be involved or what a burden it would be on them to do it. They do it now, as I understand, on a kind of selective basis.

The Inspector General of Foreign Assistance also has responsibility in this field. These activities ought to be coordinated. They ought not to overlap or duplicate each other. I am in favor of GAO performing this duty.

Mr. WILLIAMS of Delaware. Just how much would be involved in requiring them to do this with every program of $500,000 or more, I do not know.

Mr. DIRKSEN. I suggest that we accept the amendment, and out of it may come a recommendation.

Mr. WILLIAMS of Delaware. I was about to say that we accept it, and then the GAO would respond and tell us how much of a burden it would be on them. They could tell us the number of additional men that would be required, and so forth, and we could consider it in the conference. On principle, I certainly do not object to it. They have the authority now to do it, so I have no basis to object to it, other than if it would appear to be superfluous and cost too much for the GAO to make it do every one of them, and they object to it. I have no objection.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was agreed to.

Mr. DIRKSEN. Those are all the amendments for tonight, Mr. President.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. WILLIAMS of Delaware. I understand that earlier the Senator from Illinois had an amendment accepted which would instruct the Department of the Treasury to submit to Congress annually a list of all our foreign debts.

Mr. FULBRIGHT. Semiannually.

Mr. WILLIAMS of Delaware. Semiannually. That would not affect the reports we are now receiving put out by the Department of Commerce?

Mr. DIRKSEN. No, it would not.

Mr. WILLIAMS of Delaware. I should like it to be clearly understood that we are still getting this report.

Mr. DIRKSEN. This is entirely independent of that.

Mr. WILLIAMS of Delaware. We had experienced a lot of trouble in receiving this information, and it was as a result of an amendment offered a few years ago, which was accepted by the chairman.

Mr. FULBRIGHT. The Senator is correct.

Mr. WILLIAMS of Delaware. We have such a report, and it is available to anyone who wishes it. It is a list of every loan that is outstanding with every country, the present status, rates of interest, and so forth. I wish to be sure that we keep this report.

Mr. FULBRIGHT. The Senator from Delaware was not here earlier.

In commenting on this matter, I said that I have no feeling whether the Department of Commerce or the Department of the Treasury should do it. Preparing this information costs a good deal of money. I submit that it is hardly necessary for both Departments to do it. This is a matter I should like settled between the Senator from Delaware and the Senator from Illinois. I would just as soon have it from Treasury as from Commerce. Commerce is doing it, and I believe the Senator agrees that it is satisfactory, that a thorough job is being done. The only comment I have is that I hesitate to say that we should make them both do it.

Mr. WILLIAMS of Delaware. I agree that Commerce is doing it satisfactorily. I have no objection whether it is done by Treasury or Commerce. I believe one is enough to do it. But I wish to be certain that this report will continue.

Mr. FULBRIGHT. This goes further than the amendment of the Senator, because it includes agencies other than AID.

Mr. DIRKSEN. The proposed amendment provides that payments on interest and repayments on principal would not be made to the agency that made the loan. They would be made to the Treasury. That is where the record would be, and that is where one could find out what the real score is.

Mr. WILLIAMS of Delaware. I will not argue as to where the records are. They are being compiled and put in this report. I request that the Senator from Illinois [Mr. DIRKSEN] examine these reports.

Mr. DIRKSEN. My office is full of them.

Mr. WILLIAMS of Delaware. I have no objection whether the report comes from the Treasury Department or the Commerce Department, or whether AID puts it out, so long as we get a complete report, and get the report started.

Mr. FULBRIGHT. I called the Senate's attention to the Senator's interest in it and that he started it. It has been adopted. Pending the conference there should be consultation between the Commerce Department and the Treasury Department. I do not care which one prepares the report, but both of them should not have to do it.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I understand an order has been entered into to adjourn until 11 o'clock tomorrow.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. Mr. President, for the information of the Senate, there will be no morning hour tomorrow, and after the prayer and reading of the Journal, the Senate will resume the pending business.

STUDY OF GROUND TRANSPORTATION TO DULLES AIRPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate

turn to the consideration of Calendar No. 1341, S. 3523.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3523) to authorize the Administrator of the Federal Aviation Agency to undertake a comprehensive study of high-speed ground transportation to Dulles International Airport.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment on page 1, line 8, after the word "International", to strike out "Airport", and insert "Airport, the Friendship International Airport," so as to make the bill read:

S. 3523

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Federal Aviation Agency is hereby authorized and directed to undertake a comprehensive study of the desirability, practicability, and feasibility of construction of high-speed ground transportation systems to meet the needs of the public with respect to the Dulles International Airport, the Friendship International Airport, and the Washington National Airport.

(b) In the conduct of such study, the Administrator shall consult and cooperate with the National Capital Transportation Agency, and such other Federal, State, local, and District of Columbia agencies as he deems desirable.

(c) The Administrator shall submit to the President and the Congress a report on the study authorized by subsection (a) of this section, together with his recommendations and conclusions, not later than July 31, 1967.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1376), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The bill would authorize the Administrator of the Federal Aviation Agency to undertake a comprehensive study of high-speed ground transportation to Dulles International Airport, as well as to Washington National Airport and the Friendship International Airport at Baltimore. The study would consider the desirability, practicability, and feasibility of a rapid transportation system connecting the airports with major traffic generation points in the Washington, D.C., area, which could lead to an easing of congestion at Washington National Airport and easier access to Dulles and Friendship.

BACKGROUND AND NEED FOR LEGISLATION

The arrival, on April 24, of the jet air age at Washington National Airport has brought with it a host of new problems, arising chiefly from a rapid increase in both the number of flights and the number of persons using the terminal.

During May, the first full month during which jet aircraft used the Washington National Airport, National handled 15,000 more passengers than during the previous month. The swollen crowds have jammed the facilities of the terminal, crowding gates, hallways, and baggage counters. Customers have been stacked up nearly 10 deep at ticket counters during peak periods.

One of the most frustrating aspects of congestion involves the lack of adequate parking space. Nothing infuriates and panics a passenger more than to arrive at the field in reasonable time for a flight and find that there is no place left to park his car. Such a situation has become common since the introduction of jets in April (except for the period when a labor dispute ended the operations of five major airlines).

Gen. William M. McKee, Administrator of the Federal Aviation Agency, has characterized the congestion in the terminal and parking areas as "intolerable."

Congestion on the ground has been reflected in the air. Total airline flights at National on April 24 numbered 630, with 102 of them jets. By June 1, the total number of flights increased to more than 650, of which some 138 were high performance jets. The increase in traffic in the air is bound to increase the margin of danger to some degree, and has contributed to delays to takeoffs and landings which have added as much as 2 hours to some flights.

In sharp contrast with the congestion at Washington National Airport, the Dulles International Airport still resembles a ghost town. While Washington National will handle more than 7 million passengers this year, Dulles will handle scarcely more than 1 million.

While National Airport is straining at the seams, Dulles is operating at only 25 percent of its present capacity of 4 million passengers a year. Furthermore, the facilities at Dulles can readily be expanded, when the need arises, to serve 14 million passengers a year.

The disparity in use among these airports is clearly evident, too, in the number of flights. As of July 1, 1966, Dulles had only 89 flights a day, while Washington National had 673 and Friendship 210.

The committee regards this as inadequate usage for a modern, fully equipped facility in which the Federal taxpayers have invested more than $108 million.

The boom in air travel has bypassed Dulles, and Baltimore's Friendship International Airport, because of their distance from downtown Washington and from other points in the metropolitan area. Dulles Airport is 27 miles from the city; Friendship is 32 miles away, and both are considerably farther by car. On the other hand, Washington National is only 4 miles from the heart of the city.

Fundamentally, however, the problem is not just distance, but accessibility. Getting to Washington National is a quick, easy 15-minute trip for most. But for the journey to Dulles or Friendship the traveler must allow an hour or more from most parts of the Washington metropolitan area. Not only are these airports at a much greater distance from the city than Washington National, but ground transportation facilities are much more expensive and less convenient. Taxi fares from Washington to either Dulles or Friendship run between $12 and $15, very nearly a prohibitive rate. Furthermore, the downtown airport transportation terminal is poorly located with respect to Dulles, requiring an expensive and time-consuming backhaul for many passengers. Limousine service at a reasonable cost to the residential areas is badly needed from both airports.

All of these factors tend to increase the congestion at Washington National and inhibit the usage of Dulles and Friendship.

The committee believes that if the Dulles Airport is ever to carry its share of the Capital's air commerce, getting to it must be quick and easy, with some type of high-speed ground transportation system. If the Federal investment of $108 million in Dulles Airport is to be effectively employed, more convenient means of access there must be fully and carefully reviewed, and now rather than later.

DISCUSSION OF THE BILL

Under the terms of the bill, the Administrator of the Federal Aviation Agency is authorized and directed to undertake a comprehensive study of the desirability, practicability, and feasibility of construction of high-speed ground transportation systems to meet the needs of the public with respect to the Dulles International Airport and the Washington National Airport. Both airports are, of course, owned by the Federal Government and operated by the FAA. The committee has amended the bill to include Baltimore's Friendship International Airport within the scope of the study. While Friendship is not federally owned, and not the direct responsibility of the FAA, the committee believes a study of airport access in the Capital area must of necessity take account of the need for transportation there, recognizing that any recommendations with respect to Friendship must take account of the fact that it is municipally owned.

In the conduct of the study the Administrator is required to consult with the National Capital Transportation Agency, because of that Agency's responsibility for the new subway system for the District of Columbia. The committee believes any transportation system to Dulles, or Friendship, must tie into the new subway system. The Administrator is also directed to consult, as he deems desirable, with other Federal, State, local, and District of Columbia agencies. The committee expects that the Administrator will seek the advice and counsel of Federal agencies, like the Office of High-Speed Ground Transportation, of the Department of Commerce, whose responsibilities are similar, as well as affected units of Government whose support and cooperation are obviously desirable.

The committee recognizes, of course, that responsibility for this study could have been conferred on any of a number of interested Federal agencies. It is convinced that the Federal Aviation Agency is the best choice because of its clear, specific, and statutory responsibility for both Dulles and Washington National. The committee has no question as to the competence of the FAA to undertake the study required by the bill.

As far as the scope of the study is concerned, the committee believes the review must take a broad systems approach to the problems of transportation to and from the affected airports, and the effects of transportation systems on air traffic operations, passenger convenience, employment opportunities and other factors. The study should not necessarily be limited to systems exclusively for use of those going to and from the airports. The desirability of intermediate stops, in both directions, should be fully reviewed. The study must also take account of the potential for air transportation between the airports and between the airports and downtown Washington. The Civil Aeronautics Board, of course, has authority to certificate helicopter or other types of vertical lift air service. The FAA would, of course, consult the CAB with respect to the possibilities and potentials of such service. The committee does not foresee any conflict between the study authorized in this bill and any proposals for such air service which would, of course, be a premium service in terms of both speed and cost.

The bill requires the Administrator to submit to the President and the Congress a report on the study, together with his recommendations and conclusions, not later than July 31, 1967.

COST

No specific authority for appropriations is contained in the bill because the Federal Aviation Agency has present statutory authority for the appropriations necessary to carry out the study authorized by S. 3523. The committee believes that the cost of the study can be held to $100,000, although more

funds could be provided on the basis of appropriate justifications.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the Administrator of the Federal Aviation Agency to undertake a comprehensive study of high-speed ground transportation to Dulles International Airport, and for other purposes."

FOREIGN ECONOMIC ASSISTANCE, 1966

The Senate resumed the consideration of the bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business before the Senate?

The PRESIDING OFFICER. The pending business is S. 3584.

Mr. MANSFIELD. Mr. President, is there not an amendment pending?

The PRESIDING OFFICER. No.

Mr. MANSFIELD. What was the purpose of the Senator from New York [Mr. JAVITS] making a statement today?

The PRESIDING OFFICER. The Senator from New York [Mr. JAVITS] is to be recognized in the morning. He will submit a modified version of his amendment tomorrow.

Mr. MANSFIELD. I thank the Chair.

ADJOURNMENT UNTIL 11 AM. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, in accordance with the previous order, I move that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 11 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 21, 1966, at 11 o'clock a.m.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 20, 1966:

Bruce L. Moore to be postmaster at Bear Lake, in the State of Pennsylvania.

EXTENSIONS OF REMARKS

Remarks of Hon. John E. Fogarty, U.S. Representative, Second Congressional District of Rhode Island, at the Graduation Exercises of St. Mary's Academy, Bayview, June 10, 1966

EXTENSION OF REMARKS
OF
HON. JOHN E. FOGARTY
OF RHODE ISLAND
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 20, 1966

Mr. FOGARTY. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

REMARKS OF HON. JOHN E. FOGARTY, U.S. REPRESENTATIVE, SECOND CONGRESSIONAL DISTRICT OF RHODE ISLAND, AT THE GRADUATION EXERCISES OF ST. MARY'S ACADEMY, BAYVIEW, JUNE 10, 1966

I was not only honored but also sincerely grateful to Sister Marie Andre when I was asked to speak on this very happy occasion. It is an event to which all of us who are here have been looking forward, for this is a moment filled with the memories of growth and achievement as well as with great hopes and expectations for the future. And it is also a moment that provides us who have watched and shared in the growing up of the young ladies of the graduating class to express our thanks and appreciation to the good Sisters of Mercy.

I am sure that I speak not only for the parents and friends of the graduates, but for all of the people of Rhode Island when I say that the Sisters of Mercy make a contribution to the educational life of our State which can never be measured. For almost a century and a half, they have held a place of service to our youth which is unsurpassed, and their presence among us has been a blessing for generations.

Consequently, as we all join in congratulating the very lovely young ladies of the graduating class upon the completion of their high school years, I am sure that all of their happiness is shared by the Sisters, who together with parents and friends, have looked forward to this happy event. The graduates know, perhaps better than anyone, that their teachers at Bayview will always follow their progress through life with the same devoted personal interest which has marked their concern for their students during the past four years of school.

A graduation is not a time for long speeches. It is a time when the happy focus of attention should fall upon those who are graduating. And for the moment, I would like to address them and to speak of one or two things that seem to me to have an important bearing upon the future in which they will be called upon to make use of what they have learned at Bayview.

Now one of the things which must be very clear to every member of the graduating class is the simple fact that the world is changing at a rate that is unprecedented in all of history. It is hard for a person living in 1966 to imagine what the world was like in 1866, or even 1926. The musket used in the Civil War was not very different from the weapon that won the battle of Waterloo. And the Civil War musket was not really much of an improvement over the hand firearms of the fifteenth century. A sailor of Roman times, who might have sailed on a ship that took St. Paul on his missionary journeys, would not have found it difficult to work on board many of the sailing ships that still dominated the seas less than a hundred years ago.

There is no parallel in history to compare with what has resulted from the invention of the steam engine, the modern smelting of metals, the telegraph, the introduction of electric power, the airplane, the electric valve and the release of atomic energy. Travel in space, once the subject of fiction, is a fact of our times. Plagues and diseases which wiped out whole populations in the past are seldom heard of in the present.

In my own years in Congress, it has been my good fortune to share in bringing government aid to medical research and if I had the time to tell you of the advances that have been made in the last few years, I am sure that you would see that the expression "the miracle of modern medicine" is no exaggeration. Even as I am speaking to you, the men of medical research are making great new breakthroughs in the fight against such scourges as cancer and heart disease.

Change is indeed the keynote of our times. Nations that lived for centuries in the backwash of history are today emerging as powers in the world. Asia, which once seemed so remote, is now very much a part of our daily lives. Civil rights, so long denied to many Americans, are today written firmly into the law of the land.

In the Church, too, there is moving the spirit symbolized by good Pope John and the Vatican Council. And today we see the sisters and the lay people taking roles of responsibility which were almost unheard of a generation ago.

Here at Bayview the students of the graduating class—all of you who are receiving your diplomas—you have been well prepared to live and work and grow in a world of change. You are well prepared for such a world, not only because you have been taught the things which will help you to understand the changes but also because you have been taught to understand that there are some things which will never change. You have learned of the eternal truths of faith and of the enduring principles of right living that are as true today as they were when God gave the Ten Commandments to Moses and the people of Israel in the desert.

I would, therefore, believe that no word of advice to the graduates could have more importance than this: Live happily and courageously with changing times and keep faith with the changeless truth that is in you.

That, I am sure, is the spirit of Catholic education today. And some of its leading exponents are religious sisters who, as teachers and administrators, are among the foremost pioneers in American education.

Because of the special role which they have as the bearers and guardians of growing human life, women have a unique role to play in the modern world. In an age of computers and machines of many kinds, women have a special sense of the importance of the personal, human values. And it is this sense of the personal that must be preserved and respected if we are not to become the victims of our own technical progress. Charity, regard for the individual, creativity, and the opportunity for each person to develop his own abilities—these are all things which must never be brushed aside as unimportant or insignificant. On the contrary, they are vital to human survival. And only those who hold fast to the eternal values of faith and morality can be the kind of women who will know how to preserve and promote these humane qualities.

In concluding my remarks to you today, I would like to say one final word about the progress which has been made in bringing equality of educational opportunity to all of our people. The series of legislative acts relating to education which have been passed since the National Defense Education Act have made the Federal government a real partner in American education at every level. And I believe that we have made real progress in doing this in such a way that aid has been made available not only to the public, but also to the private sectors of education.

This is a matter of the greatest importance, for it is privately supported schools, colleges, and universities which are the guarantee that our educational system will always have that variety which reflects our free society and is