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PROCEEDINGS AND DEBATES OF THE 88th CONGRESS, FIRST SESSION

SENATE

FRIDAY, NOVEMBER 1, 1963

(Legislative day of Tuesday, October 22, 1963)

The Senate met at 12 o'clock meridian, on the expiration of the recess, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, from the valley of need, where we are called to serve, we lift our eyes to the hills of a waiting strength not our own.

Our minds are startled by the swift march of world-shaking events. Hidden fires are flaming forth, consuming the old habitations of men. Everywhere our ears are assailed by harsh voices that challenge all that a former generation counted fixed, final, and sure. Men in fetters, whose lives have been held more cheap than merchandise, are chanting fierce songs of expected freedom.

Now God be praised, who hath matched us with this hour when, with the shining sword of emancipation, Thou callest us to lead in the great crusade against all that denies, degrades, and enslaves Thy other children under all skies.

O God, make us wise enough to give ourselves to the highest. Make us good enough to surrender ourselves to the best.

We ask it in the Redeemer's blessed name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, October 31, 1963, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 1703) to amend title V of the Agricultural Act of 1949, as amended, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 4638) to promote the orderly transfer of the executive power in connection with the expiration of the term of office of a President and the inauguration of a new President; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DAWSON, Mr. HOLIFIELD, Mr. FASCELL, Mr. ANDERSON, and Mr. HORTON were appointed managers on the part of the House at the conference.

TRANSACTION OF ROUTINE BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, it was ordered that there be a morning hour, with statements limited to 3 minutes.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. JOHNSTON, from the Committee on the Judiciary.

Bernard T. Moynahan, Jr., of Kentucky, to be U.S. district judge for the eastern district of Kentucky.

The PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

NATIONAL SCIENCE FOUNDATION

The legislative clerk read the nomination of Dr. Robert S. Morison, of New York, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1966.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

NATIONAL LIBRARY OF MEDICINE

The legislative clerk read the nomination of Dr. William Neill Hubbard, Jr., of Michigan, to be a member of the Board of Regents, National Library of Medicine, Public Health Service, for the term of 4 years expiring August 3, 1967.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The legislative clerk proceeded to read sundry nominations in the Public Health Service.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON MEDICAL STOCKPILE OF CIVIL DEFENSE EMERGENCY SUPPLIES AND EQUIPMENT

A letter from the Secretary of Health, Education, and Welfare, Washington, D.C., reporting, pursuant to law on the actual procurement receipts for medical stockpile of civil defense emergency supplies and equipment purposes, for the quarterly period ended September 30, 1963; to the Committee on Armed Services.

REPORT ON MILITARY PROCUREMENT ACTIONS FOR EXPERIMENTAL, DEVELOPMENTAL, OR RESEARCH WORK

A letter from the Assistant Secretary of Defense, Installations and Logistics, transmitting, pursuant to law, a report on military procurement actions for experimental, developmental, or research work, for the 6-month period ended June 30, 1963 (with an accompanying report); to the Committee on Armed Services.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

REPORT ON RECONSTRUCTION FINANCE CORPORATION LIQUIDATION FUND

A letter from the Secretary of the Treasury, transmitting, pursuant to law, a report covering the progress made in liquidating the assets of the former Reconstruction Finance Corporation, for the quarterly period ended September 30, 1963 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON PROVISION OF AVIATION WAR RISK INSURANCE

A letter from the Acting Secretary of Commerce, transmitting, pursuant to law, a report on the provision of aviation war risk insurance, as of September 30, 1963 (with an accompanying report); to the Committee on Commerce.

REPORT ON UNNECESSARY COSTS INCURRED BY USE OF AN INADEQUATE INTERIOR PROTECTIVE COATING FOR FUEL TRUCK TANKERS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred by use of an inadequate interior protective coating for fuel truck tankers, Department of the Army, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON NEED TO REVISE PROCEDURES IN ADMINISTRATION OF MORTGAGE INSURANCE PROGRAM FOR URBAN RENEWAL HOUSING

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the need to revise procedures in administration of the mortgage insurance program for urban renewal housing, Federal Housing Administration, Housing and Home Finance Agency, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON CERTAIN UNNECESSARY ANNUAL EXPENDITURES BY THE ARMY AND NAVY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary annual expenditures by the Departments of the Army and Navy for leasing commercial facilities to store Government-owned empty 55-gallon steel drums in the Los Angeles, Calif., area, Department of Defense, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON USE OF FORMER GOVERNMENT SURPLUS PARTS WITHOUT AUTHORIZATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the use of former Government surplus parts without authorization under contract DA-23-204-TC-1695 with Aerodex, Inc., Miami, Fla., Department of the Army, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

REPORT ON UNNECESSARY COSTS INCURRED BECAUSE OF ADMINISTRATIVE NEGLIGENCE AND POOR DESIGN

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on unnecessary costs incurred because of administrative negligence and poor design in the construction of two Capehart housing projects, Department of the Air Force, dated October 1963 (with an accompanying report); to the Committee on Government Operations.

APPLICATION FOR LOAN UNDER SMALL RECLAMATION PROJECTS ACT OF 1956

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, an application for a loan to the Jackson Valley Irrigation District, Amador County, Calif., under the Small Reclamation Projects Act of 1956 (with accompanying papers); to the Committee on Interior and Insular Affairs.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. JOHNSTON and Mr. CARLSON members of the committee on the part of the Senate.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Louisiana State Conference of Branches, National Association for the Advancement of Colored People, of New Orleans, La., favoring the enactment of the civil rights bill, which was referred to the Committee on the Judiciary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

S. 1241. A bill to require annual reports instead of quarterly reports under the Reconstruction Finance Corporation Liquidation Act (Rept. No. 628); and

S. 2228. A bill to change the requirements for the annual meeting date for national banks (Rept. No. 622).

By Mr. DIRKSEN, from the Committee on the Judiciary, with an amendment:

S. 1686. A bill to amend section 375 of title 28 of the United States Code, relating to the annuities of widows of Supreme Court Justices (Rept. No. 623).

By Mr. LONG of Missouri, from the Committee on the Judiciary, without amendment:

S. 689. A bill for the relief of Lila Everts Weber (Rept. No. 624).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 7405. An act to amend the Bretton Woods Agreements Act to authorize the U.S. Governor of the International Bank for Reconstruction and Development to vote for an increase in the Bank's authorized capital stock (Rept. No. 625).

By Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, without amendment:

H. Con. Res. 223. Concurrent resolution to provide for the printing of 3,000 additional copies of civil rights hearings (Rept. No. 627).

INQUIRY INTO FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE SENATE—REPORT OF A COMMITTEE (S. REPT. NO. 626)

Mr. JORDAN of North Carolina. Mr. President, from the Committee on Rules and Administration, I report an original resolution authorizing the expenditure of funds by the Committee on Rules and Administration in discharging its responsibilities under Senate Resolution 212—inquiry into the financial or business interests of any officer or employee or former officer or employee of the Senate—and I ask for immediate consideration of the resolution. The resolution has been cleared by the majority, and the distinguished junior Senator from Nebraska [Mr. CURTIS], the ranking minority member of the Committee on Rules and Administration, asks for its adoption.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 221) was read as follows:

Resolved, That for the purpose of discharging its responsibilities pursuant to Senate Resolution 212, to inquire into the financial or business interests of any officer or employee or former officer or employee of the Senate, agreed to October 10, 1963, the Committee on Rules and Administration is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,600 than the highest gross rate paid to any other person employed under the authority of this resolution; and (3) with the prior consent of the heads of the departments or agencies concerned, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 2. Expenses of the committee, under this resolution, which shall not exceed $50,000 through January 31, 1964, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDENT pro tempore. Is there objection to proceeding to the consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. CURTIS. Mr. President, I thank the chairman of the committee for his courtesy to all the members of the committee, particularly those of the minority. I appreciate the fact that the resolution provides for minority representation staffwise. The task before the committee is not a pleasant one, but it is one that involves the good standing and integrity of the entire Senate. It must be followed judiciously but thoroughly.

The PRESIDENT pro tempore. Without objection, the resolution (S. Res. 221) is agreed to.

BILL AND JOINT RESOLUTION INTRODUCED

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

By Mr. HUMPHREY:

S. 2278. A bill for the relief of Elmer O. Erickson; to the Committee on Post Office and Civil Service.

By Mr. KUCHEL:

S.J. Res. 130. Joint resolution to designate the powerhouse on Clear Creek at the head of Whiskeytown Reservoir, in the State of California, as Judge Francis Carr powerhouse; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. KUCHEL when he introduced the above joint resolution, which appear under a separate heading.)

RESOLUTION

INQUIRY INTO FINANCIAL OR BUSINESS INTERESTS OF ANY OFFICER OR EMPLOYEE OR FORMER OFFICER OR EMPLOYEE OF THE SENATE

Mr. JORDAN of North Carolina, from the Committee on Rules and Administration, reported an original resolution (S. Res. 221) authorizing the expenditure of funds by the Committee on Rules and Administration in discharging its responsibilities under Senate Resolution 212, inquiry into the financial or business interests of any officer or employee or former officer or employee of the Senate, which was considered and agreed to.

(See the above resolution printed in full when reported by Mr. JORDAN of North Carolina, which appears under the heading "Reports of Committees".)

TRIBUTE TO THE LATE FRANCIS CARR

Mr. KUCHEL. Mr. President, America owes her greatness to men and women who have unselfishly devoted their time, talent, and energy in the public interest to their fellow man. Today I call upon the Congress to honor a Californian who, in his lifetime, worked assiduously for his State.

The late Judge Francis Carr, of Redding, Calif., was a water lawyer for more than 40 years. His was a distinguished record of public service in varied fields for the good of his fellow Californians.

In 1932, he was appointed to the State water resources commission. He also served as chairman of the State relief commission during the discouraging days of the depression in the 1930's. He served his local community as judge. In all these and other ways, he served his native Shasta County, his State, and thus, his Nation.

Judge Carr helped to develop a plan and obtain legislative support for the great Central Valley project on which construction began in 1935 to meet serious water problems in vast areas of California. Following through, he was, for several years, the principal advocate for the Trinity River division of the Central Valley project. He served as chairman of a two-county committee to bring about the construction of that particular division.

Though Judge Carr died in 1944, I can testify, as a sponsor of legislation authorizing the Trinity River project in 1955, that the efforts of Judge Carr on behalf of this project were indeed of crucial importance in bringing this project for the people into being.

Judge Carr advocated building Whiskeytown Reservoir in Shasta County as a part of developing the tributaries of the upper Sacramento River for flood control and water conservation as a part of the project. That reservoir is now emerging as a fine recreational asset.

A part of this project is the 130,000-kilowatt capacity Clear Creek Powerhouse near Redding and a short distance from Shasta, Calif., the historic settlement where nearly a century ago Judge Francis Carr's father, a pioneer lawyer and teacher, first established his home after moving to California from upstate New York. This powerhouse, at the head of Whiskeytown Lake, is already producing power which helps to defray project costs and to provide a return on the Federal Government's investment. It is fitting, I think, that the Clear Creek Powerhouse, largest of the Trinity River division, with its constant energy output, be named for and dedicated to Shasta County's native son, the late Judge Francis Carr, who served with tireless energy to achieve an exceptional record of public service, including the development of California's water and power.

Mr. President, I introduce, for appropriate reference, a joint resolution by which the Congress would designate a 130,000-kilowatt-capacity powerhouse on Clear Creek at the head of Whiskeytown Reservoir in Shasta County, Calif., as the Judge Francis Carr Powerhouse, and by which the Secretary of the Interior would be directed to place a suitable plaque at the site of the reservoir.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD, together with resolutions by the Shasta County Board of Supervisors and the Greater Redding Chamber of Commerce, each urging approval of such a resolution.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution and resolutions will be printed in the RECORD.

The joint resolution (S.J. Res. 130) to designate the powerhouse on Clear Creek at the head of Whiskeytown Reservoir, in the State of California, as Judge Francis Carr powerhouse, introduced by Mr. KUCHEL, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the one hundred and thirty thousand kilowatt capacity powerhouse on Clear Creek at the head of Whiskeytown Reservoir shall hereafter be known as Judge Francis Carr powerhouse in honor of Judge Francis Carr of Redding, California, a lawyer, judge, public servant and advocate of reclamation development including the great Central Valley project developed to meet the serious water shortages in the San Joaquin Valley and Sacramento Valley of California. The Secretary of the Interior is hereby directed to place a suitable plaque at the site. Any law, regulation, document, or record of the United States in which such powerhouse is designated or referred to shall be held to refer to such powerhouse under and by the name of Judge Francis Carr Powerhouse.

The resolutions presented by Mr. KUCHEL are as follows:

RESOLUTION 63-95

Resolution of endorsement by the Board of Supervisors of the County of Shasta, State of California

Whereas the contents of the attached resolution of the Greater Redding Chamber of Commerce requesting the Senate and House of Representatives of the United States of America in Congress assembled to designate the 130,000-kilowatt capacity powerhouse on Clear Creek at the head of Whiskeytown Reservoir as the Judge Francis Carr Powerhouse and direct the Secretary of the Interior to place a suitable plaque at the site to make known the wishes of the Congress has been made known to the Board of Supervisors of the County of Shasta, State of California; and

Whereas the Board of Supervisors of the County of Shasta are in accordance with the sentiments expressed in said resolution: Now, therefore, be it

Resolved, That the Board of Superviors of the County of Shasta, State of California, do hereby place their endorsement upon said resolution.

Attest:

FLOYD H. MORGAN,
Chairman.
RICHARD C. BRENNAN,
County Clerk.

RESOLUTION OF THE GREATER REDDING CHAMBER OF COMMERCE

Whereas the dams and powerhouses of the Trinity River division of the Central Valley project in California are nearing completion, and the 130,000-kilowatt capacity Clear Creek powerhouse near Redding, Calif., at the head of Whiskeytown Lake, is already producing power which helps defray project costs and provide a return on the Federal Government's investment; and

Whereas the late Judge Francis Carr, of Redding, Calif., a water lawyer for more than 40 years, was the principal advocate for several years of the Trinity River project, serving as chairman of a two-county committee to bring about its construction and also in the early 1940's, prior to his death in 1944, advocated building Whiskeytown Reservoir as a part of developing the tributaries of the upper Sacramento River for flood control and water conservation; and

Whereas the late Judge Francis Carr was appointed in 1932 by Gov. James Rolph, Jr., to the State water resources commission, which commission helped develop a plan and obtained legislative support for California's great Central Valley project on which construction began in 1935 to meet serious water shortages in California's San Joaquin Valley and serve other multiple purposes; and

Whereas in addition to his distinguished record of public service in varied fields for both Republican and Democratic State administrations, including service as chairman of the State relief commission during the discouraging days of the depression in the 1930's, Judge Francis Carr, as he was affectionately known for his onetime service as justice court judge, was one of California's outstanding attorneys in the water and power field and successfully litigated several precedent-setting cases in California water law; and

Whereas Clear Creek Powerhouse of the Central Valley project is located a short distance from Shasta, Calif., the historic settlement where, nearly a century ago, Judge Francis Carr's father, a pioneer lawyer and teacher, first established his home after moving to California from upstate New York; and

Whereas it is most fitting and proper that the Clear Creek Powerhouse, largest of the Trinity River division, with its constant energy output, be named for and dedicated to Shasta County's native son, the late Judge Francis Carr, who loved his native country, serving her and her people with tireless energy to achieve an exceptional record of public service, including the development of California's water and power resources: Now therefore, be it

Resolved by the Greater Redding Chamber of Commerce, That it is hereby recommended to the Senate and House of Representatives of the United States of America in Congress assembled that they do hereby designate the 130,000-kilowatt-capacity powerhouse on Clear Creek at the head of Whiskeytown

Reservoir as the Judge Francis Carr Powerhouse and direct the Secretary of the Interior to place a suitable plaque at the site to make known the wishes of the Congress.

ROBERT C. ANDERSON,
President of the Greater Redding Chamber of Commerce.

FOREIGN ASSISTANCE ACT OF 1963 — AMENDMENTS (AMENDMENT NOS. 284, 285, 286, 287, 288, AND 289)

Mr. ELLENDER submitted six amendments, intended to be proposed by him, to the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. HOLLAND proposed an amendment (No. 290), to the amendment submitted by Mr. MANSFIELD (for himself and other Senators) (No. 280) to House bill 7885, supra, which was ordered to lie on the table and to be printed.

Mr. THURMOND. Mr. President, I submit, and ask to have printed, an amendment (No. 291).

I submit, and ask to have printed, an amendment to H.R. 7885. The purpose of this amendment is to delete from the bill in its entirety section 402 which authorizes the President to grant most-favored-nation treatment to countries within the Communist bloc.

I do not believe there is any justification for this provision, and I intend to have more to say concerning it when I call this amendment up for consideration.

The PRESIDENT pro tempore. The amendment will be received, printed, and lie on the table.

Mr. DOMINICK. Mr. President, I submit an amendment to House bill 7885. The amendment is designed to assure that the Appropriations Committees will have the right to review the portion of the Development Loan Fund which consists of receipts which come back from loans which have previously been made.

The PRESIDENT pro tempore. The amendment (No. 292) will be received, printed, and lie on the table.

Mr. YOUNG of Ohio. Mr. President, I submit an amendment to House bill 7885, and ask that it be printed and lie on the table.

In support of my amendment, I quote from John Gunther, who in his great book, "Inside Europe Today," wrote:

> It is dangerous for a democracy, like the United States, to become too closely involved with a dictator or a semidictator, no matter how convenient this may seem to be. It is the people who count in the long run, and no regime is worth supporting if it keeps citizens down—if only for the simple reason that they will kick it out in time.

The PRESIDENT pro tempore. The amendment (No. 293) will be received, printed, and lie on the table.

FEDERAL EMPLOYEES' SALARY ACT OF 1963—AMENDMENT (AMENDMENT NO. 283)

Mr. WILLIAMS of Delaware (for himself, Mr. LAUSCHE, Mr. DOMINICK, Mr. TOWER, Mr. COTTON, and Mr. THURMOND) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 8986) to adjust the rates of basic compensation of certain officers and employees in the Federal Government, which was referred to the Committee on Post Office and Civil Service, and ordered to be printed.

ADDITIONAL COSPONSOR OF S. 2249 TO CREATE THE INDIANA DUNES NATIONAL LAKESHORE

Mr. DOUGLAS. Mr. President, I ask unanimous consent that the name of the senior Senator from West Virginia [Mr. RANDOLPH] be listed as a cosponsor of S. 2249, the bill to establish the Indiana Dunes National Lakeshore, and that his name be added to the bill at the next printing.

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

NATIONAL ECONOMIC CONVERSION ACT—ADDITIONAL COSPONSOR OF BILL

Mr. HUMPHREY. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 2274) to establish a National Economic Conversion Commission, and for other purposes, my name be added as a cosponsor.

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

ADDITIONAL COSPONSORS OF BILL AND CONCURRENT RESOLUTION

Under authority of the orders of the Senate of October 24, 1963, the following names have been added as additional cosponsors for the following bill and concurrent resolution:

S. 2259. A bill to further amend section 24 of the Federal Reserve Act, as amended (12 U.S.C. 371), to liberalize the conditions of loans by national banks on forest tracts: Mr. AIKEN and Mr. MCCARTHY.

S. Con. Res. 65. Concurrent resolution favoring agreements with other nations for the joint exploration and use of space and to place a man on the moon: Mr. BARTLETT, Mr. MCGEE, and Mr. RANDOLPH.

NOTICE OF HEARING ON NOMINATION OF CHARLES H. TENNEY, TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. JOHNSTON. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, November 8, 1963, at 10:30 a.m., in room 2228, New Senate Office Building, on the nomination of Charles H. Tenney, of New York, to be U.S. district judge, southern district of New York, vice Alexander Bicks, deceased.

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

The subcommittee consists of the Senator from Mississippi [Mr. EASTLAND], chairman, the Senator from South Carolina [Mr. JOHNSTON], and the Senator from New York [Mr. KEATING].

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Editorial, "B. & O. Deserves Our Applause," in the Thursday, October 31, 1963, issue of the Morgantown (W. Va.) Dominion-News; correspondence between Senator RANDOLPH and Mr. Jervis Langdon, Jr., president of the Baltimore & Ohio Railroad.

UPRISING IN VIETNAM

Mr. MANSFIELD. Mr. President, the news of the uprising in Vietnam came as a complete surprise to me and, I am quite certain, a surprise to the administration. There have been rumors, of course, for weeks that a coup d'etat was in the making; but up to this time, there was nothing tangible to reinforce such an assumption.

This appears to me to be a purely Vietnamese affair which the Vietnamese should settle among themselves. So far as this Government is concerned, it is my opinion that the events of the past several hours call more than ever for a reassessment and reappraisal of our policy in South Vietnam and, for that matter, in all of southeast Asia.

One would hope that out of these tragic developments the people of South Vietnam will obtain the kind of government which will be responsive to their needs and responsible to them. It remains to be seen whether such a government shall emerge; and in any reappraisal of our policies, this would be a factor of the utmost importance.

I have always had the highest respect for the integrity, the patriotism, and the dedication of President Ngo Dinh Diem; and I regret very much, of course, the situation which now has come to such a pass.

HAROLD PERKINS

Mr. DIRKSEN. Mr. President, progress has been defined by someone as the fruit or the product of human hands, multiplied by tools.

As I think of Harold Perkins, our chief telephone page in the Republican cloakroom, who is leaving us, I think a little of that equation, because as the work of the Federal Government piles up—and, of course, that includes the work of the Senate and the work of the House of Representatives—a Senator, with only 24 hours in a day obviously must find that his efforts have to be multiplied by devoted people who serve the public cause.

Such a person is Harold Perkins—very industrious, very diligent, very ambitious. He could carry on his duties here, and at the same time go to law school in the Nation's Capital and be admitted to the bar. He is now to leave, to join his father in a law practice in Concord, N.H. He has been a faithful public servant, as courteous and as diligent as he could be.

So I wish him well as he goes back to the land of the birch, to the land of the purple finch, to the land of the purple

lilac, in the great sovereign State of New Hampshire. He deserves well, and I wish him well in his chosen profession. Godspeed.

TRIBUTE TO SENATOR HART

Mr. McNAMARA. Mr. President, the Associated Press recently prepared and distributed a definitive profile of my colleague, Senator PHILIP A. HART, of Michigan, with special emphasis on his important new assignment as chairman of the Senate Antitrust and Monopoly Subcommittee.

The article has been published in the Detroit Free Press, and I now ask unanimous consent that it be printed in the RECORD.

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

OUR SENATOR HART: NEW TRUST BUSTER?—HE'S CONGRESSIONAL WATCHDOG FOR MILLIONS OF HOUSEWIVES

(By J. W. Davis)

WASHINGTON.—A genial politician who has made a reputation speaking out for the American consumer has a new job: No. 1 trustbuster of the U.S. Senate.

He is Senator PHILIP A. HART, Michigan Democrat, who endeared himself to a lot of housewives—and annoyed some high-powered packagers of consumer goods—with his "truth in packaging" investigation in 1962–63.

HART is the new chairman of the Antitrust and Monopoly Subcommittee of the Senate Judiciary Committee. He succeeds the late Senator Estes Kefauver, Democrat, of Tennessee, who gained national fame in the job.

There have been some predictions that HART won't be as aggressive as Kefauver—one Michigan correspondent reported HART would not be a noisy investigator, that "the day of strident calls for trustbusting are over."

"I feel strongly there is a continuing need for a committee which will do its best to follow the developments in production and marketing practices," HART says. "I am as allergic as anybody else to price fixing and unfair methods of competition."

HART said he intends to make a study of what the subcommittee now has under review before starting down new avenues. The subcommittee's staff is digging into professional sports problems, reviewing the effect of last year's price act, and keeping busy otherwise.

HART makes it plain that while there may be no evil inherent in bigness itself, he still feels that the consumer needs protection in Congress.

His mild approach, and his concern for the consumer, were illustrated when he undertook the packaging investigation last year.

At the time he said, "This is no gangbusters sort of investigation. We're just going to give the situation a real look."

The look turned up considerable evidence that some packagers of consumer goods were flim-flamming their customers and cheating on their competitors.

The subcommittee which HART then headed set up what it called a chamber of horrors. This was a display containing samples of products that were boxed, bagged or bottled in a confusing if not defrauding manner.

HART summed it up: "Millions of American shoppers day by day are paying more and more for less and less in bigger and bigger containers bearing smaller and smaller type."

So far, there has been no new legislation growing out of the packaging inquiry.

"What results can we claim?" HART declared. "As a result of the hearings there has been an improvement in labeling practices in a good many areas.

"Also, the consumer has been given a little encouragement to talk to store managers and point out complaints."

One executive, Vice President Ellen-Ann Dunham, of General Foods Corp., testified that the inquiry had served the public interest.

"Quite candidly," she said, "it prompted us to take another look at all our packages and labels, and, we suspect, other companies are taking another look at theirs."

The Hart family, incidentally, is by no means a typical consumer group.

For one thing, there are eight children, and the family consumes an awful lot of food.

For another, money is not the problem that it is with many families. HART, 50, is the son of a Pennsylvania banker and was a successful lawyer and a Michigan State government leader before his election to the Senate in 1958. Mrs. Hart is a member of a wealthy Michigan family.

HART is like many husbands, however, in that once he is turned loose in a supermarket he is a sucker for fancy groceries.

"I buy the stuff that sits in the icebox until it goes bad," he confesses.

HART'S office lobby is decorated with newspaper cartoons dealing with his "truth in packaging" investigations and with color pictures of Michigan beauty spots, plus a big photograph in color of President and Mrs. Kennedy.

In person, HART is slight in build, with a ready smile and a pleasant manner.

There is a slight atrophy of the right hand, a result of a wound HART suffered as a young infantry officer in the Battle of the Bulge. He came out of World War II a lieutenant colonel after winning the Bronze Star, the Purple Heart, and the French Croix de Guerre. What's his political philosophy?

"I'm a Democrat. Government can either be helpful or oppressive and if I'm going to be labeled, I hope the judgment would be that my label should be propublic. Every action the Government takes affects the whole Nation."

HART'S Senate seat is one of a half dozen listed by Senator WARREN MAGNUSON, Democrat, of Washington, Democratic senatorial campaign chairman, as being in peril in 1964.

While looking ahead to the campaign year, HART is taking a cautious approach to his new duties as chairman of the Antitrust and Monopoly Subcommittee.

"I feel it is as important as any assignment in Congress," he said when he took it over. "I anticipate initially there will be no great change in the direction the subcommittee moves.

"The subcommittee's function is to serve as a watchdog for the free enterprise system. It has always been—and should remain—alert to see that competition is not threatened by monopolies, price rigging agreements, and criminal conspiracy."

One persistent question is what to do about professional sports. HART, a former official for the Detroit Tigers and in the Detroit Lions organization, says:

"It goes back to the fact that as a result of a Supreme Court decision, professional baseball is exempt, not subject to the antitrust laws. But these laws are applicable to professional football. This seems an inconsistency. Sports are entitled to clarification; the players have an interest in this and so do the fans.

"It's clear we are talking about a mixed animal—pro sport is big business but also a sport."

BIG LIFT

Mr. INOUYE. Mr. President, the U.S. Department of Defense recently undertook the strategic air movement of an Army division from the United States to Western Europe. This intricate and unprecedented military undertaking proved without a doubt the ability of the United States to reinforce her NATO allies with sizable military forces in a matter of hours. I am convinced, however, that the full impact of this magnificent undertaking is yet to be realized not only by our allies and our opponents but perhaps by ourselves.

The magnitude of this undertaking is such as to stagger one's imagination and yet it is but a first step on the road to full development of the potential of the air movement of military forces to areas of danger. Some 15,000 highly trained combat-ready troops of the 2d Armored Division were moved from various bases in the United States to Western Germany where they joined with their prestocked combat equipment and moved into a tactical exercise within a matter of hours. To move these men and their 150 tons of cargo, the Military Air Transport Service under General Kelly utilized 217 aircraft including the very latest in jet transports, the C–135. I wish to pause at this time and commend the Military Air Transport Service for their outstanding scheduling, planning, and execution of all phases of the airlift. Especially noteworthy was their precise timing, their flexibility in meeting changing conditions when heavy fog unexpectedly blanketed their terminal airport, and their efficient maintenance which permitted a short turnaround time of aircraft between flights. Also it is commendable to note that not a single casualty was incurred during this mass movement. I compliment General Kelly, his staff, and all crews for an outstanding performance.

It was my good fortune to accompany a portion of the Army troops from Bergstrom Airbase, Tex., to Rhein Main Airport, Frankfurt, Germany in a C–135 jet transport. My flight companions during the 10-hour nonstop trip were members of the Headquarters and Headquarters Battery, 2d Armored Artillery, part of the 2d Armored Division, Fort Hood, Tex. Accommodations en route were understandably austere, but fully adequate. The men arrived on time at their destination in Germany, debarked and proceeded directly to their combat equipment which was in topnotch condition waiting for them near Kaiserslautern, Germany. Throughout my short association with the members of the 2d Armored Division, I was highly impressed by their serious attitude, professional competence, high esprit de corps and physical condition. It was obvious from the beginning that the men of this division were cognizant of the seriousness and the significance of their mission. I compliment General Burba and his entire command.

Following our landing in Frankfurt, I visited the area in which the equipment was pre-positioned and observed the members of the 2d Armored Division move in, check their equipment, and prepare for movement to the maneuver area. The caretaking detachment of General Harris' 7th Army, especially the technical personnel, performed an outstanding

job in having this equipment operationally ready. Many times the work of these men is obscured by the more glamorous role of the combat troops, but their critical importance to the success of these same combat troops was never more evident than during this phase of Big Lift.

While the 2d Armored Division was completing its pickup of equipment, I visited U.S. Army Headquarters at Heidelberg and then went into the field to observe the 1st Battalion, 87th Infantry, in field training exercises. This battalion is part of the 8th Division and was preparing for their part of the larger exercise to be held in conjunction with the 2d Armored Division. Maj. Gen. Stanley "Swede" Larsen, commanding general of the division, and a native Hawaiian, was my host during my time with the 8th Division. In addition to General Larsen, it was my high honor to meet and talk with some 60 native Hawaiians serving their country in Germany. During my visit with General Larsen, I also observed a tactical problem involving a rifle company in the attack. It was immediately obvious that, like the 2d Armored Division, the members of the 87th Infantry were professional soldiers at their best, and I salute General Larsen and his outstanding division.

The short few days I spent with our Army units in Europe have been truly valuable. It was extremely reassuring to see the competence exhibited by these fine combat troops. However, in my opinion the success of this gigantic maneuver in no way lessens the requirement for the United States to maintain our troops alongside our NATO allies in Western Europe. It merely demonstrates once again our ability to reinforce quickly our NATO allies and to respond with appropriate means to any degree of Communist pressure almost anywhere.

I understand there will be future exercises of the nature of Big Lift, perhaps to other parts of the world. Big Lift has been truly reassuring and I urge my colleagues to take every opportunity to observe and, if possible, participate in any future exercises of this nature so that they may see at first-hand, as did I, the combat readiness and competence of our military forces.

A MESS IN WASHINGTON

Mr. SIMPSON. Mr. President, I should like to draw my colleagues' attention to a column in this morning's New York Times.

Eminent Journalist James Reston, commenting on the resignation of Navy Secretary Korth and the rather shocking disclosures in the Bobby Baker case, observes ruefully, "There is a mess in Washington again."

In this regard, I should like to place emphasis upon Writer Reston's closing paragraphs in which he observes, in commenting on Korth's resignation:

> Korth wasn't crooked; he was morally insensitive and stupid, but the President insists Korth wasn't fired, which raises the question: Why not?

An excellent question, as yet unanswered.

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

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

WASHINGTON—WHO WILL DARE INVESTIGATE THE INVESTIGATORS?

(By James Reston)

WASHINGTON, October 31.—There is a mess in Washington again, and very little evidence that either the White House or the Congress is going to do very much to clean it up.

The improprieties of Secretary of the Navy Korth in carrying on his private business on Navy stationery and on his official yacht are widely condemned in the Capital, but he will be given an honorable farewell by the top admirals of the Navy when he leaves tomorrow. And he leaves with the assurances and even praises of the President himself.

This is the man who wrote to his former and future associate, G. E. Homstrom, at the Continental National Bank of Fort Worth about his plans to "have a little party aboard the *Sequoia* (the Navy Secretary's official yacht) primarily for my Texas friends. * * *

"I am just wondering," Secretary Korth's letter of August 13, 1962, continued, "whether you and some of my other friends at the Continental may be coming through; likewise if you have some extra good customers that it would be nice to have."

KENNEDY'S BLESSING

This and much more evidence of misuse of the Secretary of the Navy's Office came to the attention of the Congress, and shortly thereafter Korth resigned, but the President took the line today that the Secretary had not acted improperly and, while vaguely regretting his letterwriting, praised his Navy Secretary's contributions to the Nation's security.

The Bobby Baker case illustrates the same casual attitude toward charges of improper conduct. Ever since Baker, former secretary to the Democratic majority in the Senate, resigned after charges that he was using his position to amass a private fortune on the side, this city has been full of ugly rumors about illicit relations between Baker's girl friends and prominent Senators and officials in the administration.

Every vigilant newspaper office in Washington has a list of names of those implicated with Baker and his lobbying friends and his girls. And the gossip feeds on itself to such an extent that it has already poisoned the atmosphere of the whole Government.

The only way to deal with this kind of material, much of it deeply disturbing and a lot more of it probably malicious trash, is to investigate it thoroughly, objectively, and in private.

This may yet be done. It is in the hands of the Senate Committee on Rules and Administration, but that committee is operating under a Senate resolution which instructs it to look into the conduct only of Senate employees and former employees (not Senators), and it is refusing to provide outside legal counsel for both the Democratic majority and the Republican minority of the committee.

LACK OF CONFIDENCE

The result is that there is absolutely no confidence here that the Rules Committee will really investigate their own Senate colleagues or that the permanent Senate employees will really be in a position to investigate their bosses.

The main problem in both the Korth and Baker cases is not illegal or criminal action. In fact, all the talk about Korth and Baker tends to obscure the main thing, which is the loose system in Washington that encourages these personal improprieties. It is the system of trading favors and using influence and yachts for the purpose that is the cause of the trouble. Baker and Korth, whose indiscretions were quite different, are merely the result.

The yacht *Sequoia* is merely a flashy symbol of this system. It costs the Government far more than Baker or Korth is ever likely to make in a lifetime. It plies up and down the Potomac with a crew of two officers and eight men and is primarily a floating restaurant and bar for the entertainment of Senators and Congressmen.

Baker allegedly peddled influence to lobbyists and managed to buy houses and motels where he could give and get more favors. But the *Sequoia* is the Pentagon's own official instrument for influence peddling—for encouraging generous defense appropriations—and under such a system it is scarcely surprising that Korth used the old tub occasionally for his own purposes.

SCRAP THE "SEQUOIA"

The mess, in short, is not going to be cleaned up by concentrating on Korth and Baker, but by overhauling the system. Baker couldn't peddle much influence on his own; his influence came from his close association with Senators and with officials who knew he was close to Vice President JOHNSON and others.

Korth wasn't crooked; he was morally insensitive and stupid, but the President insists Korth wasn't fired, which raises the question: Why not?

How is the system to be changed if the President praises a man with judgment like Korth's, and the Senate won't conduct an objective investigation of its own shortcomings? The official reaction here to Baker and Korth is more of a problem than they are, for they are gone and the system that produced them remains.

THE AMERICAN IMAGE

Mr. SIMPSON. Mr. President, I should like to have published in the RECORD three editorials which point up the sentiments at divergent ends of the Western Hemisphere regarding the image of America under the Kennedy administration.

On the Latin American scene, syndicated columnist Hal Hendrix, writing in the October 16 New York World-Telegram and Sun, notes with alarm the administration's refusal to normalize diplomatic relations with the Dominican Republic after the overthrow of leftist President Juan Bosch. Hendrix backs up reports carried in the Washington press that the New Frontier interjected itself into the Dominican stew with an ill-advised suggestion that the civilian triumvirate step aside in favor of a member of the former Bosch government.

Hendrix says the administration has deliberately overlooked the fact that the constitution pushed on the Dominican people by the Bosch government last spring was dissolved by Bosch's overthrow and that the country is now operating under a constitution established in September of 1962. The Dominicans are, therefore, not living beyond the reach of all constitutional authority as some critics of the military coup have stated.

Two editorials from the October 19 Financial Post of Ottawa, Canada, illustrate the wide dissemination of the views and philosophies of the New Frontier.

Even in Canada the administration's proclivity for advising cannot be ignored.

Summing up the Kennedy clan, the editorial points out that U.S. business is being intimidated and that "with their bullying strategy perfected at home, the Kennedys and their cohorts are using it to get what they want abroad."

I would like to call these three articles to my colleagues' attention, and I ask unanimous consent that they printed in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York World-Telegram and Sun, Oct. 16, 1963]

TWO LEFT FEET: U.S. DOMINICAN POLICY IS CRAZY

(By Hal Hendrix)

SANTO DOMINGO.—The Kennedy administration is playing its Caribbean policies the way the New York Mets and Washington Senators play baseball.

Taking a page from the Mets' and Senators' scorebooks, the New Frontier in Washington is consistent in its losing ways. If the New Frontiersmen continue another year on the same path they, too, may set a record in the loss column.

In the explosive triangle of Communist Cuba, Haiti, and the Dominican Republic, the policymakers in the White House, State Department, and the hip-pocket branch of State over at the Justice Department have so far scored an impressive three losses, no wins.

The administration, publicly hostile to Fidel Castro and Dictator-President Francois Duvalier, has bobbled the ball repeatedly in policies designed to change these regimes.

Overthrow of Leftist Dominican President Juan Bosch, with a majority of the population supporting the change, found official Washington reacting as if it had two left feet.

The latest demonstration of New Frontier Caribbean diplomacy here—with the ranking U.S. Embassy officer suggesting that the ruling civilian triumvirate step aside in favor of a former member of the Bosch government—has left responsible and normally pro-American Dominicans angry and bewildered.

Most Dominicans and Americans in the capital are viewing the maneuver carried out in a phone call to a member of the triumvirate, as "stupid and unbelievable for a country like the United States."

"This is like a Dominican representative to the United States calling a member of its Government and saying it should replace the Governor of Puerto Rico with somebody like Albizu Campos and the Nationalist Party," a Dominican newsman in Santiago commented today.

Unofficially and officially, Dominicans note that the United States continues to talk piously about nonintervention in the affairs of a sovereign nation.

The informal action carried out here by Spencer King, American deputy chief of mission, was described by the triumvirate as "intervention without precedent."

Full information about the King "suggestion" and quick rebuke by the triumvirate was published in all the country's newspapers. The worldwise Dominicans at least recognized immediately that King would not have acted without specific and detailed cabled instructions from the State Department.

Palace officials, stunned by the ill-advised Washington action on top of its adamant refusal to normalize diplomatic relations and aid, note bitterly that U.S. officials continue to refer to "a need to return to constitutional government in the Dominican Republic."

They point out the constitution pushed on the Dominican people by the Bosch government during the heated Haitian crisis last spring was dissolved with Bosch's overthrow.

But they add that the United States remains blind to the fact that when the military turned government reins over to the civilian triumvirate 36 hours after the coup, the provincial regime began functioning under a constitution adopted in September 1962.

Thus, the Dominicans reason, the United States is in error when it follows the policy declaration of Secretary of State Dean Rusk stating there is now no basis for normalization of diplomatic relations with the Dominican Republic.

Despite all the noise raised in Washington by "liberals" against the present anti-Communist regime here, members of the triumvirate still hope the Kennedy administration will lend them a helping hand.

"Obviously, we would like to have the recognition of all the democratic countries of the world," said Manuel Tavarez Espaillat, a member of the junta.

"I am certain our actions in the first few weeks of government will provide sufficient proof of our democratic purposes and will swing public and government opinion toward recognition."

[From the Financial Post, Oct. 19, 1963]

KENNEDY TO MEANY TO HALL TO BANKS

President Kennedy wants to be reelected next year but Canadians don't like being a punching bag in his political warmup.

The American Government is busily engaged in trying to run the affairs of dozens of countries around the world. It wears the robes and halo of sanctity. It is on the side of "progress" or "democracy" or "freedom" or something that sounds good.

Certainly no responsible member of the Western alliance will envy the most powerful Nation on earth its responsibilities or deny its generosity or seriously criticize what the Americans stand for in the cold war.

But more and more the habit of pushing other people around is growing on the Kennedys and their clansmen in Washington.

This is frequently and amply demonstrated within the United States. Indeed, terrifying American citizens into behavior pleasing to the Kennedys is currently the political sport of the President's brother, the Attorney General.

Quite a few people and corporations who do not please the Kennedys are now finding that their current and past income tax returns are being reviewed.

And who is there who won't be intimidated by that, even if their income reports are all clean as a whistle? This Attorney General "discipline" is so intimidating, in fact, that U.S. news media don't write about it.

Now, with their bullying strategy perfected at home, the Kennedys and their cohorts are using it to get what they want abroad.

Take the latest example of outrageous interference—the American pressure against the Canadian Government over the labor union war on the Great Lakes.

Belatedly, the Canadian Government stepped into this mess and the trustee scheme is about to be implemented.

But the spectacle of the White House and the U.S. Secretary of Labor and the whole weighty machinery of the U.S. Government being gassed up to tell the Canadian Government what it can and cannot do about a Canadian problem is, to say the least, unpleasant.

ALLIANCE, YES; HOLY, NO

Here is the cast of characters and here is the play.

Kennedy needs the labor union vote in his presidential contest next year. That means he needs the unqualified support of George Meany, the powerful head of the AFL-CIO.

Meany is shaky in his lucrative job. Quite a few big union leaders are gunning for him, notably Walter Reuther of the Auto Workers.

To protect his hide, Meany needs all the friends he can keep and so he will do anything to please Paul Hall, the very powerful international boss of the Seafarers Union.

Paul Hall, in turn, very much needs the support of Hal Banks—and the money Banks gets out of his Canadian union members.

So when the U.S. Secretary of Labor solemnly makes an official pilgrimage to Ottawa (nobody can recall that happening before) and when he makes public declarations telling the Canadian Government what to do, he is merely doing a chore for Kennedy who wants to do a favor for George Meany, who needs Hall, who needs the notorious Hal Banks.

From Mr. Kennedy's point of view, Canada is quite unimportant. It would, in most respects, be a lot simpler for the White House and the U.S. Government if we didn't exist at all as a separate country.

It is tragic that a man of such great endowments as Kennedy should, with increasing frequency, be revealed as having a serious defect of character. His intellect and conscience too often fail him in assessment of the appropriate and seemly exercise of power.

The proverb, "The end justifies the means" with the Kennedy clan too often becomes "The end justifies any means."

Hal Banks and John F. Kennedy will understand each other completely. As successful men, they have good reason to admire each other.

Both Banks and Kennedy are good at kicking people around. Canadians who have not taken the oath of allegiance to the White House and to the U.S. Congress have very good cause for extreme distaste.

QUALITY STABILIZATION LEGISLATION

Mr. LONG of Missouri. Mr. President, during recent weeks, the three largest daily newspapers in Missouri have published editorials opposing quality stabilization legislation. Prior to the publication of these editorials, I wrote a letter to the chairman of the Senate Antitrust Subcommittee, the junior Senator from Michigan, and suggested the subcommittee consider conducting a thorough study of this proposed legislation because of its direct effect on antitrust and monopoly law in the United States. It is my belief an exhaustive study of this legislation as it relates to antitrust and monoply is necessary. Therefore, I hope the subcommittee at an early date will consider undertaking such a study.

Mr. President, I ask unanimous consent that the three editorials be printed at this point in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, Oct. 4, 1963]

THE PRICE-FIXING THREAT

The Department of Defense has joined the parade of Government agencies opposing a perennial bill in Congress to give manufacturers legal authority to fix prices for branded and trademarked merchandise and to punish retailers who sell it for less. It says, as quoted by the Air Force Times, that the measure would have such an inflationary

effect as to seriously erode the value of the $1.2 billion military pay raise just enacted, and add billions of dollars to the already high military budget. The Department of Justice, which opposes the bill along with the Department of Agriculture, has hitherto said it would cost consumers $1 billion a year.

Nevertheless, and inspite of being turned down by three previous Congresses, the bill has been renamed quality stabilization—fair trade having got too bad a name—and has been approved by the House Commerce Committee, whence it has gone to the Rules Committee, which has given it rough treatment in the past.

The quality stabilization bill—which has no more connection with quality stabilization than the fair trade bills had with fair trade—is a new and especially oppressive form of price fixing. Hitherto the proponents of this legislation have been content with suspending the Federal antitrust laws to enable States to adopt price-fixing statutes. But most of the resulting State laws were either invalidated or rendered unenforcible by the courts, and the current bill would bypass the States by making sales at less than fixed prices a Federal offense. Missouri, whose legislature has repeatedly given fair trade proposals short shrift, and which has never been burdened with a price-fixing law, would no longer have a choice.

Fair trade, or quality stabilization, is a depression baby and its results are depressive. Its philosophy is that of getting the highest return from a fixed market instead of using price competition to expand the market. We hope Congress will dispose convincingly of this proposed incubus to commerce.

[From the St. Louis Globe-Democrat, Oct. 3, 1963]

FAIR TRADE FEATHERBEDDING

Alarming reports come out of Washington that should give consumers of the Nation the shivers. For the first time since the initial measure was introduced way back in 1914, a so-called "fair trade" bill is given a chance of being passed by Congress.

If it is, a Justice Department study indicates, it would "cost the American consumer billions of dollars and have a powerfully inflationary effect."

If it is, the Defense Department estimates it will just about wipe out the benefit of the $1,200 million pay raise voted for men in the armed services for boosting prices in post exchanges.

The measure which has been approved by the House Interstate and Foreign Commerce Committee isn't being called a "fair trade" bill by its proponents this time. Perhaps because that well-worn term has long been exposed as a phony. The new label is "quality stabilization."

Whatever the name, however, the purpose remains the same.

By making it a Federal offense for wholesaler or retailer to sell merchandise below the price set by the manufacturer, proponents would make price fixing—usually regarded as unlawful—mandatory at higher levels.

For whose benefit? Small merchants scattered throughout the Nation.

No matter how small and inefficient their operation, this law would enable them to compete pricewise with the biggest and most successful stores.

The price would remain the same on branded goods, whether the merchant sold 10,000 refrigerators, washing machines or whatnot a year, or only 1.

A better name for this price-fixing business—as Dr. Joseph M. Klamon, Washington University marketing professor and long-time foe of price fixing under any guise, suggests—is "economic featherbedding."

Seeking to repeal the law of supply and demand, trying to eliminate competition in the marketplace, this legislation is intended to provide a profit for the most incompetent and most inefficient persons trying to do business under what is supposed to be a free enterprise system.

[From the Kansas City Star, Sept. 24, 1963]

PRICE-FIXING BILL: BODY BLOW AT CONSUMERS

A price-fixing bill by any other name is still a price-fixing bill. Don't be fooled by the euphemism, "quality stabilization bill." It is the old fair trade proposal in a new false face. Should the pressure groups succeed in ramming it through Congress, it would cost American consumers billions of dollars a year. By act of Congress, you could be forced to pay higher retail prices. By act of Congress, the spirit of competition that is the essence of the free enterprise system could be hamstrung.

We recognize the problems of small merchants who have been behind this drive. And there are known evils in the practices of reckless price cutting. But this way of approaching the problem strikes at the very heart of free enterprise.

It strikes us as a matter that you might want to take up with your Congressman or Senator. If he is one of the lawmakers who wants to slap you with big price increases, you ought to know about it. And soon, before it is too late.

The fair trade drive picked up its momentum in the depression of the 1930's and in time all but three of the States followed the route. Missouri, to its credit, was one of the three. It remained a peculiar outpost of free enterprise and competition. Under the weight of court decisions, fair trade laws have been falling by the way in several States. Several years ago, the pressures shifted to Capitol Hill, and they have been relentless. This year the bill has reached the House Rules Committee with the blessings of the Commerce Committee.

In all its simplicity, the newly named quality stabilization bill would permit a manufacturer of a brandname or trademark commodity to fix the wholesale and retail prices on a wide range of items that make up the greater part of the normal competitive system. Missouri and all the other 49 States would be affected. It clearly would be another intrusion of Federal authority and, we believe, a totally unwarranted intrusion.

We do not dismiss lightly the concern for the small merchant in this country. There is a trend toward bigness but we do not see how it would be ended by such a price-fixing law. Many small merchants have succeeded, and in Missouri, too, despite the absence of a fair trade law. The personal services that the small merchant can give, and the friends he can make, are an answer to bigness. Success depends on principles of sound business, not on a price-fixing law.

But the interest of the consumers—of all Americans—should be paramount. Statistically, it has been determined that people in States with still operative fair trade laws pay from 19 to 27 percent higher prices than do consumers in States without such laws.

The President has indicated that he probably would veto the quality stabilization bill. It is questionable whether it would survive a court test. But the place to stop this one is in Congress and the time is now. Dolled up in new wrappings, the quality stabilization bill is still aimed at the pocketbooks of the American people and at the basic strength of free enterprise.

THE AMERICUS, GA., CASE

Mr. CASE of New Jersey. Mr. President, a three judge Federal court is meeting today in Georgia on the Americus case. To its shame, the Department of Justice is not represented in the hearing.

The negative and, to me, inexplicable position of the Department of Justice in this case is made clear once again in the reply I have received from Assistant Attorney General Burke Marshall in reply to my latest inquiry.

I am deeply disappointed about the continued reluctance of the Department of Justice to move in the Americus, Ga., case. Mr. Marshall speaks of "apparent injustice" in the prosecution of these four young men on a capital charge. The Georgia solicitor general who brought the charge has now stated in court, according to the press reports, that:

> The basic reason for bringing these charges was to deny the defendants, or to ask the court to deny them bond. We were in hopes that by holding these men, we would be able to talk to their lawyers and talk to their people and convince them that this type of activity * * * is not the right way to go about it.

His statement is not new, but rather is only confirmation of what had already appeared several times in the press. That is, that he deliberately looked through the lawbooks for a charge on which the youths could be held without bail.

The only change in the Department's position seems to be broadening of the investigation from charges of police brutality to the possibility that the purpose of the prosecution was to discourage voter registrations by Negroes. This has been apparent from the start. Further, it is now 3 months since the initial arrests were made. Surely an investigation could be concluded within that period.

The attitude of the Department remains inexplicable to me in a case which involves constitutional rights and which so clearly and deeply affronts the basic principles of law and justice.

The text of Mr. Marshall's letter is as follows:

> DEAR SENATOR CASE: The Attorney General has asked that I reply to your letter of October 17, 1963, in which you again request that this Department take action to obtain the release of Donald Harris and three others from jail in Americus, Ga.
>
> I can well appreciate your concern with the apparent injustice in the prosecution of these four young men on a capital charge. There are obstacles, however, to establishing that the purpose of the prosecution was to discourage voter registration by Negroes. Nonetheless, we have instituted and will continue our investigation to determine if such is the case. If the necessary evidence is obtained we will, of course, take appropriate action in court.
>
> I understand that the question of the legality of the custody of these four young men has been raised in private litigation instituted on their behalf in the U.S. District Court for the Middle District of Georgia. I would hope that these court proceedings speedily resolve the legal questions relating to their custody.
>
> Sincerely,
>
> BURKE MARSHALL,
> *Assistant Attorney General, Civil Rights Division.*

Mr. President, since I prepared this statement, the wires report that the 1871 Georgia insurrection law under which the youths have been held so long has been held unconstitutional by the court. This is good news, indeed, but it is no thanks to the Justice Department. While I have not seen the details of the decision, the case appears far from over. The Department still has an opportunity, I believe, to redeem itself in the eyes of the American people.

CAPITAL ISSUES COMMITTEE PREFERRED

Mr. JAVITS. Mr. President, on October 22 I made extensive remarks concerning the interest equalization tax, an administration proposal now before the House Ways and Means Committee, a proposal with which I disagree. In the course of the same discussion, I have outlined in great detail, an alternative which I consider far more desirable and effective—a capital issues committee. This committee would be an advisory committee of banks, investment houses, and brokers around the country. It would be established only for the duration of the emergency and could be dismantled at will. This would not be the case with the interest equalization tax, which would remain in effect for several years whether needed or not, and could not be abolished until repealed by law—which, as we know, sometimes takes a long time. The capital issues committee is a tried and true operation in major financial centers abroad, whereas the interest equalization tax is completely new and untried. Such a committee would do everything that the proposed tax would do—and would do it in a much better way and in a more businesslike manner, more agreeable to the investment community of the United States and the world. It not only has widespread support among members of the financial community, but has also gained the editorial support of such outstanding newspapers as the New York Times. I ask unanimous consent that the editorial from the New York Times of September 1 and the Washington Post of October 28, be printed in the RECORD at the conclusion of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, Sept. 1, 1963]

STOPPING THE DOLLAR DRAIN

The huge outflow of dollars that took place in the first 6 months of this year has reportedly been reduced since President Kennedy proposed a tax on American purchases of foreign stocks and bonds. This stanching of the drain, however, is unlikely to be permanent. Prospective foreign borrowers are simply holding off, waiting to see whether Congress will approve the administration's interest equalization tax. If it does, the hemorrhaging appears bound to resume, for this means of halting the outflow is an ineffective tourniquet.

The tax is difficult to reconcile with President Kennedy's frequent assertions that the present tax structure must be simplified and trade barriers relaxed. The addition of the tax would complicate the tax structure and would establish a tariff on capital, putting into effect a two-price system for funds. And despite the administration's claims that the tax will not interfere with the workings of the free market, it is clearly a form of control.

Worst of all, there is little evidence that this masked control will work. It is not the low cost of capital but the ready availability of funds that attracts foreign borrowers to the United States. Interest costs would be a deterrent if they were put up high enough, but the administration is not going to an extreme. Moreover, it has granted an exemption to Canada, the largest of all foreign borrowers, so that the amount that may be saved is hardly worth the cost of the new tax.

With the drain of dollars caused by foreign borrowing having run at an annual rate of $2 billion during the first half of the year, the administration is right to contemplate specific action to curtail the flow. Its proposal, however, would bring new leaks. If controls are to be used, the one sure method to stop the drain is to establish a capital issues committee, charged with limiting the number and amount of foreign issues as long as the emergency exists. This is the only way immune to loopholes and not involving an artificial price for funds. It is, moreover, a device well known and trusted by Europeans.

It might be possible to get by without any specification. But if the administration is bent on reducing the drain created by foreign borrowing, it should fashion an effective tool.

[From the Washington Post, Oct. 26, 1963]

AN INEFFECTIVE MEASURE

In July when President Kennedy proposed that an interest equalization tax be levied on the purchase of foreign securities by residents of the United States, this newspaper gave the measure its qualified support. So long as the country continues to run large balance-of-payments deficits, direct controls must from time to time be imposed in order to reduce outflow of long-term capital. The alternative would be a restrictive monetary policy which is clearly at variance with the domestic goals of high employment and output. But in the course of hearings before the House Ways and Means Committee, it has become apparent that the administration's measure cannot expeditiously end the capital outflow.

Proponents of the tax have argued that it would involve a minimum of governmental inference with the market mechanism. President Kennedy, in his message of July 18, said that:

"Under this alternative, the allocation of savings for investment will continue to be the result of decisions based on market prices. There will be no limitations on the marketings of foreign issues and no governmental screening of borrowers. Reliance will be placed on price alone to effect an overall reduction in the outflow of American funds."

But immediately after these words were uttered, an outcry from the Canadians compelled this Government to exempt them from the provisions of the act. And continuing protests by the Japanese make it perfectly clear that the decisions to include some countries and exempt others involve acts of discretion.

Nor is it by any means certain that the tax will in fact result in an equalization of interest rates. If interest rates in Europe rose and foreign securities were offered to Americans at sufficiently large discounts, the tax might not prove to be an effective deterrent to sales in this country.

The interest equalization tax is administratively complex and needlessly broad in its scope. It would be levied upon both new and outstanding foreign issues, when in fact, it is the new issues largely floated by foreign governments, which have been responsible for most of the portfolio-investment outflow in recent years.

Rather than rely upon a tariff on the importation of foreign securities, the effectiveness of which would be contingent upon interest-rate differentials, a capital issues committee should be established. Such a body, consisting of representatives of the Treasury, the Federal Reserve Board, and representatives of the investment banking industry, could operate in a flexible manner, withholding certification from certain foreign issues when balance-of-payments pressures were severe and relaxing the restraints at other times. Policies such as this are pursued in all other financial centers of the world, and they are well understood in investment-banking circles.

The United States is the only major industrial country with a free capital market, and interference with its operation should be countenanced only if it advances the national interest. The interest equalization tax would disrupt that market and create complicated administrative problems without a reasonable prospect of success. A capital issues committee, combining compulsion with moral suasion, would accomplish its objective with a higher degree of certainty while doing no more—and perhaps less—violence to the principle of free markets than an ineffectual tax.

THE SITUATION IN BRITISH GUIANA

Mr. McGOVERN. Mr. President, Mr. Ben Segal, director of the Education and International Affairs Department of the International Union of Electrical, Radio, & Machine Workers, has recently returned from a study mission to British Guiana. Mr. Segal has had a close working relationship with the trade union movement in this country over a period of years. He has frequently visited British Guiana and has maintained a special interest in its affairs.

Recently, Mr. Segal authored an article entitled "British Guiana: A Land in Turmoil." I have found the article to be a stimulating and perceptive analysis of contemporary problems and prospects in this significant corner of Latin America.

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

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

BRITISH GUIANA: A LAND IN TURMOIL

(By Ben D. Segal, Director, Education and International Affairs Department, IUE-AFL-CIO)

British Guiana is a land in serious trouble politically, economically, and racially. This strife-torn country—until recently on the threshold of independence is split down the middle between the East Indians and the Negroes, and this split affects every aspect of life in British Guiana.

The recent general strike plus earlier widespread rioting have divided the country in two. Outside of Georgetown, where the overwhelming population is East Indian, Cheddi and Janet Jagan, Premier and Minister of Home Affairs respectively and their political party, the PPP (Peoples' Progressive Party) have control. Inside Georgetown, where the majority of the 148,000 population is Negro, the PNC (Peoples' National Congress) led by Forbes Burnham, is in control. A third and smaller party in the field is the United Force, which is headed by Peter d'Aguiar. This is primarily a conservative businessmen's party, consisting mainly of Portuguese and mixed racial groups.

The result is that in British Guiana a political stalemate exists. In the last election, the Jagan's PPP won the election with

42.7 percent of the vote, at the same time getting 20 seats in the legislature. The PNC, which received 41 percent of the vote won only 11 seats, and the United Force with 16 percent of the vote won 4 seats. In effect, this means that because of the sharp racial divisions neither one of the major parties has sufficient strength to effectively rule the country.

The question has been raised why all this concern about British Guiana—a country which is thousands of miles away, undeveloped, and up to now relatively unimportant in world events. A glance at the map shows that British Guiana borders two key Latin American countries—Venezuela on the west and Brazil on the south. Economically as well as politically British Guiana has a crucial position; within the borders of its 86,000 square miles it is one of the largest producers of bauxite, essential to the production of aluminum (and indirectly steel) in the world.

There are many signs that the country under the Jagans is moving more and more openly into the Cuba-Communist orbit. Close commercial and cultural ties with Cuba are being extended. The government has set up the Guiana Import-Export Corp. (known as Gimpex), as a front for channeling goods and money from Cuba and reputedly other Communist countries into British Guiana.

A large number of PYO members, the Jagan party youth group, have been sent on junkets and on scholarships to Cuba and various Iron Curtain countries. A number of PPP cabinet members, including Janet Jagan, have made visits to Cuba, Red China, and other Communist nations.

Through the Mirror, the PPP daily newspaper, increasingly violent attacks are launched against the United States and President Kennedy. Typical was a Mirror editorial on August 25, 1963, accusing the United States of "glaring insincerity," "perfidy," and "dishonesty." The same editorial states "that under the aegis of the AFL–CIO and with the blessing of the Pentagon, large sums of U.S. money have been poured into this country to support a political strike, the only purpose of which was to overthrow the democratically elected government of Dr. Jagan."

The country's democratic trade unions are one of the main hopes for staving off a totalitarian state in British Guiana. Long identified with the anti-Communist ICFTU (International Confederation of Free Trade Unions), they have been in opposition to the Jagan government because they cannot forget the past efforts of the Jagans to impose restraints designed to weaken the labor movement. Earlier this year when the government sought to enact legislation imposing government control over organized labor, the unions conducted a successful 80-day general strike.

Determined to snuff out their major anti-Communist opposition, the Jagans are now accelerating their efforts to take over the trade union movement by setting up rival unions. The Guiana Agriculture Workers Union, which is headed by a Jagan PPP member of the legislature, has been set up in the sugar industry to destroy the MPCA (Man-Power Citizens' Association), the established anti-Communist union in the field.

This rival union has been organized on an outright racial and political basis. Since the large majority of workers on the sugar estates are Indian, the Jagan union is making considerable headway. A recent report shows that the MPCA has lost more than 20 percent of its membership. This struggle among the sugar workers is crucial since cane growing and processing is the major industry and the employees form the largest union in the country. The MPCA membership of 20,000 represents over 40 percent of the country's entire trade union membership.

To further illustrate the motives and objectives of the Jagans, another rival union has been set up for civil service and Government workers. This, too, is predominantly Indian, organized and led by Jagan henchmen who are attempting to force the Indian workers out of their own free government employees' union and into more docile organizations.

The racial divisions are very sharply obvious in the union picture. While the president of the Trades Union Council and the MPCA, Richard Ishmael, is Indian, the vast majority of TUC leaders are Negro. The TUC's main strength is in Georgetown. The significance of this was manifest during the general strike when the overwhelming majority of Negro workers supported the strike and the majority of Indian workers did not.

The racial issue is paramount not only in the labor movement but in all other institutions. A number of Indian businessmen with whom I talked said that if they had to choose between Marxism (referring to Jagan) and hooliganism (referring to the looting and violence that had taken place in Georgetown), they would choose Marxism. Actually, the records show that there has been violence on both sides. During the general strike four East Indians and seven Negroes were killed.

The opposition parties accused the PPP of exploiting the racial issue and cite the slogan used by the Jagans among the East Indians in the 1957 elections, "apan jhaat," which means, "vote for your own." While there is no doubt that all political parties have capitalized on the racial issue, the Jagan Party has the most to gain from this political perversity. The East Indians have a majority, and their birthrate is increasing at a more rapid rate than all the other racial groups in the country. Out of a total national population of approximately 600,000, the East Indians comprise 47.8 percent and the Negroes 32.8 percent of the population.

All this has generated a pervasive atmosphere of fear in British Guiana. The Indians fear the Negroes, the Negroes fear the Indians, and the Portuguese fear both groups. All those with whom I talked during a recent visit, were discouraged and pessimistic about any possible resolution of this deep racial schism. When I interviewed Forbes Burnham, the PNC head and opposition leader, he expressed deep concern over this racial division. As he put it: "We have to find ways and means of coexistence or we will have no existence." He believes that proportional representation is essential, and argued eloquently that without proportional representation, the PPP will win the election, as it did 2 years ago, and after independence from Britain is consummated will proceed to turn the country into a Communist and totalitarian state.

Unemployment which has hovered around 20 percent for many years is on the increase as a result of recent developments. Conservative estimates indicate that one out of every four or five workers is unemployed and one out of nine is underemployed. In contrast to my previous visits, I heard no talk about ways and means of attracting new industry. Instead, the talk was whether present industries could be kept in the country. It is an open secret that money is being sent out of the country, some businesses have closed and a number of businessmen and experts have left. A saving feature in the economic situation is that sugar, the main prop of the economy, is having an exceptionally good year because of the U.S. boycott of Cuba, reduced crops in other sugar-producing countries, and the high world market price.

British Guiana is a modern day national tragedy. Here is a country that badly needs foreign aid. Yet the Jagan's authoritarian political ideology, the increasingly close political and economic intercourse with Cuba, makes it a decided risk for U.S. financial assistance. Long time observers and the trade union leaders believe that the United States should make clear that our opposition is not to "socialism" (as Jagan is trying to get his people to believe), but to the alliance with Castro and the potential for Latin American subversion that this represents.

In considering possible solutions and alternatives to the present chaos in British Guiana, the people with whom I talked agreed that it would be a mistake for the British to postpone independence. They felt that independence should be linked with adequate guarantees and protections for the opposition parties. In effect, this means proportional representation which would guarantee a vigorous anti-Jagan bloc and necessitate a coalition government.

Burnham makes clear that his party, the PNC, is a democratic socialist party. He points out that capitalism, U.S. style, will not work in an underdeveloped and undeveloped economy such as British Guiana. Summing up his party's position, he said: "We are Socialists; we are Democrats and aim at a system which recognizes in precept and in practice the dignity, worth, and ability of the ordinary man. We are for a social and political democracy."

Small as it is, approximately the size of Minnesota, British Guiana today is a firebrand, already half ignited. It is a firebrand that has the potential to set aflame not only Latin America but even the entire globe. But the Communists show no inclination to withdraw the torch which may give them a second outpost in the Western Hemisphere and a strategic entry into the South American continent.

MAJOR SPEECHES DELIVERED BEFORE THE SOUTH DAKOTA FARMERS UNION ANNUAL CONVENTION

Mr. McGOVERN. Mr. President, on October 15 the members of the South Dakota Farmers Union heard two excellent addresses delivered by our colleague, the junior Senator from Missouri [Mr. LONG] and by Mr. James Patton, president of the National Farmers Union.

Senator LONG devoted the major portion of his address to the domestic problems of American agriculture. Mr. Patton centered his discussion on the relationship of agriculture to our position in world affairs. I think that Members of Congress will find these two addresses both perceptive and instructive.

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

There being no objection, the addresses were ordered to be printed in the RECORD, as follows:

NOTHING FOREIGN ABOUT FOREIGN POLICY

(An address by James G. Patton, president, National Farmers Union, to the annual convention, South Dakota Farmers Union, Huron, S. Dak., October 15, 1963)

A speech on foreign policy connotes, to most people, something alien, and they prepare themselves to be disinterested, unconcerned. My friends, let me say to you quite frankly that there is nothing foreign about foreign policy.

From the founding of this country—from the years of President Washington to the Second World War—to the years of President Roosevelt, this Nation lived an isolated existence. Through most of our history we were an unalined, uncommitted, neutralist country. We were unalined by geography, uncommitted by doubt, and neutral by de-

sire. We had felt we could live behind our Monroe Doctrine and within our two oceans in peace and with plenty, comfortably away from the rest of the world.

I doubt that very few of you here tonight do not recall such an educational upbringing. But the day of the covered wagon and model T, and all they meant, is gone forever. The end of isolationism was the inescapable result of economic growth, the inevitable result of cultural maturity and, unfortunately, the unavoidable result of military expansion.

OBLIGATION OF WORLD INVOLVEMENT

We have come a long way in adopting in a short time the obligation of world involvement. And the strain of involvement—whether displayed by forced disinterest or compelled unconcernment—is a strain which must be healed and quickly forgotten if we are to succeed and survive in the real world of today.

I repeat—there is nothing foreign about foreign policy.

Recognizing fully the extent of our involvement in world politics, what course to national security, what path to peace and plenty do we take? The basic policy, maintained since the mushroom cloud rose over Hiroshima, that the United States is best served by maintaining a world of diversity in which no power or group of powers can threaten our security, is the best policy. We can ill afford to have the balance of power tip in the wrong direction.

Here and now, I want it to be crystal clear that such a policy and situation can be maintained with a reduction of 20 percent in our immense Military Establishment. I supported with all my energy the signing and ratification of the nuclear test ban treaty and believe the year 1963 will be historic in that the pages of history will show this event began the world's march to peace and freedom.

Some, especially those who can be cataloged as belonging to the radical right, opposed ratification of this treaty. Why? Had they bothered to look at the true destructive force of the atom today and what we and the Soviet Union could do to each other and the world in 1 hour or 1 day? A nuclear holocaust could remove 300 million men, women, and children from the face of the earth in 24 hours.

Senator BARRY GOLDWATER, of Arizona, who will let us know of his presidential aspirations in January, was one of the handful of Senators who voted against banning nuclear tests. His opposition surprised no one, and, so far as I was able to observe, persuaded no one. But it was necessary for him to oppose the treaty since he is committed to a policy of initiating the use of force in the struggle with communism. Let me read certain key sentences from the concluding chapter of Senator GOLDWATER's book entitled, "The Conscience of a Conservative":

"Our strategy must be primarily offensive in nature * * * we must always try to engage the enemy at times and places, and with weapons, of our own choosing. * * * We should withdraw diplomatic recognition from all Communist governments including that of the Soviet Union. * * * We must—ourselves—be prepared to undertake military operations against vulnerable Communist regimes."

Now I am not here to discuss Senator GOLDWATER's views, opinions and candidacy, if he is to be a candidate. I am, however, going to make this blank statement. It is not possible to adopt such all or nothing, black and white foreign policies without making our interests subservient to our annoyances. If we were to call for the resumption of atmospheric nuclear testing, terminate foreign aid and assistance to needy nations, resign from the United Nations, we would, in the words of President Kennedy, "not only be abandoning America's influence in the world, (but) we would be inviting a Communist expansion which every Communist power would so greatly welcome."

I have talked of foreign policy in only one sense thus far and could continue on the same theme by discussing U.S. efforts in Laos and Cuba, Congo, and Berlin. But, here again, because of the energetic, diplomatic, and farsighted policies of our current administration, war clouds have dissipated and peace is continuing to break out.

AGRICULTURE AND FOREIGN POLICY

I, therefore, want to spend the remainder of my time relating our agricultural abundance and knowledge to our foreign policy. In this spectrum we have made a beginning, but there is much left to be done. The important thing is that we have started.

The challenge which faces us as the leader of the free world to abolish hunger and poverty is truly magnanimous and we have no choice. Two out of three people in the world today fight a constant and marginal battle against poverty, ill health, ignorance and hunger.

I indicated we have only started. The next steps should include expansion of the food-for-peace program, formation of a world land bank, and stimulation of our export-trade program.

Public Law 480, the food-for-peace program, is an imaginative and successful start in attempting to narrow the gap between abundance and starvation. Much credit for this progress must go to your able, earnest junior Senator, GEORGE MCGOVERN who, as President Kennedy's initial director of the White House Office of Food for Peace, established by the second Executive order of his administration, made this the humanitarian program it is today. Through the donation phases of the food-for-peace program we are not only helping to feed more than 92 million of the world's hungry people, but are waging war on economic backwardness and developing future commercial markets for our agricultural products.

Since Public Law 480 was enacted in 1954, we have moved more than 100 million tons of agricultural commodities overseas—equivalent to three 10,000-ton ships a day, every day for 8¼ years. Not only did this save us $667 million in storage costs last year alone, but it paid 1 year's foreign U.S. bills estimated to be $271 million.

As successful as Public Law 480 has been, I believe we can be even more effective by extending and expanding the overall concept to—

1. Make available applicable farm tools, equipment, and machinery to the countries desperately trying to get over the nutrition threshold. This equipment could be supplied as part of the credit pattern in already developing land reform programs;

2. Provide developing countries with heavy machinery which can perform the gigantic tasks of earth moving, dam construction, and massive lifting. Projects in housing, land clearance, flood control, development of power resources and many others could be multiplied many times if the necessary heavy equipment could be made available;

3. Provide machine tools by means of which their own newly created industrial and machinery plants could begin to meet their own tooling needs;

4. Provide the amounts of steel necessary to service these beginning self-help plants and equipment. It is significant that the U.S. steel companies have operated profitably at a far greater reduced capacity than our American agricultural plant during the past 10 years.

Another point to consider before we leave the food-for-peace concept is that this type of program should be made multilateral. Let all nations who are producing more than they are consuming aid in the battle against malnutrition, hunger, and starvation.

Briefly, my proposal for a world land bank involves the financial development, reclamation, consolidation, and cultivation of land of small or family sized farmers in all developing countries to increase the agricultural production of such nations.

To begin with, I suggest that the United Nations special fund should allocate $250,000 for a worldwide survey to appraise country by country where needed, the costs of developing new lands and new agricultural institutions to accomplish such a program. It is a fact that more often than not developing nations have such limited credit and financial resources that land reform and the development of family farm agriculture cannot be adequately funded.

Once the land bank is established it could be capitalized from the sale of subscriptions to creditor nations of the world, as well as bonds sold locally in those developing countries receiving credit benefits of the bank.

I spoke of this possibility several months ago when I attended the inauguration of the Peruvian President and just 2 weeks ago received a letter from that nation's First Vice President in which he said, and I quote:

"We consider the creation of this type of bank a positive step toward the solution of agrarian problems that presently face Peru and the majority of Latin American countries.

"We understand that the bank would have sufficient financial resources to expropriate with prompt and adequate payment the large landed estates which are inefficiently farmed or organized in such a way as to avoid social obligations and will provide financial resources necessary to small farmers in order to develop their production, acquire seeds, equipment, fertilizers, and the necessary technical assistance.

"The Government of Peru, aware of the significance of this project, gladly offers its assistance to either the United Nations or the Freedom From Hunger Foundation, to conduct a feasibility study of the world land bank's operation in Peru, as one of two pilot countries to be selected, and therefore agrees that President Fernando Belaunde's proposal of creating an inter-American institution for territorial credit be substituted by a world organization destined to achieve the same aims on a much vaster scale. We feel sincerely that this is the country best suited for this study, as a thoroughgoing agrarian reform law has been presented to Congress and has the support of the organizations necessary to execute the provisions of this reform, even though they unfortunately lack sufficient resources to carry these out with the speed demanded by the country's urgent social needs.

"In Peru the poverty of the people and the backwardness of the small farmers and cattle raisers are due to the following causes: Low degree of productivity, defective distribution of property, unsatisfactory tenancy of land and lack of arable land in relation to the population.

"Our small farmers need lands, equipment, fertilizers, technical assistance and the credit necessary to produce more and raise their standard of living.

"It is, therefore, evident that the Bank will permit us to make a reality of agrarian reform, along democratic lines with a view to greater production."

I consider the support of President Belaunde a major breakthrough to the realization of this goal.

I believe a word is apropos here about the world food program, administered by the Food and Agricultural Organization of the United Nations. This program, now on an experimental basis, should be expanded and made permanent. The United States is supporting, with food and funds, this $100 million, 3-year aid program as well as the FAO's

freedom-from-hunger campaign which is currently carrying on extensive technical assistance work in some 100 countries.

Another item not to be overlooked is that the lessons learned by our farmers and those of other advanced nations must increasingly be applier to the problems of primary producers of the less-advantaged areas of the world. It is to such farmers that free farm organizations, both general and cooperative, offer the best hope.

The general farm organizations and farmer cooperatives share equally the basic problem of assisting farm families to receive an adequate income for their effort and efficiency. In pursuit of a better income the American family farmer has found his interests are best served in a cooperative movement. In recognition of this farmer cooperative role our Government has encouraged producer effort to establish and operate cooperatives. Such lessons should be applied in the world's developing nations.

A firm step in this direction concluded just last week when 59 Latin American farm leaders concluded a 6-month study of our agricultural system and the way we use organizations and cooperatives to solve rural-farm problems. As many of you know, the heart of this program was the 4½ months these men spent living on farms—14 here on South Dakota family farms. This people-to-people aproach which, incidentally, was conducted by National Farmers Union, is an unparalleled example of the communication needed to assist developing nations. Your outstanding president, Ben Radcliffe, and Miss Arlene Schley, your director of education, who spent several weeks in Latin America helping formulate this program, should be commended for their excellent work.

When I say there is nothing foreign about foreign policy, this especially holds true for our foreign aid program which you know is a key factor in our foreign policy. Few, if any, realize that 80 percent of our foreign aid dollars are spent right here in our own United States. The Agency for International Development has reported that during the first 7 months of this year 25 States received procurement orders in excess of $1 million—each under the U.S. foreign aid program.

Private firms in 47 of the 50 States share in $175,398,616 worth of orders recorded during the period from January through July for 1963. The total represents procurement directly traceable to the State of production.

The orders cover a wide variety of industrial and agricultural products and materials purchased by developing countries for use in particular projects or promoting economic growth.

I am sure it will particularly interest you to know that your own State of South Dakota is among those States filling procurement orders through the foreign aid program. So you see, 80 percent of the foreign aid program is not foreign, but is dollars spent right here at home.

The Trade Expansion Act of 1962 gives the United States broad authority to develop liberalized trade in all expanses, including agriculture, and we could and should do better. Some would comment that our total exports, including farm commodities, of $21.6 million in 1962 was 17 percent of the free world total—the highest percentage—but actually we exported only 4 percent of our total gross national product—well down toward the lowest percentage.

Nor are we energetic from the standpoint of export growth rate. Free world exports increased 40 percent, compared with our 21 percent between 1958 and 1962. At the same time Western Europe logged a 41-percent increase and Japan increased a staggering 70 percent—obviously indicating we are nowhere near keeping pace.

The United States must move forward vigorously to turn purchasing power into purchases and I mean the world over. We should sell wheat to any country that can pay for it. Long before this Russian wheat thing came up I advocated a series of international trade agreements—and still do—for all international commodities. We have a workable, reasonable International Wheat Agreement which will help keep the domestic price for wheat next year higher than it would be otherwise. We need international payments for feed grains and cotton as well as other commodities that enter importantly into world trade.

Foreign trade is crucial to U.S. agriculture. That is why I support economic integration such as is happening in the Common Market, as well as common banks, development groups, etc. If we want a world of peace and plenty we have no other choice but to concern ourselves with bettering the lot of the two-thirds of the people on this shrinking planet for whom a better life is possible and desirable.

If we strive to plant good and healthy seeds, we shall reap a harvest of peace and security in the world. If we miss the opportunity; if we miss the planting season in the new and developing nations of the world; if we neglect the stomachs and minds of the world's struggling population, we will reap a far different harvest—one of discontent, despair and perhaps rebellion. Should we take that chance?

SPEECH BY SENATOR EDWARD V. LONG, DEMOCRAT, OF MISSOURI, BEFORE THE SOUTH DAKOTA FARMERS UNION, HURON, S. DAK., OCTOBER 15, 1963

My good friends and fellow farmers, despite the notion apparently held by a good many people in the country—some of whom, unfortunately, are in the Congress—the family farm is not a deadweight on the back of our national economy. That is an undeserved reputation. It is the outcropping of a massive propaganda campaign designed to sell the idea that the only decent and efficient way to operate a farm is from behind a desk on Wall Street. But, my friends, on Wall Street, the only importance of changing seasons is that it is time to clip another batch of quarterly divided coupons. The "green" that inspires interest there is the "long green." Of course, that inspires interest among the farmers as well, but it has been all too long since much of that has been seen on the farm.

Such a distorted picture of the farmer would be easily formed if that was all you heard. Perhaps we farmers have been too busy just fighting for survival to do a proper public relations job—one that throws true light on the family farm.

It has been a long, long time since we have been in a position to tell our story as well as we are today. There can be little doubt about the dedication of Secretary of Agriculture Orville L. Freeman to fighting the congressional battles with the same Marine determination that was his strength on the bloody beaches and in the steaming jungles of Bougainville. I think that his recognition of the fact that there is a great lack of understanding between city and farm, along with meaningful actions to bridge that gap, will certainly be hallmarks of his services as the chief agricultural officer of this administration. He and his Department are pulling out all stops to see that the true picture of American agriculture gets through to New York's Times Square; to Chicago's Loop, and to the mushrooming suburbias that now dot our Nation. The story needs desperately to be told in these places, for they are the markets for the products of our labors—the crops we raise.

American agriculture is in the midst of one of the most trying periods of change any group has ever experienced. Changing also is the public image of the farmer. The man who was once hailed as the benefactor of man, is now portrayed by uninformed and vociferous critics as a n'er-do-well who feeds in the trough of public subsidies. Such an outrageous injustice makes anyone interested in agriculture see red.

But change—and especially the kind of rapid transition that has caught up the farmer—often creates misunderstanding. Even the farmer finds it difficult to adjust to them. So it is little wonder that his city neighbors, who more often than not get only a surface view of the problem compounded by false and misleading propaganda, can jump to the wrong conclusion.

Realizing that our public image suffers from lack of information, we as farmers can do most to combat it by forcefully painting the true picture. Railing against our critics serves little purpose in the long run. Fighting fire with fire is a precarious business. Bridging the understanding gap will best be done by telling the true story of American agriculture.

And what a story it is.

It has been the farmer who has provided the raw materials to forge a new nation from the wilderness. He financed and gave reason to the westward expansion of the railroads, without which we would still be huddled on the Atlantic seaboard. Your State and mine would be the uncharted frontiers. It was the farm that released the manpower needed to run the factories, develop the products and perform the services in such a great demand by our modern society.

The headline story that has been in many of the daily papers and on radio and television is that the Department of Agriculture's budget is now about $6½ billion. But the real meat behind that story is that only about a third of that goes for direct farm programs. Four billion dollars of it goes for food distribution, foreign aid, for public services, such as meat inspection and pest control. Agriculture's budget also furnishes the funds to maintain, improve and conserve our forests and their recreational facilities, as well as to carry out the research that has been, and is of such great benefit to business and industry.

Among our problems, and possibly the greatest at this time, is the challenge of abundance. Yet, what is a problem to us would be a blessing to any other nation of the world. Today, we remain the only nation on the face of the earth whose agriculture meets—and exceeds—its demands.

Two years ago, I was on a Senate assignment overseas that took me to Asia and the Near East. There, millions upon millions of people continue to starve, or at best subsist, generation after generation. I saw some of these teeming millions. The swollen bellies of children who, from the instant of birth, have been hungry, and who have little hope of ever knowing the satisfaction and security of a full meal. The strained and bent bodies of men and women, old long before their years, from the never-ending effort to scratch out a few mouthfuls from an arid and hostile land. These are people who will know hunger all their lives. This is their way of life. This sort of existence isn't confined to Asia and the Near East. It prevails in virtually every part of the globe. This abundance is a problem for us to solve, but believe me, it is also a blessing.

Are we, the only adequately fed people in today's world, going to throw up our hands with the cry of despair that we can't solve our problem of abundance? Certainly not. Already, a direct assault on the problem has started—and God willing, it will continue to gather strength and momentum.

Oversupply in feed grains has vexed Congress for years. Three years ago, the market was glutted with a record 85 million tons of feed grains. There were 2 billion bushels of corn alone. Storage bins were creaking

and prices sliding further downward with every harvest. Quick action with effective legislation was imperative.

You know what happened as well as I do. In early 1961—in record time—we passed an emergency feed grains bill—and it was the first major legislation President Kennedy signed into law. The success of the new plan exceeded the highest expectations. Feed grain surpluses was slashed some 13 million tons in the first year alone; and further cuts were made in 1962 and again this year. By 1965, the feed grain surplus may well be a thing of the past.

Here in South Dakota, through voluntary signups, about 60 percent of the eligible feed grains acreage has been included in the program in the 3 years of its operation. This single program, in the first 2 years, 1961 and 1962, meant an additional $31 million income for South Dakota farmers—and—on the basis of 1963 signups, the boost this year will amount to nearly $16 million. That is close to $50 million added farm income for your State, from just one new program over the past 3 years.

Along with the emergency program, higher support prices for feed grains meant higher market prices—steadily above 1960 levels—for participants and nonparticipants alike.

Corn surpluses today are nearly gone and prices are at the highest levels in 5 years. Storage problems have eased, with more space available to farmers and the trade. More corn is stored where it belongs—on the farms where it is grown—and where it will be used.

Wheat also posed a major problem in 1960. Legislation enacted 22 years earlier could no longer cope with the realities of advanced techniques. At that time, without planting a single grain, we had enough wheat on hand to meet our domestic needs for 2 years. A billion bushels of the surplus was Hard Red Winter wheat—and that stockpile was equal to the demands of both home and foreign markets for another 5 years. We were drowning in wheat.

Although supports had pretty well maintained prices, which was not the case with feed grains, the critical oversupply situation ruled out sweeping the wheat problem under the rug again. Congress responded in 1961 with an emergency wheat program. Coupling the new program with expanded wheat exports, wheat surpluses have gone down a quarter of a billion bushels.

Overall, the wheat and feed grains programs have reduced our stocks by something like 1 billion bushels since 1960, helping to raise net farm income nearly $1 billion over that year's figure—and at the same time saved more than $800,000 a day in shipping and storage costs.

Without minimizing the real magnitude of the problems confronting you, I cannot agree with the purveyors of gloom and doom who say agriculture is dying.

How can a business that has increased its output per hour of labor 200 percent in the last 20 years be dying? How can a system which has conquered hunger for 190 million Americans let itself be overcome by the problems of abundance?

Those who say agriculture is dying simply do not know what they are talking about.

It is true that the number of farmers has declined. But the number of farmers who obtain an adequate income from farming is on the increase.

Family farms with $10,000 a year or more in marketings are the most rapidly expanding sector of American agriculture. During the 1950's, the number of farmers making $10,000 or more all but doubled—going from 334,000 to 648,000.

Along with our changing agricultural technology, we are witnessing another type of change—that which is coming about in world conditions.

A year ago, we talked of expanding our trade with the European Common Market, but gave no thought to trade with the Communist bloc.

But now, there is a very noticeable and direct change. We are at odds with the Common Market over poultry tariffs and other import duties, and there is talk at all levels of the possibility of expanded trade with Russia and other European countries in the Red bloc.

Much of this speculation was touched off by the Russian-Canadian wheat deal. Canada has sold so much wheat that she had to call off further sales until her ports can catch up on loading.

An increase in exports seems assured because of adverse growing conditions which caused a short wheat crop in much of Europe—particularly Poland and Rumania.

I can see a number of advantages to the national economy in expanding our trade with Russia and the other countries within her sphere. It would bring a more favorable balance of trade, since Russia would pay with gold. We would reduce surplus supplies and storage costs, and the indirect threat they pose toward farm prices. Directly, it means the farmer probably would get better prices for his grain this year. Wheat presently is selling for about $2.12 a bushel, the same as a year ago when the support price was 18 cents higher.

There are even more significant gains that could be made. It could contribute to a further easing of East-West tension, and bring a more peaceful world atmosphere. And it would help show the world the superiority of the family farm system over the commune system of the Communist society.

There have been other changes, too. Changes in Congress, which is now oriented to an urban society through shift of representation from rural areas to the cities.

The farm bloc is no more.

We must now sell our farm programs to the city Congressmen in order to enlist their support. We have to be able to justify the programs, both as to achieving results for the farm problems and the farmer, but also as they affect the people who live in the cities. In other words, the farm program cannot result in higher food prices, or the Congressman who represents a city constituency just cannot go with it. He cannot justify to the people he represents a farm program which does not reduce surpluses and costs, as well as increasing the buying power of the farmer.

We must use gentle persuasion, backed with strong justification, to get the votes to pass farm legislation.

Under such conditions, it is difficult, at best, to pass farm legislation. When agriculture interests themselves are divided over what should be done, when they speak with many voices at a time when one strong voice is needed, the task is virtually impossible.

One of the greatest needs in agriculture today is unity as to goals and how to achieve those goals. Agriculture must once again speak with one voice. Then your representatives from the farming States will be able to act for you with greater surety.

Your Senator GEORGE MCGOVERN, while among the newest arrivals in the U.S. Senate, is fast becoming one of the most effective farm spokesmen on Capitol Hill. That in a few short months, he has gained such a firm grasp of the farm situation hasn't come as any great surprise to those of us who knew him to be a proven legislator from his fine record as a Congressman. We know, too, that he also has a clear picture of world agricultural problems and needs, for we had witnessed firsthand the amazing job he did in heading up the food for peace program during 1961 and 1962.

I agree with Senator MCGOVERN that the outcome of the May 21 wheat referendum has left the wheat farmer in a difficult position for crop year 1964. His bill calling for a voluntary wheat certificate program shortly after the vote shows how alert he is to the problem that confronts the wheat farmer next year—and in succeeding years, if nothing is done. I know that during your meetings and discussions here, you will be considering this proposal and its implications. If you find that it meets the test of close scrutiny, I know that you will get behind it.

But whatever you determine regarding this particular bill, you will always find GEORGE MCGOVERN fighting in your corner for balanced equities for the farmer.

He is not alone in that fight. The number of Americans who are regaining an awareness of continuing farm problems is growing. There is an increasing recognition of the unavoidable truth that a healthy and prosperous farm economy is the key to strength in every phase of business and industry.

When the farmer prospers—so does the business of every Main Street in America.

The abundance we have created through the family farm has not been food and fiber alone. An even more important product has been a moral strength that runs through every segment of our modern society. It is a continuing force that cannot be abandoned.

We must not give in to the gloomy prognosticators who say that agriculture and its allied businesses are on the decline.

Rather, we must continue to vigorously seek ways through which agriculture may contribute even more to the national well-being—and play an even greater role in the heritage we today are building for the generations of the future.

FUNDAMENTAL CHALLENGES CONFRONTING THE AMERICAN PEOPLE—ADDRESS BY MRS. AGNES E. MEYER

Mr. MCGOVERN. Mr. President, my attention has been called to a superb address by Mrs. Agnes E. Meyer, which she delivered at the honors convocation of Syracuse University on April 23, 1963. The address is entitled, "What Shall We Do?" It centers on some of the most fundamental challenges confronting the American people.

As the Members of the Senate know, Mrs. Meyer is one of our most distinguished Americans. She has long been a champion of improved educational standards for the youth of the United States. Her courageous voice has been heard through the Washington Post which her late husband brought to such a position of distinction in the world of journalism. She is a civic-minded and public-spirited citizen in her own right of the very first order.

I commend her address to the Members of the Senate and ask that it be printed at this point in the RECORD.

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

WHAT SHALL WE DO?

(Address by Agnes E. Meyer at Honors Convocation at Syracuse University, April 23, 1963)

One of the proudest moments of my life occurred in June 1954 when this distinguished university gave me an honorary degree. It had special significance for me because only a few months previously I had been the first American to condemn the late Senator Joseph McCarthy at the height of his unsavory career as a menace to the American way of life. You young people, who have forgotten the neurotic fear of McCarthy that

prevaded our country, can scarcely imagine how unpopular I was with our powerful rightwing factions. Some fanatics publicly berated me; one woman even sought to attack me physically. What then was my surprise, my happiness, my gratitude, when your chancellor, trustees, and faculty, in the midst of such disparagement, had the courage to give me a citation which honored me as "one of the most forceful and effective spokesmen of our time for American freedom."

It may interest you to know that at your age I could not have foreseen what my life work was to be. Let me confess that I have not been chosen to address you on achievement day because I was myself a great achiever during my college years. Nor were most of the bright undergraduates who were my boon companions. "We loafed and invited our souls," to paraphrase Walt Whitman. We indulged in endless discussions as to the meaning of life which interested us far more profoundly than our seemingly irrelevant academic careers. We were convinced that the unexamined life was not worth living. We were concerned, as one member of our little socratic group put it, "to be and to know and to do." We were what today would be called "poor" but we were unaware of it because material possessions were not so important then as they are today. Yet we well knew that some day we should have to earn a living. What strikes me, as I look back on our enjoyable and not unfruitful irresponsibility, is that the whole college atmosphere of the pre-World War I days was very different from that of today. Time itself moved at a slower tempo. We felt a deeper sense of leisure. We were busy living and less driven to watching the clock than we are today. For time's measure is change; and since change has been so terrifyingly accelerated we have become more conscious of time and the pressure to use it for achievement. I am sometimes tempted to feel a sense of commiseration with the youth of today that the pressures for success should be forced upon them at such an early age. But it has its advantages as well as disadvantages. To learn to work hard at an early age in a scholarly, systematic fashion is of immense value if you do not allow the present day rat race for marks to obliterate the true love of learning. We, on the contrary, were more free to rebel against academic authoritarianism and though we were not exactly beloved by the faculty, there was more indulgence toward extreme individualism and even eccentricity than there is today. Thus you are more tempted toward conformity and acceptance of the status quo, especially if you see your high achievement as a path to joining the lockstep of the status seekers.

Therefore, instead of trying to formulate my own apprehensions of the influence of contemporary life upon your thinking, let me quote a distinguished scientist and educator, Loren Eiseley, who had this to say to a student body at another university: "In this era of carefully directed advising, in this day of grueling college board examinations, and aptitude tests, I have been permitted just once to cry out to our herded youngsters, 'Wait, forget the dean of admissions who, if I came today in youth before him, might not have permitted me to register, be wary of our dubious advice, step softly until you have tasted those springs of knowledge which invite your thirst. Freshmen, sophomores, with the beautiful gift of youth upon you, do not be prematurely withered up by us. Are you uncertain about your destiny? Take heart. I, at 50, am still seeking my true calling. I was born a stranger. Perhaps some of you are strangers, too.'"

I may be quoting Eiseley because I am too timid to make such an impulsive appeal to you. For his words reflect exactly what happened to me; I too was a stranger to the world of reality when I finished college and graduate work. Not until the accidents of life confronted me with the hypocritical injustices of our supposedly democratic society, did I taste those springs not only of knowledge but of passionate conviction, which fuse mind and emotion, integrate the personality, and bestow upon us that curious sense of freedom which comes from a feeling of commitment to a great and all-engrossing purpose.

I am happy and honored to have been chosen to congratulate all those of you whose distinguished records are being celebrated tonight. But I beg of you to keep your minds open to all the adventures of life so that when unexpected opportunity knocks on your door you will have retained the freshness of mind to recognize it, seize upon it, accept it even though it may be a challenge so serious that the burden is a heavy one to carry.

For even those of you who are now convinced what your life work is going to be, great surprises may be in store for you. So far you have successfully run the course laid out for you by the university. But the real test will come for each one of you when you enter upon the course you mark out for yourselves. Achievement is one thing; creativity something very different. It is different because it demands not only knowledge but independence of mind, the courage to differ with authority, endurance, patience, and ability to accept the inevitable defeats which even the strongest cannot escape. To be sure, our Nation needs millions of capable workers in the vineyard, but it needs, above all, the free creative spirits who can give our hard-pressed Nation the leadership it so sorely needs in every major walk of life. The rapid accumulation of knowledge, especially scientific knowledge, and the progress of technology are so overwhelming that the leadership of our complex, urbanized, technological society can no longer come from the self-made man who frequently rose to eminence in our former simpler, agricultural era. Henceforth, the humane, highly trained, wise type of leadership our country needs can only come from our universities.

Therefore, as one who is confronted by more and more difficulties in the battle to encourage social progress and human freedom, I wish to outline as best I can some of the most serious obstacles to the maintenance of individual liberty that our Nation is facing here at home—obstacles which you, too, will have to face.

I realize that our freedoms and our very lives are also threatened from abroad. The maintenance of peace, disarmament, and coexistence with Communist governments are crucial issues. But I shall discuss domestic crises because I have confined my own efforts to creating a more orderly society here at home as a big enough task for one person and on the theory that we must first grow stronger on the homefront before we can be successful in meeting our international responsibilities.

The threats to freedom and justice within our own borders are equally serious, and yet we must discuss them one by one. Therefore, I shall first take up the menace of bureaucracy, next the growing influence of the radical right and lastly, though perhaps it is even more urgent, the growing impatience of minority groups, especially the Negro, with our shameless indifference to his human rights as an American.

You will be entering a world which ever since World War II has become more and more bureaucratized whether in the armed services, industry, labor, or the Federal, State or local civil services. The term "organization man" has become a cliche, as a byproduct of any technological society. This trend toward bigness and an ever-increasing bureaucracy cannot be reversed. The more efficient we become, and our Soviet rivals are compelling us to become ever more efficient the more our interrelated bureaucracies are bound to expand until their tentacles affect the lives of every individual in our mass society. And wherever you may be active you will be obliged to play a part in the struggle to maintain human freedom in these vast organizations, unless Americans become content to imitate the enemy and accept totalitarianism.

Long before Communist governments existed, as far back as 1907, Max Weber, the famous German sociologist, foresaw the menace to democracy in what was then only a comparatively small civil service. He pointed out more clearly than anyone has since that an over-routinized civil service has a tendency to produce a caste of mandarins, or what we now call organization mentalities, who grow alien to the cooperative, competitive, formative democratic processes through tenure of office. Max Weber, at the beginning of this century, could not foresee the dangerous but inevitable increase in the many new kinds of bureaucracy in our modern society. But he warned even then that merely our increasing number of civil servants, if not kept responsive to the will of the people, might eventually lead democracy into a new kind of serfdom establishing the dictatorship of the expert official. With the present tendency on the part of democratic society to become ever more scientific and rationalized, the onward march of various military-industrial-professional bureaucracies is the most recent but also the most dangerous contemporary element in the structure of domination.

A more recent student of this problem, David T. Bazelon, says in an article in the autumn number of Partisan Review: "The issue for the world is planned democratic control, or Soviet type bureaucratic terror control. Since the purpose of the new (cold) war is to preserve the freedom inherent in a democratic system, the time to fight for democratic planning is now and the place is here. We lose if we do not organize and we lose if we do not organize on democratic lines. The struggle against totalitarianism is not a simple we-they combat. It is, most profoundly, a struggle against the conditions of modern life—ours as well as theirs. The war begins at home."

It will take all our ingenuity to live in such a highly organized society, while preserving the highest possible measure of freedom for the creative spirit. I am convinced it can be done if we recognize the dangers we face and make up our minds that the problem of democracy versus bureaucracy must be thought through. But I agree with Mr. Bazelon: "How to decentralize power in a highly organized bureaucratic society" is one of our greatest issues. Bazelon claims it is the one true issue.

One solution has been found by those truly democratic nations, the Scandinavians, who have established an official watchdog called an Ombudsman, an administrative official, or watchdog, whose duty it is to prevent administrative injustice and to see to it that the citizen obtains his rights from his government. In Denmark his most important power is to investigate any civil or military activity of public officers upon receipt of a complaint, or on his own initiative, and to bring action against a state authority or a public officer or employee for alleged error or negligence. These guardians of individual rights are appointed by the legislature, and though they can be dismissed at any time, the legislature cannot interfere with their handling of individual cases. This is too hasty a description of an important step toward the protection of human freedom from the pressures of civil and military bureaucracy. In our country such protection should be extended to workers in industry and to members of big labor unions. It is one proof, however, that we need not succumb to the enhancement of administrative

power in a modern state, if we are deeply determined to preserve human liberty under any and all circumstances. As experts in your various fields, you are apt to be in positions where you can be influential in finding other solutions for this difficult problem.

Now let us glance at those groups who consider themselves the only true defenders of American ideals—the radical conservatives. They are a greater threat to freedom than is generally realized because they constitute our most irrational elements in a period of triumphant irrationalism. Their influence is growing because their nationwide campaign is well-heeled with money, because there is no strong, well-organized liberal movement to oppose them, and chiefly because it is a passionate movement in a society most of whose members are too prosperous and to lethargic to take an interest in anything but themselves. Too many citizens move about in our technological society in a state of shock which makes them indifferent to social progress, civil rights, equal opportunity for education, and especially to the welfare of the impoverished one-third of American families. President Franklin D. Roosevelt said on October 3, 1930: "Progressive government, by its very terms, must be a living and growing thing. * * * If we let up for one single moment, or one single year not merely do we stand still, but we fall back in the march of civilization." In our country today, the march has all but halted. Rooseveltian liberalism is coasting along on the dwindling impetus of the New Deal and, alas, the New Frontier of President Kennedy is not yet in sight. If the radical right is riding high, it is because the American people are confused by the multitude of responsibilities they face now that we are part of one world, and the richest part at that. They are suffering from what I have often described as moral and mental battle fatigue. Thus the love of conformity, of standardization of thought, and running with the herd is no mystery.

People are too bewildered to do their own thinking. This leaves them wide open to irrationalism and mass hysteria of which such organizations as the Birchites, and the Minute Men, are good examples. What are some of the ideas the medicine men of these movements are peddling to the people? They are against the income tax, social security, and aid to foreign countries. Such liberal trends, they maintain, are nothing but a preliminary step to communism. "I equate growth of the welfare state," says Dan Smoot, who is heard on 32 television and 52 radio stations, "with socialism and socialism with communism." That leads naturally to the conclusion that the Government is infiltrated with subversives. Robert Welch went so far as to claim that President Eisenhower was a "tool" of the Communists. In fact, rousing the fear of communism to a frenzy, not only as an external but an internal threat, is an essential weapon for the radical right. And this in spite of the fact that the membership of the American Communist Party is at its lowest point, and its former influence in the labor union movement nonexistent. Yet all the mistakes of domestic and foreign policies, says the extreme right, would be impossible for our great, undefeated country if our political leaders were not either outright Communists or under their influence.

How account for this frenzy and why has it such a wide appeal? Daniel Bell analyzes the composition of the radical right as small-town, middle-class people who have lost their ascendancy in an urbanized, technological society. "Today the politics of the radical right is the politics of frustration," says Mr. Bell, "the sour impotence of those who find themselves unable to understand, let alone command, the complex mass society that is polity today."

The radical right is a growing movement precisely because it is an attempt, however fearful and futile, to reestablish "the good old days," which were anything but good, the simple virtues of individual initiative and self-reliance, above all it is an attempt to escape from the frightening disarray of modern life. It is a pathetic desire to arrest time and change instead of throwing our weight into an attempt to guide change toward constructive ends.

How then do we defend ourselves against frustration and pessimism in so complex a period of transition, when the times are out of joint, when the old beliefs are dead and new ones have not yet come into being? Robert MacIver, professor emeritus of Columbia University, answers this question in his recent book, "The Challenge of the Passing Years."

"It is by dedication to a way of life so fulfilling to the personality or offering such promise of future fulfillment that the time is thereby redeemed."

Pay no attention, therefore, to the radical right when it shouts that liberalism is dead. To be sure, it is now on the defensive in our country. But liberalism, as a political and a social movement, can never die because like democracy itself, it is the middle ground between the unendurable slavery of rightwing or leftwing authoritarians, between our American radical rightwing of today and the Communist governments, both of whom claim that they and they alone possess the absolute truth. But since the radical right threatens to take over the Republican Party and even worries the Democratic administration with its demands for war on Cuba, and war in general as the answer to Communist aggression, it behooves all freedom-loving Americans to assert that they reject the absolutes of our own rightwing, as we reject the absolutes of communism—that we no more wish to impose our absolutes on other nations than we shall yield to their absolutes. Then the middle course or coexistence will become possible. Another name for this middle course is liberalism. It is the path of reason and compromise which alone can create unity out of diversity; it is the greatest motivating force of democracy, and thus the only hope in a world of competing ideologies that peace will eventually reign amongst men. I must confess, however, that some of what I call the fair-weather liberals are now losing their nerve and running away from one of our major battles—that for equal rights for our Negro fellow citizens. Now that Negro leadership is becoming aggressive in many parts of our country, even some of the liberals who formerly supported equal rights for all minority groups are complaining that the Negro wants to go too far, too fast. Yet the white leadership cannot run away from this crucial situation without inviting tragic results. To be sure, what the Howard University sociologist, Franklin Frazier, called the "folk Negro," in contrast to the educated, well-to-do members of the race, is becoming rebellious, and even violent. Instead of behaving like our effete liberals who wish to stem the tide of Negro demands, we must face the validity of their claims for recognition as full American citizens who have waited patiently for justice ever since the passage of the 14th amendment, 90 years ago.

Those of us who live in the Nation's Capital are only too well aware how complex the task of true Negro emancipation has become, due to the rapid influx into Washington, as into all major northern cities, of the penniless, illiterate Negroes from the urban and rural slums of the South. They crowd into the District of Columbia with false hopes that a better life awaits them in the seat of the Federal Government. Given these high expectations, the grim reality they encounter—overcrowded living conditions, no opportunity for work, no human contact except with other Negroes enduring the same hardships—is all the more frustrating.

As a result racial tensions have become acute in Washington. We have had one major race riot at a football game between two high schools, when the white team won, and minor rowdyism after a baseball game. But the whole city lives in fear of worse outbursts to come unless we use all of our community resources to ease the existing interracial tensions.

What has to be done to achieve equal rights for the Negro is obvious enough. Special efforts will have to be made to get work opportunities, especially for Negro youths since they represent the future. We must let the Negroes out of the ghetto life to which they are now condemned. This calls for more and better housing programs. Above all, we must provide them equal opportunity for a suitable education, unless we wish to pay the higher cost of keeping millions of the untrained, both Negro and white, on permanent relief. This last solution calls for a revolution in public education, especially in our antiquated provisions for vocational training.

Please do not think that I simply preach these doctrines without acting upon them to the best of my abilities. As I am convinced that the best long-range solution of equal opportunity, not only for the American Negro but for all of our underprivileged children, lies in suitable education both for the highly gifted and those of less ability, I have just launched, with the help of a large membership representing every State in the Union, a grassroots movement calling for more adequate financial support of public education, whether through local, State, or Federal funds. It is called the National Committee for Support of the Public Schools. It is not a lobbying group. It approaches the problem of financing public education from a new point of view. At our first national conference held a week ago, the speakers, most of them not educators but economists, pointed out that education has always been the explanation of our country's high per capita productivity, and that better public schools geared to this era of automation will more than pay their cost by a constant reinvigoration of our economy.

Why do I confront you, on a day that should be confined to congratulations, with the fact that you will graduate into a dangerous world? I am told that the young people of today want nothing but security, a toehold on the ladder of bureaucracy, early marriage, and a nice house in some uninspiring suburb, from which the breadwinner sallies forth each morning to an equally uninspiring job that promises success as the price of conformity. My friends, I don't believe it. You are much better educated than we were at your age, more experienced and more sophisticated. I am convinced that you are all, achievers or nonachievers, more capable, more eager, and better prepared than was my generation to rise to the demands of this historic, difficult period in our Nation's history.

But this warning I will add, out of the depths of my own experience: unless you have the courage to walk alone, and suffer the arrows of misfortune without flinching, I advise you to play it safe and avoid the life-and-death problems I have all too hurriedly outlined for you. If you do play it safe—and refuse to fight for freedom at this crucial period, not for yourselves alone but for mankind—you will undoubtedly lead a happy but a very dull existence. You will be a part of the ballast which the winds of freedom probably need, if only to keep the ship of state on an even keel.

Life today is exhilarating only to those who welcome its risks. There are plenty of reasons why you should not jeopardize your careers by participating in the grinding ordeal that confronts all those who would

rather die than surrender to the totalitarian threats that confront us, not only from abroad but within our own country and within our own breasts.

All I can tell you as encouragement is that the dangerous life has exquisite compensations. For most Americans love courage and welcome with relief and with gratitude any voice that expresses their latent hopes and aspirations.

Let me once more quote Professor Eiseley on the perils of the adventurous life. In Bimini, on the old Spanish Main, a black girl once said to him something as valuable to him as it is to me: "Those as hunts treasure must go alone, at night, and when they find it, they have to leave a little of their blood behind them."

It is to me deeply significant that this wise primitive woman should have voiced what our great philosopher, Emerson, said in his essay on intelligence: "God offers to every mind its choice between truth and repose. Take which you please. You can never have both."

With that challenge, my friends, I bid you good night and wish you well.

Mr. MANSFIELD. Mr. President, is there further morning business?

The PRESIDENT pro tempore. Is there further morning business? If there is no further morning business, morning business is closed.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. ROBERTSON obtained the floor.

Mr. SYMINGTON. Mr. President——

Mr. ROBERTSON. Mr. President, I yield 10 minutes to the Senator from Missouri [Mr. SYMINGTON] provided it is agreed that I may do so without losing the floor. I understand that he is required to leave the Chamber, to fulfill an engagement, and that his remarks will not exceed 10 minutes.

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

Mr. MANSFIELD. Mr. President, would the Senator prefer to have a brief quorum call?

Mr. ROBERTSON. I have no objection.

Mr. SYMINGTON. Very well.

Mr. MANSFIELD. Then, Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. NELSON in the chair). Without objection, it is so ordered.

WHY THE FOREIGN AID BILL SHOULD BE REDUCED

Mr. SYMINGTON. Mr. President, everyone who has followed the foreign aid program over the years knows the great amount of good it has accomplished, especially during the years shortly after World War II.

Recently, however, and especially after reading the heavy criticisms in the just published report of the Senate Foreign Relations Committee, I have become convinced that parts of this program have now become comparable to coffee—a matter of habit.

My own experience with foreign aid goes back to 1946, when, at the request of former Mayor Fiorello La Guardia, at that time head of UNRRA, I investigated the Chinese part of his program.

Later that year, I met the mayor in Cairo and went over in detail what I had found, reporting that our people said the standard "commission" in China was 20 percent; but that the commission on UNRRA products, in some parts of China had risen to 80 percent.

We can be sure there is no comparable "commission" in our current aid program; but we also know, based on the current Foreign Relations Committee report, that there is a great deal of waste and mismanagement which can only result in less effective results in the actual execution of the program.

In recent years, I have paid visits to Europe, the Middle East, and the Far East. During these trips, I was interested in, and constantly asked about, the foreign aid program.

What stood out consistently was the obvious need for more training for most of the people handling the giving and lending of these billions of dollars of the American taxpayers' money.

It would seem that this matter of adequate training should be of special interest to the Congress, because we are the ones who have been appropriating this aid money—appropriations that now total over $100 billion, not counting some $36 billion for offshore military expenditures.

My trips brought out the fact that most Foreign Service members of the State Department are better trained than other American representatives working in such ancillary agencies of State as the Agency for International Development—AID.

Few people realize, however, the extent to which the great increase in the number of people now representing this country abroad is concentrated in these ancillary agencies. Only recently, one of our colleagues told me that at a station he visited in a foreign land, of 42 American representatives, only 4 were members of the State Department.

After noting the degree of lack of training that was characteristic of so many of these our representatives, in January 1959, I introduced a bill for the establishment of a Foreign Service Academy—S. 15, 86th Congress.

The basic idea behind this proposed Academy, presented nearly 5 years ago, was that if the United States could afford three academies to train its youth for the hot war we all pray will never come, surely it could afford one Academy to train its youth—in this case women would be included—for the cold war in which we are now engaged.

I ask unanimous consent that an article written on this subject in August 1959 be printed at this point in the RECORD.

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

LET'S HAVE A FOREIGN SERVICE ACADEMY

(Cheers from the author of "The Ugly American": We showed this article to Comdr. W. J. Lederer, coauthor with Eugene Burdick of the best-selling "The Ugly American," which deals with the foreign-service personnel problem. Here's what he says about Senator SYMINGTON's proposal: "Senator SYMINGTON is justifiably worried because too many Americans now stationed overseas are amateurs. In this article he has come up with a solution aimed at making our representatives abroad intellectually vigorous, tough and well-trained. His plan is one of the best long-range methods for keeping America strong I know.")

Since World War II, the United States has spent nearly $60 billion in an effort to prevent countries from being taken over by the Soviet-Chinese empire.

It is no secret that, because American representatives were not properly trained for their jobs, much of this money has been wasted.

Americans sent to a foreign country too often do not speak or read the language.

How would you feel if a foreign official came to live in your own town who could talk to you only through an interpreter?

But judging on the basis of admitted linguistic deficiencies of our Foreign Service personnel, this often happens abroad.

WANTED: A FOREIGN SERVICE ACADEMY

The United States should have a Foreign Service Academy to train young people for efficient service in diplomatic missions throughout the world.

We now have three schools—West Point, Annapolis and the Air Force Academy—which prepare our youth for a possible hot war. Surely, we can afford one which will equip them to serve their country in the cold war in which we are now engaged.

The Foreign Service Academy should, like the service schools, charge no tuition. I also suggest that both men and women be eligible to attend and that there be no physical requirements beyond reasonably good health.

In the technological, psychological, political and economic fields, the Communists are planning for the years ahead. We are not.

But in spite of this enormous expense, it was revealed last year by the Advisory Committee of the Foreign Service Institute that:

Fifty percent of our entire Foreign Service officer corps does not have a speaking knowledge of any foreign language.

Seventy-five percent of the new men coming into the Foreign Service do not speak a foreign language.

Llewellyn E. Thompson, U.S. Ambassador to Moscow, is the only U.S. ambassador in a Communist country who speaks the language of the country to which he is assigned.

Our representatives don't understand other cultures. Western thinking and standards just don't go over in some of the important countries of Asia and Africa whose cultures have existed for thousands of years, and have developed differently from ours.

Asians have a new phrase: the "Golden Ghetto." To them it means the plush places where American diplomats and other representatives hold their cocktail parties, dinners and other social events.

Because they have been inadequately schooled in the language and culture of the country, our representatives live an isolated life, associating mostly with other Americans. The shifting winds of popular sentiment do not reach them. Our Embassy in Baghdad did not know of last year's coup in Iraq, for example, until it was well underway.

In contrast, the Russians are making a planned, determined effort to develop the most linguistically proficient diplomatic corps in the world. In Russian elementary and secondary schools, foreign languages are compulsory. Bright students begin to study languages at the age of 8.

The best students eventually end up in the National Institute of Foreign Languages; and there they are given an intensive five-year course. As a result, an estimated 9 out of every 10 Russians sent abroad read, speak and write the language of the country to which they are assigned.

These Russian foreign-service personnel are thoroughly grounded in the culture and economy of those countries, are "experts" before they arrive.

HOW THE RUSSIANS TRAIN THEIR EXPERTS

For some time the Soviets have had an Institute of Foreign Relations, supervised by their Ministry of Foreign Affairs. This Institute is the principal source of their future diplomats. Enrollment is around 1,000; the course is 6 years long. In the third year students begin to specialize in the problems of a particular area. In the final years they study intensively the country to which they have been assigned.

The United States does have some institutions for training diplomats; and some universities have graduate schools with special programs devoted to various regions of the world. The State Department conducts language courses for Foreign Service officers and other interested Government personnel.

But these programs are uncoordinated and casual compared to the training efforts behind the Iron Curtain. It will take years to develop a comparable task force of trained American representatives. But we can and should begin that preparation now.

That is why I introduced in the Senate last January 9 a bill to establish such an Academy, stating: "The ultimate future of the world, whether it is to be free or slave, will not be settled on the battlefields, but rather in the minds of men.

"Dedicated, well-trained representatives are at work for the Communist cause all over the world. We have not matched this effort, either in size or degree of training."

This proposed Academy would establish a four-year, tuition-free college for the training of overseas representatives.

Students would be selected on the basis of merit, and required to take competitive entrance examinations.

Although the Academy would be under the direction of the Secretary of State, it would prepare young men, and women, to serve in any of the governmental agencies which operate overseas.

Besides the usual basic college courses, the Foreign Service Academy would offer instruction in the language, culture, history, and economy of foreign countries.

Its faculty could be drawn partly from the ranks of retired foreign-service officers. To our young people, the latter could transfer the immense value of their personal experience as gained in years of oversea assignments.

Besides producing better trained diplomats, a Foreign Service Academy could also give more of our youth a chance to serve our country. Minor physical handicaps bar a great many brilliant and responsible young men from the military academies. A Foreign Service Academy would give them their chance. And it would offer opportunities to women, too.

A CASE IN POINT

Lt. Gen. James M. Gavin, one of the Army's great strategic planners, with a hero's combat record, was an orphan at the age of two. He was adopted into the family of a Pennsylvania coal miner. A college education was beyond his dreams. If Army officers were picked, as nearly all Foreign Service officers are chosen—from the campuses of our colleges—Jim Gavin would never have had an opportunity to serve his country.

That is why, at the Foreign Service Academy I propose, the students who are successful in the competitive entrance examinations would have their tuition paid by the Government in return for a commitment to serve their country abroad.

If we are determined to remain a free people, we cannot continue to be indifferent to the energetic and effective Communist missionaries Moscow is now sending to the four corners of the earth.

Every Communist revolutionary sent out to infiltrate, divide, and conquer must be matched by a free world advocate of "lasting peace through justice and law"—someone thoroughly trained in the language, the economy and the customs of the country to which he or she is assigned.

Tomorrow is too late. We must start today to train our people to merchandise the most valuable commodity in the world—the American way of life, with its individual dignity and its investment in freedom.

Mr. SYMINGTON. Mr. President, if the Congress does not take steps to insure that those to whom these billions of dollars are trusted have reasonably adequate training, what right have we to appropriate the money?

The legislation in question was promptly attacked, however, for various reasons by various people; and because the need for better training has now become so obvious, these attacks were hard to understand.

But they were effective. The proposed Academy got nowhere; and so finally, with the premise that half a loaf is better than none, 4 years later, last January, I gave up on my concept of the right Academy and volunteered to introduce a bill that was drawn up by the administration—S. 865.

As will be noted, this latter bill was also drawn up in recognition of the need for more training, even though the nature of the Academy it proposed was basically different from mine.

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

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

S. 865

(In the Senate of the United States, February 20, 1963, Mr. SYMINGTON (for himself, Mr. SALTONSTALL, Mr. BAYH, Mr. BOGGS, Mr. BREWSTER, Mr. BYRD of West Virginia, Mr. CANNON, Mr. CLARK, Mr. ENGLE, Mr. FONG, Mr. GRUENING, Mr. HART, Mr. HUMPHREY, Mr. INOUYE, Mr. JAVITS, Mr. LONG of Missouri, Mr. MANSFIELD, Mr. MCGEE, Mr. MCINTYRE, Mr. MONRONEY, Mr. MOSS, Mrs. NEUBERGER, Mr. RANDOLPH, Mr. RIBICOFF, Mr. SMATHERS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH) introduced the following bill; which was read twice and referred to the Committee on Foreign Relations:)

A bill to provide for the establishment of the National Academy of Foreign Affairs, and for other purposes

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 "National Academy of Foreign Affairs Act of 1963".

FINDINGS AND DECLARATION OF POLICY

SEC. 2. The Congress hereby finds that the security and welfare of the United States require that our commitment in the struggle for peace and freedom throughout the world continue to be strengthened by the development of better trained and more knowledgeable officers of our Government and others concerned with the increasingly complex problems of foreign affairs. The complexity of such problems is clearly evidenced by the threat of world communism, the rapid emergence of new countries striving to be politically independent and economically viable, and new patterns of thought and action affecting the political, economic, and social intercourse among nations.

The Congress further finds and declares that our responsibilities can be fulfilled more effectively by the establishment of an institution at which training, education, and research in foreign affairs and related fields may be undertaken on an interdepartmental basis which would support integrated United States efforts overseas and at the seat of government. The United States can assure that its position as a leader among nations shall be maintained and improved through maximum utilization of its potential by pooling the best of American minds and resources to create a great institution that will carry forward our American tradition of academic freedom and will serve as America's complete and total commitment to freedom and peace in the world.

ESTABLISHMENT OF THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

SEC. 3. There is hereby established the National Academy of Foreign Affairs (hereinafter referred to as the "Academy") which shall be an agency of the United States, and shall be located in or near the District of Columbia. The Academy shall be established for the purposes of training, education, and research in foreign affairs and related fields, both in the United States and abroad, and for promoting and fostering related programs and study incident thereto. The Academy shall be maintained for officers and employees of the Government, and others when deemed to be in the national interest.

BOARD OF REGENTS OF THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

SEC. 4. (a) There shall be a Board of Regents of the National Academy of Foreign Affairs (hereinafter referred to as the "Board"). The Board shall determine policy and provide guidance to the Chancellor of the National Academy of Foreign Affairs in the execution of the powers, functions, and duties of the Academy.

(b) The Board shall consist of—

(1) the Secretary of State, who shall be the Chairman;

(2) four members designated by the President, from time to time, from among the officers of the United States who are required to be appointed by the President, by and with the advice and consent of the Senate;

(3) five members appointed from private life by the President, by and with the advice and consent of the Senate; and

(4) the Chancellor of the Academy.

Members appointed from private life shall be United States citizens of outstanding attainment in the fields of public and international affairs or education. The first members so appointed shall continue in office for terms of three, four, five, six, and seven years, respectively, from the effective date of this Act, and the term of each shall be designated by the President. Their successors shall be appointed for terms of five years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the member whom he shall succeed.

(c) The Board may—

(1) establish visiting committees from among its membership or otherwise to inquire periodically into matters relating to the Academy which the Board desires to be considered; and

(2) call in advisers for consultation.

(d) Members of the Board appointed from private life, and any members of visiting committees or advisers appointed from private life, shall receive compensation at the rate of $100 for each day while engaged in the actual performance of their official duties and in necessary travel.

THE CHANCELLOR OF THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

SEC. 5. (a) The chief executive of the Academy shall be the Chancellor of the National Academy of Foreign Affairs (hereinafter referred to as the "Chancellor"). Except as otherwise specifically provided herein, the Chancellor shall have authority and be responsible for the execution of the powers, functions, and duties of the Academy. In accordance with the policies and guidance established by the Board, he shall take such actions as may be required to carry out the purposes of the Academy; correlate the training, education, and research furnished by the Academy with the activities of other Government agencies and with the programs of private institutions; and encourage and foster such programs outside the Academy as will be complementary to those of the Academy. The Chancellor may from time to time make such provisions as he shall deem appropriate authorizing the performance by any other officer or employee of the Academy of any function of the Chancellor.

(b) The Chancellor shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at a rate established from time to time by the President, based on comparable salaries provided by leading universities. In case of death, resignation, absence, or disability of the Chancellor, a member of the faculty or staff of the Academy designated by the Chancellor shall, unless otherwise directed by the President, perform the duties of the Chancellor until a successor is appointed or such absence or disability shall cease.

SPECIFIC AUTHORITIES AND RESPONSIBILITIES OF THE CHANCELLOR

SEC. 6. Under such policies and guidance as the Board may establish, the Chancellor may—

(a) appoint and compensate, as faculty or staff of the Academy, on a full- or part-time basis, such officers, employees, and attorneys as he may deem necessary to carry out the provisions of this Act, in accordance with the provisions of the civil service laws and regulations and the Classification Act of 1949, as amended, except that in the absence of suitably qualified United States citizens, he may appoint and compensate persons who are not citizens of the United States: *Provided,* that when deemed necessary by the Board for the effective administration of this Act, members of the faculty may be appointed and compensated without regard to such laws and regulations: *Provided further,* such members of the faculty shall receive a salary at a rate based on comparable salaries provided by leading universities, but not to exceed the rate provided for GS–18 of the Classification Act of 1949, as amended;

(b) arrange, with the consent of the head of the Government agency concerned, for the assignment or detail of any officer or employee of the Government, to serve on the faculty or staff of the Academy, or to receive training or education or to perform research at the Academy. To carry out the purposes of this subsection, the head of any Government agency may, under such arrangement, assign or detail any officer or employee of his agency to serve on the staff or faculty of the Academy, or to receive training or education or to perform research at the Academy. Such assignment or detail shall be deemed to be without prejudice to his status or opportunity for advancement within his own agency;

(c) permit other persons, including individuals who are not citizens of the United States, to receive training or education or to perform research at the Academy when deemed in the national interest; and to provide appropriate orientation and language training to members of family of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees or while abroad; but such persons and members of family shall not be deemed, by virtue of attendance at the Academy, to be Federal employees for any purpose of law;

(d) make arrangements (including contracts, agreements, and grants) for the conduct of such research and other scholarly activities in foreign affairs and related fields by private or public institutions or persons as may implement the functions of the Academy;

(e) pay the necessary tuition and other expenses of officers and employees of the Government who are attending the Academy, for additional special instruction or training at or with public or private nonprofit institutions, trade, labor, agricultural, or scientific associations, or commercial firms;

(f) procure services as authorized by section 15 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 55a), at rates not to exceed $100 each day for individuals, and in addition transportation expenses and per diem in lieu of subsistence while away from their homes or regular places of business, as authorized by section 5 of said Act, as amended (5 U.S.C. 73b–2): *Provided,* That individuals may serve singly or as members of committees: *Provided further,* That contracts so authorized may be renewed annually;

(g) pay travel and related expenses of the members of the Board, the Chancellor, faculty, staff, students of the Academy, members of visiting committees, and advisers to the Board as authorized by section 911 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1136), or by the Travel Expense Act of 1949, as amended (5 U.S.C. 835–842), and sections 1 and 7 of the Administrative Expenses Act of 1946, as amended (5 U.S.C. 73b–1 and 3), or by section 303 of the Career Compensation Act of 1949, as amended (37 U.S.C. 404–406), as appropriate;

(h) utilize or employ the services, personnel, equipment, or facilities of any other Government agency, with the consent of the head of the Government agency concerned, to perform such functions on behalf of the Academy as may appear desirable;

(i) acquire in the United States or abroad such real and personal property as may be necessary for the operation and maintenance of the Academy: *Provided,* That the acquisition by lease or otherwise of buildings or parts of buildings in the United States, including the District of Columbia, for use of the Academy, shall be through the Administrator of General Services;

(j) accept, receive, hold, and administer gifts, bequests, or devises of money, securities, or property made for or to the benefit of, or in connection with the Academy, in accordance with section 1021 of the Foreign Service Act of 1946, as amended (22 U.S.C. 809); and

(k) prescribe rules and regulations governing the function and operation of the Academy, consistent with policies and guidance established by the Board.

PROVISION FOR COPYRIGHTS

SEC. 7. Members of the Board from private life, Chancellor, members of the faculty, and persons in attendance at, or serving with, the Academy shall be encouraged to write and speak on subjects within their special competence, and such writings and speeches other than those required in the performance of their official duties shall not be considered publications of the United States Government within the meaning of the Act of March 4, 1909, as amended (17 U.S.C. 8), or the Act of January 12, 1895, as amended (44 U.S.C. 58).

APPROPRIATIONS AND USE OF FUNDS

SEC. 8. (a) There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this Act, and when so provided in an appropriation Act, such funds may remain available until expended.

(b) Funds appropriated for the purposes of this Act or transferred to the Academy by other Government agencies for such purposes shall be available for the exercise of any authority granted by this Act, including, but not limited to: expenses of printing and binding without regard to the provisions of section 11 of the Act of March 1, 1919 (44 U.S.C. 111); entertainment and official courtesies to the extent authorized by appropriations; purchase, rent, or lease of offices, buildings, grounds, and living quarters for the use of the Academy, payments therefor in advance, and maintenance, improvement, and repair of such properties or grounds; expenses of attendance at meetings concerned with furthering the purposes of this Act, including (notwithstanding the provisions of section 9 of Public Law 60–328 (31 U.S.C. 673)) expenses in connection with meetings of persons whose appointment, employment, assignment, detail, or services is authorized by subsections 6 (a), (b), (f), and (h) of this Act.

REPEALS AND SAVING CLAUSES

SEC. 9. (a) Section 701 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1041), is amended to read as follows: "The Secretary of State is authorized to furnish training and instruction in the field of foreign affairs to officers and employees of the Foreign Service and to the Department and to other officers and employees of the Government when such training and instruction are not otherwise provided at the Academy or elsewhere. The Secretary may also provide appropriate orientation and language training to members of family of officers and employees of the Government in anticipation of the assignment abroad of such officers and employees or while abroad."

(b) Sections 702–707 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1042–1047), are hereby repealed.

(c) Section 575(b) of the Foreign Service Act of 1946, as amended (22 U.S.C. 963), is further amended by adding the following: "The Secretary may pay the necessary tuition and other expenses for any such officer or employee."

(d) Section 578 of the Foreign Service Act of 1946, as amended (22 U.S.C. 968), is further amended by deletion of the phrase "at the Foreign Service Institute or elsewhere" from the final clause of the third sentence.

(e) So much of the property, records, unexpended balances of appropriations, allocations, and other funds held, used, available, or to be made available in connection with the Foreign Service Institute, as established by sections 701–707 of the Foreign Service Act of 1946, as amended (22 U.S.C. 1041–1047), that relate to the work of the Academy, as determined by the Director of the Bureau of the Budget, are hereby authorized to be transferred to the Academy and the Chancellor thereof.

(f) Notwithstanding the provisions of this Act, all determinations, authorizations, regulations, orders, contracts, agreements, and other actions taken, issued or entered into under authority of statutes repealed by this Act shall continue in full force and effect until modified by appropriate authority.

Mr. SYMINGTON. I ask Senators to note also that the 27 sponsors of this legislation included the entire Democratic leadership, as well as Members from both sides of the aisle.

In addition, with the approval and recommendation of the Secretary of State, a committee was formed, under

the chairmanship of Dr. James Perkins, of Cornell University, to support S. 865. The name of this committee was the Committee for the National Academy of Foreign Affairs, and because it is one of the most eminent and outstanding group of citizens ever gathered together in support of any legislation, I ask unanimous consent that a list of its membership be printed at this point in the RECORD.

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

THE COMMITTEE FOR THE NATIONAL ACADEMY OF FOREIGN AFFAIRS

Dr. James A. Perkins, chairman.

Hamilton Fish Armstrong, editor, Foreign Affairs.

Mr. Dexter Otis Arnold, president, General Federation of Women's Clubs.

Homer D. Babbidge, Jr., president, University of Connecticut.

Elliott V. Bell, chairman of the executive committee, McGraw-Hill Publishing Co.

William Blackie, president, Caterpiller Tractor Company.

Dr. Eugene Carson Blake, stated clerk, United Presbyterian Church in the United States of America.

Roger M. Blough, chairman, United States Steel Corp.

Arleigh A. Burke, director, Center for Strategic Studies, Georgetown University.

Benjamin J. Buttenwieser, Kuhn, Loeb & Co.

Dr. Robert Calkins, president, Brookings Institution.

Erwin D. Canham, editor, The Christian Science Monitor.

Everett Case, president, Sloan Foundation.

Everett R. Clinchy, president, Council on World Tensions, Inc.

John Thomas Connor, president, Merck & Co., Inc.

Howard A. Cook, president, International House—New York.

John Cowles, president and editor, Minneapolis Star and Tribune.

Arthur H. Dean, Sullivan & Cromwell.

Dr. Elmer Ellis, president, University of Missouri.

John Fischer, editor, Harper & Row.

Marion B. Folsom, Eastman Kodak Co.

James M. Gavin, U.S. Army, retired; president, Arthur D. Little, Inc.

Dr. Robert F. Goheen, president, Princeton University.

Gordon Gray, president, Federal City Council.

Gen. Alfred M. Gruenther, U.S. Army, retired; Supreme Commander, NATO; President, American Red Cross.

Dr. John Hanna, president, Michigan State University of Agriculture and Applied Science.

Karl G. Harr, Jr., president, Aerospace Industries Association of America, Inc.

Dr. J. George Harrar, president, Rockefeller Foundation.

Gilbert A. Harrison, editor and publisher, New Republic.

Loy W. Henderson, professor of international relations, American University.

Dr. Pendleton Herring, president, Social Science Research Council.

Christian A. Herter, former Secretary of State.

Rt. Rev. Msgr. Frederick Hockwalt, executive secretary, National Catholic Education Association.

Dr. Kenneth Holland, president, Institute of International Education.

C. D. Jackson, publisher, Life magazine.

Dr. Joseph E. Johnson, president, Carnegie Endowment for International Peace.

Eric Johnston, president, Motion Picture Association of America, Inc.

Devereux C. Josephs, New York Life Insurance Co.

Label A. Katz, president, B'nai B'rith.

Dr. Clark Kerr, president, University of California.

Dr. Grayson L. Kirk, president, Columbia University.

Herbert P. Lansdale, Jr., general secretary, National Council of the YMCA of the United States.

Mrs. John G. Lee, president, Overseas Education Fund of the League of Women Voters.

Col. George A. Lincoln, professor of social sciences, U.S. Military Academy.

August Maffry, senior vice president, Irving Trust Co.

William Marvel, president, Education & World Affairs.

Dr. John W. Masland, Jr., provost, Dartmouth College.

George Meany, president, AFL–CIO.

Max S. Millikan, director, Center for International Studies, Massachusetts Institute of Technology.

Emory W. Morris, president, Kellogg Foundation.

Dr. Franklin D. Murphy, chancellor, University of California.

Dr. Samuel M. Nabrit, president, Texas Southern University.

Alfred C. Neal, president, Committee for Economic Development.

Calvin J. Nichols, executive director, World Affairs Council of Northern California.

John B. Oakes, editor, New York Times.

William S. Paley, chairman of the board, Columbia Broadcasting System, Inc.

James G. Patton, president, National Farmers Union.

Dr. Don K. Price, dean, Graduate School of Public Administration, Harvard University.

Dr. C. Herman Prichett, president-elect, American Political Science Association.

Dr. Nathan Pusey, president, Harvard University.

Walter Raleigh, executive director, Young Presidents' Organization, Inc.

Dr. William C. Rogers, director, World Affairs Center, University of Minnesota.

Edith S. Sampson, judge, the Municipal Court of Chicago.

Dr. Paul Sheats, president, National University Extension Service Association, University of California.

Sylvester C. Smith, Jr., president, American Bar Association.

A. M. Sonnabend, president, American Jewish Committee.

H. Christian Sonne, chairman, National Planning Association.

Monroe E. Spaght, president, Shell Oil Co.

Charles M. Spofford, David Polk Wardwell Sunderland and Kiendl.

Frank Stanton, president, Columbia Broadcasting System, Inc.

Charles P. Taft, Taft, Lavercombe and Fox.

Dr. Herman B. Wells, chancellor, Indiana University.

Gen. Thomas D. White, U.S. Air Force, retired; senior military editor, Newsweek.

John Hay Whitney, publisher, New York Herald Tribune.

Dr. Logan Wilson, president, American Council on Education.

Dr. Henry M. Wriston, president, American Assembly, Columbia University.

James David Zellerbach, chairman, Crown Zellerbach Corp.

Mr. SYMINGTON. To the further surprise of all those interested, however, influential people, including members of the State Department old guard who want no change in the current status, circumvented the wishes of the President and the Secretary of State by successfully voicing opposition to even the administration's bill.

One of the three primary reasons, therefore, why I believe the authorization request for money in the proposed aid bill should be reduced, is the fact we have not yet taken steps to properly train the many thousands of additional people now representing us abroad. It is the quality of the people, rather than the quantity of the money, that really counts.

My second major apprehension about the proposed program results from the fact the United States is spending, and for some years has been spending, far more than its just share in banking the cause of freedom; in Central and South America, in Europe, in the Middle East, in South Asia, and in the Far East; in other words, all over the world.

As I see it, this cannot go on, because in our way of life, our physical strength can only come from our economic strength. It is becoming ever more clear that the generosity of the American people, as expressed in the foreign aid program, a generosity unique in world history, cannot be continued indefinitely without jeopardizing the system we cherish and want to preserve.

The above leads into my third apprehension; namely, the continuing unfavorable balance of payments. The value of the currency of the United States is expressed by gold and backed up by gold; but whereas many countries that have received our foreign aid in billions have now increased their gold holdings by billions, over recent years this Nation has lost some 35 percent of the gold it once held.

There are some economists who believe that this is not a matter of great importance, that we can continue to lose gold indefinitely without adversely affecting our economy. I do not so believe. No professor will ever convince me that this steady loss of gold is anything but a steadily increasing danger to the future of the United States.

We know that offshore military expenditures incident to our being the world banker of freedom, plus the foreign aid program, are two of the primary reasons for this unfavorable balance; and although we are assured, with various plans and programs and charts, that necessary steps have been taken to change this unfavorable balance, the gold continues to run out.

Another consequence of this continued balance-of-payments deficit is that we have now become a debtor nation, with some $25 billion of current liabilities; and inasmuch as we are now borrowing money from the International Monetary Fund, as well as selling bonds to foreign central banks, it is a fact that we are now being forced to borrow money from foreign countries in order to finance this program of aid to foreign countries.

For these reasons in addition to the heavy criticisms of this bill in the current report of the Foreign Relations Committee, I do not believe we should continue foreign aid on the scale recommended. I do believe we should take whatever steps are necessary to train more people, should emphasize to our friends and allies that they must bear more of the price of freedom; and should also recognize that there is no program more important to the ultimate security of the United States than one designed

to reverse, as soon as possible, the long-time continuing unfavorable balance of payments.

Mr. AIKEN. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. If the distinguished Senator from Virginia [Mr. ROBERTSON] will permit.

Mr. ROBERTSON. I yield.

Mr. AIKEN. I wish to ask the Senator if he has arrived at a decision as to what he would recommend for an appropriation for foreign aid for this year. I go along with him in saying that the authorization should be substantially reduced, but at what level does the Senator think we should reduce it to?

Mr. SYMINGTON. I answer my able friend from Vermont that we have had figures of $4.9 billion, then $4.2 billion, that figure cut to $3.5 billion, then restored to $4.2 billion. Now, I understand, it is proposed by the amendment proposed yesterday that this latter figure be reduced by some $385 million from $4.2 billion.

I should like to know more about the details, the component parts of the programs before giving a figure to the distinguished senior Senator from Vermont. However, if the cut were to be a blanket cut, in my opinion the cut of $385 million could be further reduced.

Mr. AIKEN. The Senator means that even though the authorization would be reduced by $385 million, it could be reduced even further. The Senator believes the amount would be reduced in the appropriation anyway, does he not?

Mr. SYMINGTON. My friend from Vermont has been in the Senate longer than I. His conjecture as to the action of the Appropriations Committee would be based upon more experience and, I am sure, more intelligence, than my own.

Mr. AIKEN. I would not agree to that. I know that the Senator from Missouri has had a great deal of experience in both the legislative and executive branches of the Government. It is my opinion that an authorization of $3.8 billion or $3.6 billion—whatever the conference should decide upon—would result in an appropriation of possibly $3 billion, and not more than $3.25 billion, which would be a reduction of approximately 25 percent from last year.

Mr. SYMINGTON. I believe that whatever authorization is recommended by the Senate prior to the functioning of the Appropriation Committee, the authorization should be based upon what we believe right.

I do not say this in critical fashion. I am sure the Senator from Vermont, with whom I have served with pleasure on this and other committees, agrees with me, because I know the way he approaches these problems.

Mr. AIKEN. I agree with the Senator from Missouri that it should not be based on certain actions taken with respect to the authorization bill; nevertheless, we must face facts and realize that it will be based on them to a certain extent.

Mr. SYMINGTON. I hope, when the bill is passed and the money is appropriated, it will represent the best thinking of the Senate from the standpoint of the security of the United States. Therefore, I hope the authorization bill will represent our best thinking, what is best, net, for the country.

I thank the able Senator from Virginia.

Mr. ROBERTSON. I was glad to yield, because I am in sympathy and full accord with the views expressed. When I express my views, I am going to specify a cut that will be much greater than the cut the Senator from Missouri has indicated. I hope the distinguished Senator from Vermont will be in the Chamber to comment on the cut that I shall propose.

Mr. President, I ask unanimous consent that I may yield to the Senator from New York [Mr. KEATING] for 3 minutes without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

IMAGINATION IN OUR EXPORT PROGRAM

Mr. KEATING. Mr. President, I thank the Senator from Virginia. In spite of wide discussions and considerable interest in the field of export expansion, the regrettable fact is that the United States is lagging behind other more aggressive trading countries in its efforts to secure a larger share of the world's markets—in fact, even in its efforts to retain its present share.

In the category of manufactured goods, the U.S. share of world trade fell from 29 percent in 1957 to under 23 percent in 1962. In the first 8 months of 1963, our favorable trade balance was less than it was a year ago. We are importing 5 percent more goods than we did last year, but exporting only 3 percent more.

It is particularly disturbing that our share in manufactured goods has declined. The largest amount of our nonmanufactured exports consists of surplus food, cotton, and other agricultural or raw materials. Most of these exports are Government subsidized in one form or another. Yet it is in the area of manufactured goods that we should be making the greatest effort, for it is our manufactured goods that provide jobs by the thousands and by the millions. Our manufactured goods should be finding their way into new markets and into new countries. Each year should see a substantial advance in the sale of American goods throughout the world.

One field that is of particular concern to me is the field of clothing and fashions. New York is the clothing center of the world, employing many thousands of workers. It should also be the fashion center. American clothes, which I know would be in great demand, should be for sale in every European department store and throughout the entire world. However, I should like to call the attention of Senators to a recent article written by Sylvia Porter, indicating how both our Government and businessmen in the clothing industry have fallen down on the job.

Admittedly, modern-day protective devices in trade, the advent of Common Market competitors, and the problems of import licenses, exchange control, quotas, taxes, labeling and packaging requirements, surcharges, credit and price controls, State trading and operating monopolies, penalty fees and import documentation, product standards and specifications, commercial advertising restrictions, bureaucratic delays and nationalism in certain countries—to mention but a few of the obstacles in international trade—all these do pose a challenge to American manufacturers in finding markets for the export of American fashions. But it is a challenge that must be accepted.

What is more, Mr. President, the State Department, despite the talk of promoting exports, has, I understand, refused to sponsor American fashion shows in U.S. Embassies—where they would undoubtedly attract great attention. Our Government, I understand, argues that they are too commercial. That is in striking contrast to the diligent efforts taken here by representatives of several European countries to advance their fashions and clothing interests.

Mr. President, in every other free world country, and particularly among our industrial allies, the governments are 100 percent behind the efforts of clothing and other manufacturers to secure foreign markets. It is time our own Government began to emphasize the interest and concern of U.S. firms, and to abandon the hands-off attitude which has discouraged U.S. business overseas and often left it unaided to deal with determined foreign competitors who have their government's strong backing.

Mr. President, I ask unanimous consent to have printed in the RECORD, following my remarks, an article written by Sylvia Porter on this subject, published in the Evening Star of October 31, 1963.

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

CLOTHES MARKET WAITING ABROAD

(By Sylvia Porter)

Frenchwomen are hungry for American clothes and particularly want to buy our "casual look'" dresses made of cotton and synthetic fibers.

To meet this already existing demand and to develop the potentially huge clothing market in France's cities and growing suburbs, the United States sold a "grand" total of $7,232 of cotton dresses and $13,635 of synthetic fiber dresses to France in 1962. Our exports of all clothes to her last year averaged only $112,000 per month—which is equivalent to saying we sold that country next to nothing.

The women of Italy and West Germany also are excited by the sort of clothes we produce here—about our fashions, our experiments with synthetic materials, our prices.

To meet this already existing demand and to develop the potentially huge clothing markets in the cities and growing suburbs of Italy and West Germany, we sold a grand total of $100 (yes, 10 $10 bills) of synthetic fiber dresses to Italy and $40,000 of synthetic fiber dresses to West Germany in 1962. In April, the peak month of exports, our sales of all clothes to booming West Germany amounted to only $492,000.

"There is a complete apathy in the United States toward selling clothes abroad," says Eleanor Lambert, internationally recognized

authority on fashions in the United States and foreign clothing markets.

"We have been terribly stupid," she added flatly in an interview. "We have people running to Europe to observe markets but nobody does anything about selling. The State Department has refused to sponsor American fashion shows in American embassies because they're too commercial. Yet the French Embassy has frequent fashion shows in Washington.

"All European countries are constantly sending delegations of textile people and retailers here to study our garmentmaking techniques and to make licensing agreements. Yet they protect their own techniques from our observers. We don't protect our own techniques.

"In the area of high fashion there is no American clothing going abroad except in travelers' suitcases."

The implications of this harsh indictment go far beyond the clothing industry, important though this industry is in our country.

We must expand our exports abroad to provide more jobs for our workers and to protect the profits of American businessmen. We must expand our exports overseas to earn the dollars to cover our spending overseas, to narrow the deficit in our balance of payments, and to curb the outflow of gold from our reserves.

Yet, despite the pleas by the administration, the hoopla about boosting our exports, the high-level foreign trade conferences in and out of Washington, our performance on trade expansion has been mediocre.

In the first 8 months of 1963 our trade surplus was at an annual rate of $4.6 billion, a seemingly hefty figure but it's down from the level of a year ago. Our imports of goods are up 5 percent while our exports are up only 3 percent.

When the totals are broken down, the record shows up as even more disappointing, for U.S. exports not tied into foreign aid or our farm disposal programs have been just creeping up. The rise of non-Government financed exports in the past 3 years has been only a meager 1 percent a year.

The pathetic indifference of so many businessmen is highlighted by the clothing industry. Although a few pioneers are starting to move into Europe to explore the market, most in the field are either ignorant of the exhilarating possibilities or are afraid to venture out, or are discouraged by artificial barriers that could be broken down if they would make the effort.

The story is capsulized by the comment made by a statistician for the International Ladies' Garment Workers Union. "Some of the trade totals are so small," said he, "that nobody bothers to compile them." What an indictment of U.S. business ingenuity and drive, circa 1963.

KINZUA DAM LEGISLATION

Mr. KEATING. Mr. President, the story of the plight of the Seneca Indians of Salamanca, N.Y., is well known. Their ancestors signed a treaty with George Washington—the oldest treaty of the United States—guaranteeing that they would hold forever the land which they received under that treaty. The Society of Friends in Philadelphia guaranteed the word of our new nation and has stood by the Senecas for almost two centuries.

Two years ago the U.S. Government—over my own protests and those of thousands of other Americans—decided to abrogate that treaty and take some Seneca land to build the Kinzua Dam. After all the lawsuits and negotiations over alternate sites had been completed and the Senecas came to the conclusion that further protestations were in vain, they and the Friends appealed to the President of the United States for just and immediate compensation.

On April 9, 1961—more than 2 years ago—the President wrote to the head of the Seneca nation indicating that Government action was forthcoming. My colleague [Mr. JAVITS] and I, working with the Senecas and the Friends, introduced legislation to compensate the Indians for their anticipated loss.

In 1965—one short building season from now—Indian lands and Indian homes will be flooded, but we still have no bill. The Senecas cannot make plans to move their homes because they still do not know how much money will be available. They cannot plan new sites because they still do not know where new roads will be built. They cannot plan to develop recreational facilities because they do not yet know what they will be allowed to develop.

The House Indian Affairs Subcommittee has been working diligently on the bill, and I commend the members for their efforts. At the same time, I must point out that time is running short for these Indians, and that we have an obligation, incurred in 1794, to act with justice and with speed.

Mr. President, an article written by Lucian Warren which was published in the Buffalo Courier-Express last week explains the status of the bill and admonishes the Government to act. I ask unanimous consent to have printed in the RECORD the text of this article.

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

SENECAS NEED STRONG ALLY IN KINZUA ISSUE

(By Lucian C. Warren)

On August 9, 1961, President Kennedy sent a long letter to Basil Williams, at the time president of the Seneca Nation of Indians. It was a kindly, well-written letter, and while it indicated it was too late to stop construction of the Kinzua Dam, it did promise the Government would do certain things.

Among other things, he said that he had directed the various Federal agencies to consider the possibility of (1) acquiring "lieu" lands near the reservation in exchange for the flooded out lands; (2) developing the recreation potential of the reservoir, with the Indians sharing in the benefits; (3) awarding special damages to the Indians because of the substantial proportion of Indian lands to be taken; and providing special assistance to the Senecas in their relocation problems.

Recommendations: The letter also stated that "in the event legislation is required to achieve these objectives, I have asked that recommendations be prepared."

It is now more than 2 years since that letter was sent. Tomorrow (Friday) a Seneca delegation, headed by George D. Heron, present Seneca president, will confer in the White House with Lee White, administrative assistant to President Kennedy. Basil Williams will be a member of that delegation.

The Indians will undoubtedly tell the President's representative that the President is a long way from delivering on his promises.

It is true that as of this week, substantial agreement has been reached among certain interested parties on the language of proposed legislation which is designed to help the Senecas. Representatives of the Senecas, the House Interior Committee, the Interior Department's Bureau of Indian Affairs and the Defense Department's Army Corps of Engineers have worked out the details of providing the Senecas with direct and indirect damages and for relocation of the Senecas flooded out by the Kinzua Dam.

Dispute: But by common consent, among these interested parties, the dollar amounts of the money to be paid and the acreage involved are still to be filled in. On this there is considerable disagreement.

In the line of "special damages" as asked by President Kennedy, the Interior Department's Bureau of Indian Affairs and the Seneca Nation are in agreement that $691,000 is a fair amount. The Army Corps of Engineers takes no position on this, except to say that Congress can authorize and provide any amount it wants, but such funds should not be charged to the cost of the project.

Historical error: In this they are historically in error, for in other somewhat similar projects "special damages" have been charged to the cost of the project.

Army Engineers and the Senecas are also very far apart on the "subsurface value" or mineral rights of Indian lands needed for the reservoir. In their latest testimony before Congress, the Senecas said they expected payment of $4,227,000 for Seneca land, while the corps indicated they were willing to pay only $535,000. Most of this huge difference involves the difference in their estimates on subsurface values.

Agreement: In recent negotiations, the Senecas and the Army Engineers have shown they are not far apart on their appraisals of surface land values and improvements. Already there has been agreement on some 134 tracts of Seneca land, for which payments of between $25 and $15,250 will be made for the surface value of land involved. The indications are that the two sides are not too far apart on the remaining tracts, if only surface land values and improvements are considered.

Because there is still such a big difference on the subsurface estimates values, Congress will be presented with suggested legislation that will keep surface and subsurface dollar amounts separate. Army Engineers will back one version of the legislation that will direct this matter be settled by the courts. Senecas are asking that Congress authorize payment of a certain minimum amount for subsurface rights, with the balance to be determined by courts.

Another issue: Another area of disagreement is due for an airing in Federal court in Buffalo on November 4, even before Congress acts. This is the issue of whether the Army Engineers have the right to take over enough Indian land to provide a four-lane limited access highway for a relocated State highway, Route 17. The Senecas maintain Uncle Sam should have the right to acquire land for a two-lane highway.

Still very much in the air is what is to be done to rehabilitate the Senecas, to provide them with jobs and a worthwhile project to take the place of their farmlands, the best of which will be in the reservoir area.

Brill report: The Brill engineering firm of New York has recommended in its final report that a $35 million recreational-educational project, and a $4,438,000 industrial park would solve this problem. The former would be financed by an outright grant of $15 million from Uncle Sam, plus $20 million in an interest-free loan, payable $500,000 a year after the 10th year of the project. The latter would be financed by an outright grant.

So far, only the Senecas among the interested parties have received the Brill report with enthusiasm. The Army Engineers have shrugged it off as another benefit that Congress could provide not to be charged to the cost of the project. The Bureau of Indian Affairs has as yet to make a recommendation, and no Congressmen, either on or off

the House Interior Committee, have as yet endorsed the idea.

Empty words: And yet if the Indians are to have a means of livelihood and if the western New York area is to gain some economic advantage in return for the mudflats of the Kinzua Dam, something like the Brill recommendation must be adopted.

The Indians would do well to muster their best arguments at the White House Friday. Unless a powerful friend comes to their rescue, they might find again that, like George Washington's promise that the treaty of 1794 would never be broken, the 1961 letter may have been empty words.

Mr. JAVITS subsequently said: Mr. President, as my colleagues know, I have long been deeply concerned with the critical problem of the displacement of the Seneca Nation of Indians from their homes in New York brought about by the construction by the Federal Government of the Allegheny Dam and Reservoir project, known as the Kinzua project, located at Kinzua, Pa., which is scheduled for completion in 1965. The taking of 10,000 acres of land and Seneca property by the Federal Government in the dam area will disturb and disrupt the community life and economic and social traditions of the Seneca Nation.

In view of the fact that the nearly 800 Senecas in the reservoir area have been warned to abandon their homes by October 1, 1964, the immediacy of the problems of providing compensation for the displaced nation and its members is patently clear.

On July 9, I, together with Senators KEATING, SCOTT, CLARK, MCGOVERN, CASE, and ERVIN, introduced a bill (S. 1836), to provide for much needed financial compensation for the relocation, rehabilitation, social and economic development of the Seneca Nation of Indians and its individual members who will be displaced by the taking of their property. In providing compensation for the Seneca Indians, the bill expressed in legislative form the intent of President Kennedy as reflected in his August 9, 1963, letter to the Seneca Nation, in which he declared "the desire of the Federal Government to assist the members of the Seneca Nation in every proper way to make the adjustment as fair and orderly as possible."

Legislation to provide compensation to the Seneca Indians for the Federal taking has also been introduced in the House. The Subcommittee on Indian Affairs of the House Committee on Interior and Insular Affairs has conducted hearings on the bills. The House Committee has spent a good deal of time considering the positions of the executive agencies and proposed provisions of the bill, including estimated direct and indirect damages. It has encouraged continued discussion between the Corps of Engineers and the Seneca Nation on problems concerning this legislation. The Seneca Nation has actively cooperated in this regard with the House Committee. In addition, on October 25, 1963, a delegation from the Seneca Nation traveled to the White House to confer with administration officials on relocation matters and the pending legislation. The Seneca Nation is deeply concerned over its future and has already begun preparation for the relocation.

I am pleased to note that the House Indian Affairs Subcommittee, is presently drawing up a compromise bill and is striving diligently to come up with a satisfactory bill. I am hopeful that remaining unsettled issues, including the amount of damages, will be resolved and that the House and Senate will act quickly on this much needed legislation in view of the urgent need to come to terms with the serious problem of the relocation of the members of the Seneca Nation required by the Federal Government.

Mr. President, I ask unanimous consent to have printed in the RECORD an article written by Warren Weaver, Jr., entitled "Kinzua Dam Pact Mapped in House," published in the New York Times this morning.

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

KINZUA DAM PACT MAPPED IN HOUSE—BUT SENECAS AND ENGINEERS CLASH ON MINERAL RIGHTS

(By Warren Weaver, Jr.)

WASHINGTON, October 31.—The congressional committee trying to reimburse the Seneca Indians for the flooding of their western New York reservation drew up a compromise bill today.

The new legislation apparently settled a good many of the tangled legal questions involved in the Kinzua Dam controversy, but it still left the Indians and the Army Engineers at odds over several critical financial issues.

Most important, it developed at a hearing of the House Indian Affairs Subcommittee, is the question of how much the Seneca Tribe should receive from the Federal Government for the injury the new Allegany Reservoir will do to sand, gravel, oil, and gas rights on the property.

The Army Engineers' spokesman at the hearing, Loney W. Hart, estimated that these rights for the 10,000 acres of Seneca Reservation to be flooded by the reservoir would be damaged only to the extent of about $50,000.

But Arthur Lazarus, the Washington lawyer who represented the Seneca Nation, maintained that the figure should be $5 million. He said the Senecas would be willing to settle, however, for a minimum guarantee of $500,000 in the legislation.

PROTESTS DISPARITY

This disparity prompted the chairman of the parent House Interior Committee, Representative WAYNE N. ASPINALL, Democrat, of Colorado, to protest that "I don't understand this 100-to-1 ratio. I can't understand this variation at all."

Originally, the Army Engineers called for a bill that would simply give the Senecas, in return for the subsurface rights on their land, whatever a Federal court said they were entitled to.

Today Mr. Hart, who is chief of real estate legislative services for the corps, offered a compromise. Under it, the Indians would get $500,000 but would become responsible for any claims lodged by persons to whom gas and oil leases had been assigned.

The Senecas could go to court if they wanted to try to improve on this settlement, but they would then risk losing money if the Federal court award was less than $500,000. Mr. Lazarus called this latest Army proposal "completely unacceptable."

Kinzua Dam is a $115 million project being built on the Allegheny River near Warren, Pa., by the Army Engineers.

The subcommittee chairman, Representative JAMES A. HALEY, Democrat, of Florida, is trying to settle the subsurface damage issue and several other financial grants in the Seneca legislation in time so that a bill can be passed this year.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JAVITS. I am glad to yield.

Mr. FULBRIGHT. Is this the case in which a treaty with the Seneca Indians was involved?

Mr. JAVITS. There was a treaty. That was all worked out in connection with the Kinzua Dam. Legally we did not feel that the treaty actually represented the kind of commitment which could be enforced against the Federal Government in respect of this dam. The treaty lent great weight to the need for doing at least financial justice.

Mr. FULBRIGHT. But the Senecas believe it is a violation of the treaty on the part of the United States, do they not?

Mr. JAVITS. They certainly do. It broke my heart, and that of former Senator Ives as well, when we could not stop the dam project, because of the feeling of Senators that time marches on, and that this is an extremely important project. There was a great deal of flooding in the area, and it had to be done.

I thank the Senator from Arkansas for his intercession.

SYRACUSE, N.Y.

Mr. KEATING. Mr. President, in February 1961, the Metropolitan Development Association of Syracuse, N.Y., sponsored a major conference of community leaders and planners from Onondaga County and developers and financiers from across the United States. The purpose of the 2-day conference was to discuss the potential of the Syracuse metropolitan area and ways and means for accomplishing planning goals.

In the short space of 2 years, remarkable changes have taken place in the Syracuse-Onondaga area.

The city of Syracuse has approved the Presidential Plaza development in the Near East Side urban renewal area. When completed, this will provide nearly 1,000 apartments in three 30-story apartments, three 10-story apartments and 27 townhouses.

Development of a new 25-story office-hotel building and 4 other major office buildings have begun in downtown Syracuse.

The voters of Onondaga County have approved a modern county charter with an elected county executive and a bond issue for $45 million for a new water supply.

Modern terminals have been opened at Hancock Airport for air passengers and by the New York Central Railroad for train passengers.

Hospital facilities in Onondaga County have been increased with the opening of the 298-bed community hospital. Construction is well advanced on the 396-bed State hospital of the Upstate Medical Center, with the opening scheduled in 1964.

Syracuse University which has averaged two new buildings a year since 1946 has increased the tempo of its building

program. LeMoyne College has completed four structures and is planning more. One new college was started in 1962—the Onondaga Community College. A second new one—the Maria Regina College for Women—is to open in 1963.

Major planning and substantial construction have been completed on the interstate and arterial road systems in the county with indications that the investment in new roads in the Syracuse area alone will amount to $150 million.

All these achievements have been the accomplishments of a dynamic city government headed by Mayor William Walsh. Working in cooperation with County Executive John Mulroy and Thomas E. Ward, executive director of the city, County Office of Economic Development, local officials have taken steps to make Syracuse a model city. Their imaginative planning and dedicated hard work have brought new industry into Onondaga County, and created new jobs. Certainly if local governments in other parts of the country followed the progressive and dynamic lead of Syracuse we would have fewer depressed areas and far less dependence on Washington.

In an effort to attract additional industry into the Syracuse area, the Office of Economic Development has prepared some material describing the community and its potential for development. Mr. President, I ask unanimous consent that excerpts from this material be printed at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SYRACUSE, N.Y.

GEOGRAPHIC LOCATION—CROSSROADS

Syracuse, county seat of Onondaga County, is nearly the geographic center of New York State. It is one of only eight cities in the United States located at the junction of two major superhighways. Syracuse is the crossing point of the east-west New York State Thruway (Interstate Route 90) and the new north-south Penn-Can Highway (Interstate Route 81). It has one of the world's largest railroad marshaling yards, is located on the main line of the New York Central, and is served by the Erie Lackawanna. Syracuse is also a major terminal on the barge canal, water link to the Great Lakes and Atlantic. Within a 300-mile radius are major cities of two nations, and almost 25 percent of the population of the United States (more than 43 million persons).

EMPIRE STATE HEARTLAND

Syracuse is the hub of one of the most beautiful and richly diversified States in the Nation. Here you'll find towering cities and picturesque villages, mighty industrial centers and sprawling farmlands, bustling harbors and vast woodlands, Broadway plays and county fairs, the United Nations and town meeting halls, subways and deer trails—all within an easy drive of Syracuse.

CAPSULE HISTORY

Syracuse was one of the first western frontiers, a virgin land, home of Hiawatha, site of the Onondaga Indian Nation, and famed Iriquois Confederacy. Father Simon Le Moyne, a French Jesuit missionary, visited here in 1654 and wrote of a salt spring the Indians believe to be "inhabited by a demon who makes it fetid." In 1786 came the first permanent white settler, Ephraim Webster (who inspired James Fenimore Cooper's literary character, "Natty Bumppo"). Two years later the first industry was established, making table salt from the "demon's" spring water. For a century the community was the Nation's principal source of salt, giving Syracuse a name it still bears, "Salt City." Following the easy water level routes came the Erie and barge canals, the roads north and west, and the first railroads. Each sparked more growth. In 1825 Syracuse was incorporated as a village; in 1848 as a city. In 1869, Charles Dickens said the city looked "as if it had begun to be built yesterday and were going to be knocked together with a nail or two the day after tomorrow." The methods improved; the building goes on.

TODAY—A NEW DIMENSION

Syracuse is now the fourth largest and the fastest growing metropolitan area in New York State—one of the two fastest growing metropolitan areas in the United States—and the country's leading test market for new products.

Population and size

City of Syracuse	216,038
Town of Camillus	18,324
Town of Cicero	14,738
Town of Clay	17,730
Town of DeWitt	22,686
Town of Geddes	19,590
Town of La Fayette	3,362
Town of Manlius	19,317
Town of Onondaga	13,404
Town of Pompey	3,475
Town of Salina	33,053
Town of Van Buren	8,684
Other	67,709
Onondaga County total	423,028
Metropolitan area	563,781

(Syracuse City area: 25.68 square miles. Onondaga County area: 792 square miles. Metropolitan area: Counties of Onondaga, Oswego, and Madison.)

MEDICAL FACILITIES

Syracuse is the upstate medical center of New York State. Adjacent to Syracuse University is a complex of hospitals, laboratories, and medical and nurse training facilities. The city has a total of 14 hospitals. These include a new 500-bed community hospital, a 500-bed Veterans' Administration hospital, and a new 350-bed teaching hospital now under construction at the Upstate Medical Center of the State University of New York. The community has approximately 700 medical doctors, including numerous specialists, and some 230 dentists.

CHURCHES

There are approximately 250 churches and synagogues in Onondaga County. The religious makeup is approximately 51 percent Roman Catholic, 40 percent Protestant, and 7 percent Jewish. Syracuse is the State headquarters city for Baptist, Congregationalist, Methodist, and Presbyterian churches; the Stake of Cumorah of the Church of Latter-day Saints; See of a Roman Catholic Diocese; and See of the Episcopal Central New York Diocese. Syracuse is also the headquarters for the New York State Council of Churches.

GOVERNMENT SERVICES

Syracuse has a mayor and common council form of government, a 366-man police department, and a 385-man fire department with 166 pieces of equipment. Onondaga County has an executive-legislative form of government and a 115-man sheriff's department. Surrounding towns and villages have 4,000 volunteer firemen with 225 pieces of equipment. In addition to city and county offices, numerous State and Federal regional offices are located in Syracuse. There are city and county planning commissions, and master plans have been drawn up to guide area development.

GREATER SYRACUSE AS A HOMETOWN

Syracuse has been described as a "metropolis minus the roar, a hamlet minus the yawn—an ideal place to live." It's a mixture of penthouse, ranch house and country cottage; of city boulevards, suburban lanes, and village squares—a hometown that's urban, suburban and rural all in one. Each is linked to the center of Syracuse by modern expressways and thoroughfares. The suburbanite is within a few minutes' commuting time to work; the homemaker within easy reach of downtown fashion shops or nearby shopping centers.

There are over 120,000 living units in this Syracuse hometown. Almost 16,000 new homes have been built during the past 5 years alone. City parks offer more than 2,368 acres of tree-shaded lawns, playgrounds, pools, and ball fields, supplemented by county and State parks and beaches.

Two-thirds of the area's families are homeowners. Those recently buying new homes in beautiful neighborhoods—with excellent schools, transportation, shopping areas, police, and fire protection, sewage, and trash collections—paid an average of $16,000. Those renting modern four-room apartments pay an average monthly rent of $110. There is excellent bus transportation throughout the city and surburban areas.

Jot down what you think an "ideal hometown" should be, and you will describe Greater Syracuse.

EDUCATIONAL FACILITIES AMONG THE FINEST

Schools, colleges, and universities in the Greater Syracuse area rank among the best in the Nation for scholastic achievement, curriculum, faculties, and facilities. Local boards of education maintain high standards and requirements for teachers. There is an average of 1 teacher for every 25 students.

WITHIN THE CITY OF SYRACUSE ALONE THERE ARE

Thirty-four public elementary schools.
Twenty-five parochial elementary schools.
Twelve public, junior and senior high schools.
Twelve parochial high schools.
One technical high school.
One school for physically handicapped.
One school for mentally retarded.
Syracuse University.
LeMoyne College.
State University College of Medicine.
State University College of Forestry.
University College of Syracuse University.
Syracuse Community College (established 1962).
Numerous business and vocational schools.

WITHIN THE GREATER SYRACUSE AREA

In addition to the many schools and colleges within the city of Syracuse, there are many more public, parochial and private schools in the immediate suburban area and fine colleges within an hour's drive, including: Colgate University, Cornell University, Hamilton College, Utica College, Hobart College, Wells College, Auburn Community College, Morrisville Agricultural & Technical Institute, Keuka College, William Smith College, Cazenovia Junior College, Mohawk Valley Technical Institute, State College of Education at Cortland, State College of Education at Ithaca, State College of Education at Oswego, the Manlius School, and Pebble Hill School.

SYRACUSE UNIVERSITY

Founded in 1870, is located on a beautiful 795-acre hilltop campus overlooking Syracuse. The university, one of the finest in the Nation, includes nine colleges, seven schools and a major research center. It also operates University College, a downtown adult education branch with an enrollment of 3,500. The university has a faculty of 1,200, enrollment of over 13,000, and physical assets of some $65 million. Associate, bachelor, master and Ph. D. degrees are offered for studies ranging from liberal arts and law to science and engineering. In addition, the State University of New York College of Medicine and Upstate Medical Center are located here, as is the world-known College of Forestry.

LEMOYNE COLLEGE

Founded in 1946, has gained immediate stature and is growing rapidly in facilities, faculty, and enrollment. LeMoyne, a Catholic coeducational liberal arts college operated by priests of the Society of Jesus (Jesuits), has a 103-acre campus. It has 1,300 undergraduate students and more than 70 faculty members. Degrees are offered in pure sciences, social sciences, classics, business, accounting, and industrial relations. The college has an outstanding Institute of Industrial Relations and some of the finest scientific laboratories in New York State.

SYRACUSE—CULTURAL AND ENTERTAINMENT CENTER OF CENTRAL NEW YORK

Numerous musical, cultural, and historical associations—supplemented by local college and university programs and a council of cultural activities—provide a broad spectrum of cultural activities for area residents. And Syracuse has excellent newspapers, radio and television stations, and theaters.

Art

Everson Museum of Arts.
Syracuse University School of Fine Arts.
Syracuse University Lowe Art Center.
Permanent collections of art.
Site of annual national ceramic exhibition.
Numerous shows and exhibits.

Literature

Syracuse Public Library with 8 branches and 700,000 volumes.
County library system of community libraries.
Syracuse University Library.
LeMoyne College Library.
Schools of journalism and literature.

Music

Syracuse Symphony Orchestra.
Civic Morning Musicals, Inc.
Famous artist series.
Syracuse University School of Music.
Civic vocal and instrumental groups.
Regular performances by nationally known groups.

Historical

Onondaga County Historical Society.
Numerous historical sites.
College and university historical groups.

Stage

Broadway hits and stars featured regularly.
Numerous summer stock companies.
Several civic theater groups.
Syracuse University Regent Theater.

Theaters

Thirty-five theaters with a total seating capacity of 33,000.
Numerous summer and year-round drive-ins.
Two theaters featuring foreign films.

Shows and expositions

Annual New York State Exposition.
Auto shows.
Boat shows.
Water shows.
Ice shows.
Sport shows.

Newspapers

Syracuse Post-Standard, mornings and Sundays.
Syracuse Herald-Journal, evenings and Sundays.
Several community weekly newspapers.

Radio

WSYR-AM, NBC Network.
WHEN-AM, CBS Network.
WOLF-AM, ABC Network.
WFBL-AM, Mutual Network.
WNDR-AM, independent.
WSEN-AM, independent.
WSOQ-AM, independent.
WQSR-AM, independent.
WDDS-FM, independent.
WONO-FM, independent.
WSYR-FM, New York Times Network.

Television

WSYR-TV, NBC and ABC Networks (VHF).
WHEN-TV, CBS and ABC Networks (VHF).

MAJESTIC ADIRONDACKS

Only 2 hours northeast of Syracuse. Here, in a mountain range sprawling over an 8,000-square-mile area, you'll find a 2,200,000-acre State forest preserve; 46 mountain peaks over 4,000 feet high; at least 200 lakes; and hundreds of miles of streams. Camp, boat, swim, fish, hunt, ski or relax at world-famed summer and winter resorts; or take the children to see such dreamlands as the Enchanted Forest, Fantasy Kingdom, Santa's North Pole and the Land of Make-Believe.

THOUSAND ISLANDS

Less than 2 hours north of Syracuse. Here are almost 1,800 islands; 10 State parks; Alexandria Bay summer resort; the billion-dollar St. Lawrence Seaway and power development projects; the famed Thousand Islands Bridge; and an area famous for black bass and muskalonge fish.

SERENE FINGER LAKES REGION

Less than 1 hour west of Syracuse. Here, according to Indian legend, "the Great Spirit left His hand upon the land in benediction." The imprint left the breathtaking beauty of long, deep, crystal-clear lakes; of deep wooded ravines and glens with towering waterfalls; and of rolling hillside vineyards producing world-famed wines and champagnes. Here you'll find the Indian's Skaneateles, Owasco, Otisco, Cayuga, Seneca, Keuka; and Canandaigua Lakes—ranging from 11 to 40 miles long—plus numerous smaller lakes; historic sites, campgrounds and resorts.

CONVENTION AND CONFERENCE CENTER

Syracuse has become increasingly popular as a site for conventions, meetings, and trade shows. Good hotels and motels are plentiful and conveniently located. Convention facilities, including those downtown and locally owned Hotel Syracuse and the huge Onondaga County War Memorial Auditorium, are capable of handling regional and national gatherings. Facilities for large and small conferences, conventions, and meetings are available also at numerous other hotels and motels. The city is strategically located for meetings, has excellent recreation and entertainment facilities and is situated in the center of a vast vacation land. An average of 500,000 visitors annually make Syracuse their convention headquarters. Thousands more attend smaller business and professional meetings and conferences.

"ONE OF THE TWO BEST PLACES IN THE UNITED STATES FOR INVESTING MONEY IN ENTERPRISE"—SYRACUSE BUSINESS AND COMMERCE

Greater Syracuse is a healthy, growing community with a high standard of living * * * offering visitors almost every conceivable product, service and facility * * * assuring business and commerce of a rich market. Recently, it has become a major headquarters for national and regional offices of insurance companies. Retail facilities have doubled in size and number in about a decade. Downtown Syracuse is the largest, most complete shopping district in central New York, drawing thousands of shoppers regularly from a broad radius. A 1962 study shows approximately 37,000 Canadians visit here annually. In suburban Syracuse are some of the largest and most modern shopping centers in the East.

Syracuse has: Modern hotels and motels with a total of 3,900 rooms; 2,600 retail establishments with annual sales totaling over a half billion dollars; 850 wholesale and distributor firms with annual sales totaling more than a billion dollars; 4 commercial banks with 52 area branch offices and deposits totaling $605 million; 2 savings banks with 4 area branch offices and deposits totaling $368 million; 4 savings and loan associations with 3 area branch offices and deposits totaling $78 million; 2,500 farms with annual sales totaling $18 million; annual personal income in excess of $740 million; 48 percent of local families earning over $7,000 annually; and almost 90 percent of area families have incomes of $4,000 or more per year.

GREATER SYRACUSE—A DIVERSIFIED INDUSTRIAL COMPLEX

Greater Syracuse is a rapidly growing industrial complex, one of only 33 areas in the United States having operations in all 20 basic industrial classifications. A Fortune magazine listing of the 500 largest corporations in the United States shows 98 with operations here—ranking Syracuse first in the Nation. The area along Syracuse's five exits on the New York State Thruway has witnessed more new industrial growth than any area in the State—and continues to grow constantly. In addition, Syracuse is one of northeastern America's major distribution centers.

Industrial diversification

[Nearly 600 manufacturing firms employing over 56,000 persons]

SIC No.	Industrial classification	Number of firms	
		Onondaga County	Metropolitan area
20	Food	73	135
21	Tobacco	1	1
22	Textile mill products	3	8
23	Apparel	8	16
24	Lumber and wood products	17	42
25	Furniture and fixtures	15	27
26	Paper and allied products	18	32
27	Printing and publishing	82	101
28	Chemicals and allied products	23	33
29	Petroleum refining	3	8
30	Rubber and plastics	4	7
31	Leather	4	6
32	Stone, clay, glass	23	34
33	Primary metal	26	37
34	Fabricated metal	69	88
35	Machinery (except electrical)	89	120
36	Electrical machinery and equipment	14	18
37	Transportation equipment	6	14
38	Profession, scientific, control instruments	14	19
39	Miscellaneous manufacturing industries	16	24

MAJOR INDUSTRIAL FIRMS [1]

A. E. Nettleton Co.
Allied Chemical Corp., Solvay Process Division.
Bristol Laboratories, Inc.
Camillus Cutlery Co.
Carrier Corp.
Chrysler Corp., New Process Gear Division.
Continental Can Co., Inc.
Crouse-Hinds Co.
Crucible Steel Co. of America
Electric Autolite Co.
Frazer & Jones Co.
General Electric Co.
General Motors Corp. Temstedt Division.
Iroquois China Corp.
Julius Resnick, Inc.
Kilian Manufacturing Co.
Lamson Corp.
Learbury Clothes, Inc.
Lennox Industries, Inc.
Lipe-Rollway Corp.
McMillan Book Co.
Muench-Kreuzer Candle Co.

[1] Employing 200 persons or more.

Murray Corp. of America, Easy Laundry Appliance Division.
New York Bell Telephone Co.
Niagara Mohawk Power Corp.
Oberdorfer Foundries, Inc.
O. M. Edwards, Inc.
Onondaga Pottery Co.
Pass & Seymour Co.
Porter-Cable Machine Co.
Precision Castings Co.
R. E. Dietz Co.
Rollway Bearing Co., Inc.
Sylvania Electric Products, Inc.
Syracuse Ornamental Co.
U.S. Hoffman Machinery Corp.
Western Electric Co.
Will & Baumer Candle Co.

Some products of Greater Syracuse: Electrical equipment, electronic equipment, telephone equipment, radio and television sets, pharmaceuticals, chemicals, air conditioning, tool steel, roller bearings, soda ash, containers, automotive equipment, agricultural implements, furniture, office equipment, machine shop products, foundry products, conveying equipment, chinaware and pottery, wax candles, clothing, shoes, handbags, and foods.

Distribution of labor force

Manufacturing	56,700
Construction	8,000
Transportation and communications	11,000
Wholesaling and retailing	33,500
Finance, insurance, real estate	6,500
Government	15,000
Services	17,500
Agriculture	4,000
Self-employed	12,600
Domestic	2,500

TRANSPORTATION AND RESOURCES

Located at the intersection of the 500-mile, east-west New York State Thruway (Interstate Route 90) and the new north-south Penn-Can Highway (Interstate Route 81). Both routes interconnect with the Nation's other major superhighways. Syracuse is one of only eight cities in the United States located at the crossing point of two major superhighways, making it one of the fastest-growing distribution centers in the Nation.

Syracuse is served by 124 motor freight carriers with major terminals. There is also direct bus service in all directions.

One of the largest railroad marshaling yards in the world is located here, the New York Central Dewitt classification yard.

Syracuse is a major terminal on the 522-mile Barge Canal System, which links the Atlantic and Great Lakes and handles over 2,400,000 tons of cargo per year.

Hancock Field, one of the most modern airports in the Nation, is served by Eastern, Mohawk, and American Airlines. There are an average of 70 flights daily, handling over 565,000 passengers and 1,640 tons of cargo per year. It is also the home of the U.S. Air Force's 26th Air Division, the original SAGE Command.

Water is presently supplied by Skaneateles and Otisco Lakes, two of the purest bodies of water in North America. Daily capacity is approximately 66 million gallons. In addition, unlimited sources of water will be tapped for all future needs. Currently approved plans call for construction of transmission and storage facilities to provide up to 62,500,000 additional gallons of water per day.

Electric power and natural gas service are provided by the Niagara Mohawk Power Corp. The utility is also engaged in a research and development program for future use of atomic power. The Niagara Mohawk system has 81 hydroelectric and 5 steam-electric generating stations, and a total capacity of 4,569,000 kilowatts. Principal transmission routes for this power intersect at Syracuse, where the Niagara Mohawk system power control center is located.

FEDERAL EMPLOYEES SALARY ACT OF 1963—AMENDMENT (AMENDMENT NO. 283)

Mr. ROBERTSON. Mr. President, I ask unanimous consent that I may yield to the Senator from Delaware [Mr. WILLIAMS] for 3 minutes, without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, on Wednesday, October 30, the House committee approved H.R. 8986. This bill embraced the administration's suggestion that the salaries of the top executives of the Government, including Members of Congress, be increased by about 50 percent. In my opinion, this suggestion is fiscally irresponsible, particularly at a time when our deficit is running at the rate of around $1 billion per month, and there is no indication that spending is being reduced to bring it more into line.

Under the administration's proposal, salaries of Cabinet members would be increased from $25,000 to $35,000. Salaries of members of the Supreme Court would be increased from $35,000 to $45,000. Salaries of Members of Congress would be increased from $22,500 to $32,500.

Heads of other agencies, whose present salaries range from $12,000 to $20,000, would be increased proportionately, with these increases ranging from $5,000 to $8,000 a year.

In my opinion, to approve such an increase in salaries of those top officials who are responsible for our present financial instability is an insult to the American taxpayers who will have to bear the burden.

Surely no private company would give a 50-percent salary increase to its top executive officers and directors when the management had produced but six balanced budgets in the past 30 years.

Therefore, I am today submitting an amendment to the bill now pending in the committee, and if the bill is later reported by the Senate Committee without this amendment it will be reoffered in the Senate.

The purpose of this amendment is to postpone the effective date of any increase on any salary of $10,000 or over until the first day of the first month after the close of a fiscal year with a balanced budget.

Surely no Frontiersman will object to this effective date since they are all now claiming that their heavy spending policies and large tax cuts will accelerate the economy to such an extent that it will soon give us not only a balanced budget but will solve all our other problems as well.

The amendment reads as follows:

At the appropriate place insert a new section as follows:

Notwithstanding any other provisions of this bill the effective date of any increase on any salary of $10,000 or over, shall be the first day of the first month after the close of a fiscal year with a balanced Federal budget.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Post Office and Civil Service; and, without objection, the amendment will be printed in the RECORD.

The amendment (No. 283) was referred to the Committee on Post Office and Civil Service, as follows:

At the appropriate place insert a new section as follows:

"Notwithstanding any other provisions of this bill the effective date of any increase on any salary of $10,000 or over, shall be the first day of the first month after the close of a fiscal year with a balanced Federal budget."

Mr. LAUSCHE. Mr. President, I ask unanimous consent that I may be added as a cosponsor of the amendment submitted by the distinguished Senator from Delaware [Mr. WILLIAMS], which provides that the contemplated pay increase for Supreme Court, appellate, and district court judges, and for members of commissions, and other employees of the Federal Government, if passed, shall not go into effect until the first day after it is disclosed that the budget has been balanced.

Mr. WILLIAMS of Delaware. It provides that none of the increase in any salary of $10,000 or more presently received shall become effective until the first day of the first month after the close of a fiscal year that shows a balanced Federal budget.

I welcome the Senator from Ohio as a cosponsor of the amendment. This could more or less be called an incentive amendment, because it would involve thousands of employees, who would be working vigorously to eliminate waste in the Federal Government in order that the budget could be balanced, and thereby achieve their salary increase.

Mr. LAUSCHE. I appreciate the courtesy of the Senator in giving me the opportunity to become a cosponsor.

Mr. DOMINICK. Mr. President, I ask unanimous consent that I too may become a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUSCHE subsequently said: Mr. President, the amendment of the Senator from Delaware [Mr. WILLIAMS] of which I have become a cosponsor, in my opinion is sound, in the interest of the people of the country, and ought to be adopted.

There are many reasons why the exorbitant pay increases for those now receiving in excess of $10,000 ought not to be approved. One of the important reasons is that the increase in our deficit operations has made it imperative that the debt ceiling be lifted from the present figure of $308 billion to $315 billion.

The Secretary of the Treasury, Hon. Douglas Dillon, recently testified before the Senate Finance Committee headed by Senator HARRY F. BYRD, that the aggregate deficits of the Federal Government for the years of 1961, 1962, and 1963, were about $16½ billion; that without the tax cut the deficit for the fiscal year of 1964 which began on July 1 will be $9 billion; and that the expected deficit for the fiscal year of 1965 beginning on July 1, 1964, will be $9.2 billion.

It thus is obvious that the aggregate deficits for the 5 years discussed will be $34½ billion. Manifestly the debt

ceiling must be lifted. Our spending program is not based on revenues received but on new debts incurred.

I want to provide a tax cut for the people of our country but I want to do it on the basis of a rational and sound approach which means a reduction instead of an expansion of spending.

Respecting the proposed salary raises of high echelon officials including the Senators and Representatives of the U.S. Congress, I will approve of it the moment we achieve a balanced budget.

The amendment contemplates the approval of pay increases only on the date that it is established that our budget has been balanced.

Mr. ROBERTSON. Mr. President, I ask unanimous consent that I may yield to the Senator from Oklahoma [Mr. MONRONEY] for 3 minutes without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

FIFTH ANNIVERSARY OF THE FEDERAL AVIATION AGENCY

Mr. MONRONEY. Mr. President, the Federal Aviation Agency today celebrates its fifth anniversary. I want to take this opportunity to congratulate the FAA for what it has achieved during its first 5 years, and to wish it well for the years ahead. After all, the achievements of the FAA reflect in large part the achievements of America in the field of aviation.

The progress that has been made through the steady improvement in the safety, reliability, and efficiency of our air transport is truly remarkable.

All Americans can be proud of the fact that even with the faster and faster speeds now offered air travelers by the swift swept-wing jets, and despite the crowded airways and growing congestion around metropolitan air terminals, flying is becoming safer than ever. Scheduled passenger airlines in the United States both domestic and international, have maintained a record of less than 1 fatality per 100 million passenger miles for 11 consecutive years. The 1960 rate was 0.75, and this improved to 0.29 in 1961 and 0.26 for 1962. That is equivalent to 1 fatality per 400 million miles of travel. If we do as well in the last 2 months of this year as we did in the first 10, 1963 will show further improvement. For some time now it has been safer to cross the Nation by plane than in our own automobile.

The FAA was born officially just 5 years ago when a retired Air Force general with a distinguished record in aviation, Elwood R. (Pete) Quesada, was sworn in as the first Administrator. The Agency began operations on December 31, 1958.

Najeeb E. Halaby, a former jet test pilot with a wealth of private and Government executive experience, was named by President Kennedy as the Agency's second Administrator on January 19, 1961.

The Federal Aviation Agency has historical ties back to 1926 when the Air Commerce Act created the Aeronautics Branch—later the Bureau of Air Commerce—in the Department of Commerce.

The next major step was the Civil Aeronautics Act of 1938 which created the independent Civil Aeronautics Authority.

World War II gave a tremendous impetus to aviation and the number of pilots and planes, and the performance of aircraft, including jet aircraft, increased enormously.

As early as 1948 the President's Air Coordinating Committee warned that the techniques and tools available for the control of air traffic were, at least, marginal and it became increasingly apparent that the CAA could not cope with the serious problem of our increasingly congested airspace. The magnitude of the problem was highlighted by the White House Aviation Facilities Study Group in 1955, and another step forward was taken with the passage of the Airways Modernization Act of 1957.

I am proud to have been the sponsor of the Federal Aviation Act of 1958 which repealed the Air Commerce Act of 1926, the Civil Aeronautics Act of 1938, and the Airways Modernization Act of 1957, and, finally, established the Federal Aviation Agency.

Today, the responsibilities and activities of the FAA go far beyond the Nation's borders. They encompass all the States and possessions and touch upon the international areas in which our flag carriers operate.

I am happy to report that the Agency has made significant steps forward in its first 5 years in establishing and operating an airways system that provides a safe environment for today's air travelers, and for the continued growth that is sure to come.

I am proud, also, of the pioneering which has been undertaken by FAA leadership to develop major economies by assuming functions of air traffic control previously handled by military agencies. Much additional effort will be required to keep our airways safe as they become more crowded. I am confident that Congress will continue to respond to the needs of this Agency on the ground that money is better spent in saving lives and enhancing efficiency and reliability in aviation than in paying the claims resulting from air disasters.

The Federal Aviation Agency is pressing forward with research and development. This will make possible the installation of the most efficient traffic control and traffic safety equipment. This will provide knowledge for adequate handling of the human factors involved in air safety.

The Agency has also taken the lead in the very difficult program to provide a supersonic commercial air transport plane so necessary to maintain the vitality and continued growth of the U.S. aviation manufacturing and aviation transport industries. This will be a joint effort of Government and private enterprise, based on a cost-sharing arrangement on the part of the aircraft manufacturer and a royalty repayment by airlines providing supersonic service with this new aircraft.

The FAA has also announced plans, just this week, to launch a design competition leading to the development of a new short-haul transport aircraft capable of replacing the venerable, but aging, DC-3's. This project of great importance to hundreds of communities, not only in this country, but throughout the world, would involve an expenditure of $300,000 in taxpayer funds to spur a design competition next year.

While the various FAA regions and installations throughout the Nation are celebrating in various ways, here in the Nation's Capital the Agency is acknowledging this landmark date by having open house at Dulles International Airport from 10 a.m. to 4 p.m. on Saturday and Sunday.

I hope that many people in the Washington area will be able to join with the FAA in celebrating its fifth anniversary at Dulles International Airport this weekend.

Aviation plays an ever-growing role in the economy. Its contribution to our economic well-being is readily proved by statistics. Not so readily discernible, however, is the contribution which a healthy and expanding U.S. aviation industry is making on behalf of peace and international understanding. The freer and faster movement about the world of citizens and leaders of all nations has revolutionized the art of diplomacy. Air travel and transport has, in the last two decades, contributed immeasurably to better understanding and to greater commerce among nations. It has permitted more realistic accommodation of differences between distant nations and distant peoples who are no longer isolated from each other by days or weeks or months of travel. The Federal Aviation Agency has played an important part in making possible this welcome trend toward comity among people, among States, and among nations.

The first 5 years of the FAA have been years of rapid growth to meet fast-developing needs. In the years ahead, these needs will continue to grow. The employees of the FAA will face new challenges and new opportunities for service. On this fifth anniversary, all who have contributed to its present stature deserve our thanks, our felicitations, and our good wishes.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. ROBERTSON. Mr. President, at the inception of our first foreign-aid program, known as the Marshall plan, I was one of its most enthusiastic supporters. During my 10 years of service on the Ways and Means Committee in the House, which extended from 1937 to 1946, I had made an exhaustive study of foreign trade in connection with the Hull reciprocal trade agreements program because Virginia producers of farm products, and especially tobacco, had such a vital stake in the restoration of the foreign markets our farmers had enjoyed prior to the international trade war that had been touched off by the passage of

the Hawley-Smoot Tariff Act in 1930. The purpose of the Hull reciprocal trade agreements program, of course, was to negotiate bilateral trade agreements, under which we would reduce our tariffs on some product of which the negotiating nation was the principal supplier in return for an appropriate reduction on our export to that nation of products of which we could be the principal supplier.

But before that well-conceived plan to stimulate our foreign trade could become effective, trade with our European nations was disrupted by World War II. After our entry into that war, we furnished food, medicine, and clothing to our allies, along with a vast amount of military supplies. At the end of that war, our best European customer—Great Britain—was in desperate need of funds with which to repair war damages, and the same was true of all of our other World War II allies. Although the bill was handled by the House Banking and Currency, of which I was not a member, I was assigned the duty of opening the debate in the House on a bill to make a very large loan to Great Britain.

Incidentally, I may pause to say that I went to Palm Beach, Fla., to confer with Winston Churchill, who had been turned out as leader of the Conservatives. I was very uneasy about making this much money available to the Labor Party, because I thought a great part of it would go down the drain of socialistic enterprises. After a 2-hour conference with the now great Sir Winston Churchill, one of the greatest statesmen, and certainly the greatest orator, of our day and age, he urged me to support the bill. So I came back to Washington and, as I have said, opened the debate on the bill to grant a large loan to Great Britain, which the Congress passed.

The value of that extension of credit to Great Britain, which enabled it to resume its buying from us, was so apparent that in April of 1947 I made a radio speech, which was broadcast from coast to coast by the American Broadcasting Co., in which I advocated rehabilitation loans to all of our allies in World War II. I sent a copy of that speech to the then Secretary of State, the distinguished George C. Marshall, who, on the following June 5, made at Harvard, what has become an historic speech, in which he advocated a program of financial rehabilitation for the war-torn countries of Europe, which had been our allies in World War II. The details of that aid plan were not spelled out in that speech. Unfortunately, for us, they were filled in by the three principal recipient nations—Great Britain, France, and Italy.

That, of course, was the first major mistake we made in our well-conceived foreign aid program; namely, we let three European nations allocate the funds that we were to furnish and use their own discretion as to how they were to be spent, and that discretion, of course, included full credit to the politicians in power in each nation for the money being spent, but no credit whatever among the rank and file of the people of the recipient nations for our unprecedented generosity.

Mr. President, my enthusiasm for the principle of the Marshall plan, both as a deterrent against the spread of communism, and, likewise, as a practical way of promoting a sound reestablishment of our exports was such that I committed the unforgivable error, as a junior member of the Senate Appropriations Committee, of openly opposing an amendment to the budget item for foreign aid in 1948 made by the then elderly chairman of that committee, Senator McKellar of Tennessee. A substantial majority of the committee was opposed to the McKellar proposal to cut the amount of foreign aid, and undoubtedly would have voted against the McKellar amendment without any argument on the subject, but my impetuosity in behalf of the program cost me the resentment of the powerful chairman of that committee, and to my chagrin, I afterwards learned that the chairman of the committee was right and I was wrong with respect to the amount of the aid that we were then furnishing.

Mr. President, I learned more about the program when other members of the Senate Appropriations Committee and I went to Europe in the fall of 1949 and visited all of the European countries sharing in the program, and also Spain, which had been denied participation in the program by Great Britain, France, and Italy, which, as I have previously indicated, were in complete control of the money that we were furnishing.

During more than a month of intensified study of the operation of the Marshall plan, I learned, and with genuine distress, that the program was marked by waste and inefficiency, and that while it was making a real contribution to the rehabilitation of our previous European allies, we were getting no public credit whatever for the aid that we were furnishing. Consequently, when I got home, I gave a statement to the press commenting on the waste and inefficiency; I recommended that the program be cut by at least a billion dollars; and that it be terminated in not more than 2 additional years. On December 4, 1949, which was immediately after my return from Europe, I wrote this letter to Hon. Paul G. Hoffman:

DECEMBER 4, 1949.

Hon. PAUL G. HOFFMAN,
Administrator, Economic Cooperation Administration, Washington, D.C.

DEAR PAUL: As the result of slightly more than a month in Western Europe, I feel that I have gained a better understanding of some of our economic and military problems in that part of the world. Surface impressions, of course, can be erroneous but, in addition to attending all official meetings, I made it a practice in each country to interview as many as I could with no Government connections, hoping thereby to get an accurate cross section of opinion.

My visit to Europe has definitely convinced me that ECA was soundly conceived as an integral part of an overall peace program and has been as efficiently administered as so vast a program in a large number of foreign countries could hope to be. Our primary objective of stemming the onrushing tide of communism has been achieved.

The people of Western Europe now have, in an amount sufficient for a sustained effort, the three essentials of life—food, clothing, and shelter. Their productive capacity has not only been restored but in all countries, except Germany and Greece, slightly exceeds the prewar level. Their chief problem now is one of exchanging items of which they have a surplus for items they do not possess or which are in short supply. In other words, the economic stability of Western Europe is now more dependent upon economic integration than upon our further dollar aid. The small nations of Western Europe favor economic integration but France and Great Britain pay lipservice to it only.

While there may be some lowering of trade restrictions in Western Europe before our aid ends, my present impression is that the program will be quite inadequate. The trend undoubtedly will be to unilateral trade agreements or small grouping, like Benelux, but nothing approaching free trade in Western Europe or free currency convertibility.

Anti-Communist governments are now safely entrenched in the area in question and have the ability, with such military aid as may be given them under the Atlantic Pact, to make it tough for a potential aggressor. But if the people of a given country do not prize their personal liberty enough to fight for it, American gold will not put that divine spark in their hearts.

I think that we have assumed at least a moral obligation to continue the ECA program through fiscal 1952. In fact, I personally feel that our own best interests would require us to do so. But I likewise feel that the time is approaching when we can make a substantial reduction in the dollar aid. When we told foreign representatives that our national debt was approaching $260 billion and that we would probably end the current fiscal year with a deficit of $5½ billion it left them unimpressed. They seem to think we have the Midas touch and if we don't convert things into gold for them, it will be because we are selfish and want them to be underlings.

But I am deeply concerned over the fact that in the last few years, excluding strictly war expenditures, we have spent more than during the period from President George Washington to President Truman. I am convinced that if we go broke, which is a possibility, there is not a nation in the world that would lend us a thin dime. Consequently, as a member of the Appropriations Committee during the 2d session of the 81st Congress, I shall make the best fight of which I am capable for a reduced budget. Such a fight, of course, must include the next appropriation for ECA. I hope it will be feasible for us to limit it to about $2½ billion and end it the following year with about $1 billion.

This is what I wrote in 1949:

I realize, of course, that when the program ends, we will be cordially disliked in Europe and in some sectors actively hated. But Europe does not have our system of private enterprise as a stimulant to production, and never will; it does not have our area of free trade; no one country is so nearly self-contained with respect to raw materials as we; and, for other reasons needless to be enumerated, Western Europe did not have our standard of living before either of two world wars and will never have it in the foreseeable future unless we are foolish enough to spend ourselves into bankruptcy.

I wrote this 14 years ago:

As a means of curtailing ECA expenditures, I would recommend that ECA make no more loans, referring those who wish to borrow to the World Bank or the Export-Import Bank. We can't expect any European nation to go to the World Bank for 4½ percent money if we set up an agency to lend it at 2½ percent and possibly with a tacit understanding that it will never be repaid.

That reminds me of the statement made yesterday on the floor of the Senate by the distinguished Senator from Alaska [Mr. GRUENING], when he said that more than a billion dollars had been loaned for three-quarters of 1 percent interest, and that we would lose, on the basis of the difference between what we paid and what we would get back, nearly $1 billion before the loan would become due.

The Senator also quoted the Foreign Minister of Costa Rica as saying that his country had received a 40-year loan, but with the understanding that it would never be repaid.

I continued, in my letter:

We should make every effort to establish satisfactory trade with India, from which country we can receive acceptable imports in exchange for surpluses we need to dispose of.

In the interests of a more stable world we should urge all nations who hold British war debts to refund those debts on a long-time basis and at an appropriate rate of interest. The labor government of Great Britain will never realistically face the problem of competition in world markets so long as she can keep members of the labor unions employed in the production of high-priced goods for sale to sterling areas.

Spain desperately needs our wheat, cotton, and machinery, and never in her history has Spain defaulted on a debt. I would like to see Spain given an Export-Import Bank loan with a gentleman's agreement that the funds would be expended for the items mentioned.

When you have had an opportunity to reflect upon these suggestions, I shall welcome your reactions. As I said in the outset, they are merely surface impressions based upon an inadequate study, but I don't believe all of them can be wrong.

Cordially yours,

A. WILLIS ROBERTSON,
U.S. Senator.

I, of course, do not know what efforts Mr. Hoffman made to carry out my suggestions about freer trade and currency convertibility among the nations of Western Europe. All I know is that nothing worthwhile in that behalf was accomplished. I also know that as a member of the Appropriations Committee in 1950, I participated in the fight to cut the foreign aid program by a billion dollars as I had recommended during the previous December. And, it was then clearly understood that the program would end on June 30, 1951.

Mr. President, that was 12 years ago. Since that time, the program has had first, and then another, name, and the annual expenditures under it have been increased instead of decreased and the total of expenditures now amounts to something over $100 billion.

Senators will observe that in my letter of December 4, 1949, to Paul Hoffman I said that our national debt was approaching $260 billion. In the morning papers of October 30, I read that the Ways and Means Committee of the House, which in many respects is the most vital committee of the entire Congress, voted to increase the ceiling on the national debt to $315 billion because the debt now stands at $308 billion and there are those who believe that it will go to $320 billion, should an $11 billion tax cut be added to a possible $8 billion deficit in the current fiscal year. And, as our national debt goes to astronomical proportions, the foreign holders of nearly $26 billion of our dollars which they are entitled to have converted into gold are becoming more and more uneasy about the ultimate value of those dollars. As I have indicated, I made an effort 14 years ago, first to reduce and then to end completely, our foreign aid giveaway program because over 90 percent of the aid had been in grants and the other in low-interest loans, many of which will never be repaid. When I proposed a billion dollar cut in the program in 1950, Administrator Hoffman said that I was proposing to cut the heart out of the program. There has not been an administrator of the program since Hoffman who has not yelled long and loud that any substantial cut of an ever-increasing budgeted amount would cut the heart out of the program. Yielding to such importunities, Congress has given away and loaned such tremendous sums, under the pleasing name of foreign aid, that what was termed in the Paul Hoffman days "a dollar shortage" has in this good year of our Lord become for us a dollar drain on our rapidly diminishing gold supply. So we have pending on the Senate side two bills, which are closely related: first, a bill proposing an $11 billion cut in taxes, which will entail a temporary cut in a similar amount in revenue; and second, a bill calculated to further increase the acute balance-of-payments problem by authorizing the administration to lend and give away an additional $4 billion of taxpayers' money and that spending plan is presented to us with the insistent claim that it would cut the heart out of the measure even to agree to the cut carried in the House authorization bill of $500 million, which would still leave nearly a billion more than we appropriated for foreign aid 14 years ago when the need for our aid was at its peak.

Since the beginning of the foreign aid program, the American taxpayer has shown remarkable restraint and unprecedented generosity in providing funds not only for the reconstruction of war-torn Europe through the Marshall plan, but also through various grant programs to many nations for such humanitarian purposes as food for the starving, malaria control, assistance for education, and other humanitarian programs to assist in defending many nations from the harsh burdens of poverty and in providing a sine qua non for economic growth. I have recognized the contribution of foreign aid to the basic national interests of the United States in a world of independent, peace-loving nations, each pursuing its own national goals and all together engaging in trade and investment among each other in the great tradition of private enterprise and unrestricted exchange of goods and services. Yet the current debate on the pending $4.2 billion foreign aid bill before the Senate requires me to speak out in the name of fiscal soundness and plain commonsense to urge upon Senators that now is the time for a searching reappraisal of the entire foreign aid program.

More and more we hear from every side concerned about the level of our foreign aid in the light of the confusion and maladministration of that program in country after country. The President's own foreign aid adviser, General Clay, after a careful review of the program, declared in his report to the President:

We are trying to do too much for too many too soon, that we are overextended in resources and undercompensated in results, and that no end of foreign aid is either in sight or in mind.

Moreover, the foreign aid program in many ways has failed to foster our traditional values of free enterprise in the countries to which it is directed. While free world private trade and investment totals have expanded to unprecedented levels in the postwar period and promise under wise policies to grow even more vigorously, our own foreign aid efforts have, except in Western Germany, failed to enlist the support of this vaunted system that has brought our country to unparalleled prosperity and material strength.

But a critical examination of the foreign aid program is long overdue not only for the above reasons but also, and most importantly, because there are clear signs in our balance-of-payments problems that the Federal Government is overextending its resources in foreign aid spending. Those resources might better be devoted to putting the Government's budgetary programs in order, and thereby—through both reducing the balance-of-payments deficit and reducing the Government's budget deficit—restore business confidence and provide business incentive for the further expansion of economic activity at home and expansion through private channels of our foreign trade. There is a danger that in our preoccupation with Government programs labeled "foreign economic aid," we overlook the historic and continuous revolution taking place in the world through private trade and investment. The time has come when we should concentrate on our policy to the world the American revolution of technological progress, increased technical competence of labor and management, and the resulting rising material living standards which we in this country have come to expect as a matter of course.

As I have said, the administration proposes another $4 billion plus in foreign aid spending and at the same time proposes a tax cut of $11 billion with a resulting budget deficit variously estimated between $8 and $10 billion, and acknowledged by Secretary Dillon to be likely to continue for several so-called "transition years" during which the economy is expected by the administration to experience an increase in its growth rate. Thus, under the administration program, we are to expect to be faced with a balance-of-payments deficit that so far has been little, if any, reduced, and also with a Government budget deficit that is expected to continue for several years.

There is no question that the balance-of-payments problem facing the United

States today is of serious proportions. The Secretary of the Treasury himself testified before the Joint Economic Committee earlier this year that even at a rate lower than the present one, we cannot afford this international payments imbalance for more than a year or two.

The foreign aid program cannot soundly be considered apart from this balance-of-payments problem. I need not review for Senators today the history of the balance-of-payments deficit. Suffice it to say that claims of foreigners and international agencies on our gold stock now total $25.5 billion. Over the past 13 years the balance-of-payments deficits have amounted to $26 billion. To finance them, we have sold about $8 billion of gold, and foreigners have taken the rest in an $18 billion increase in their short-term liquid claims on us. The current gold stock of about $15.6 billion leaves less than $3.5 billion of free gold above the $12.2 billion required to back our money supply. This in the face of foreign short-term claims totaling more than $25 billion.

A pamphlet entitled "Gold," recently released by the Federal Reserve Bank of Philadelphia, says:

> A continuing loss of gold by the United States could disrupt international trade and the monetary systems of friendly nations, impair the Federal Reserve's ability to fight domestic recessions and "shake confidence in our political leadership of the free world."
>
> Several possible ways to lessen foreign purchases of the Nation's gold are listed by the Fed. These are to:
>
> Increase foreigners' dollar payments to us by selling them more goods and services.
>
> Decrease U.S. dollar payments to foreigners by cutting back investments, purchases, and aid payments abroad.
>
> Induce foreigners to keep more of their excess dollars invested here, instead of buying gold with them. This can be done through higher interest rates and by dispelling fears that the United States will increase the dollar price of gold—in other words, devalue the dollar.

Mr. MORSE. Mr. President, will the Senator from Virginia yield?

Mr. ROBERTSON. I yield to the Senator from Oregon.

Mr. MORSE. I commend the Senator for his able presentation of the gold problem and the balance-of-payments problem connected with the bill. I agree with him; it is one of the unanswerable propositions that we who are opposed to the bill are presenting. It is an issue that the administration and the proponents of the bill are not willing to face, and never have faced, in the consideration of the bill.

Mr. ROBERTSON. The Senator from Oregon is eminently correct. I have been worrying with this problem since the speech I made on it on the floor of the Senate last March.

Mr. MORSE. The administration and the proponents of the bill want to sweep under the rug the balance-of-payments argument in its relationship to foreign aid.

Mr. ROBERTSON. The Senator is correct.

Mr. MORSE. We cannot spend and continue to spend for foreign aid with such a large percentage of grant money and such a large percent of three-fourths percent, 10 years'-grace, no-payments-at-all loans without doing severe damage to the gold structure of the United States and without intensifying the balance-of-payments problem.

No matter how unpopular it may be at the moment, we must say to the American people, "You are being taken for a ride."

If we continue foreign aid at the level at which we have been providing it and on which we have been asked to continue it in connection with this bill, we shall continue to weaken the gold structure of the United States, endanger its economy, and commit a great wrong against the people of the United States.

I will not vote for the bill until the adoption of some amendments which deal with the basic issue the Senator from Virginia is raising. I know of no more basic issue.

The Senator from Virginia and I and others who take this position are dealing for the most part with economic abstractions and economic abstract principles; but those abstract principles determine the economic level of living of the American people. So we must try to make them understand the relationship between these economic laws and their own economic security. It is difficult to do that, and it calls for a very large amount of objective thinking. That is why we find it difficult to make ourselves understood.

So we must continue to talk and talk and explain and explain, as the Senator from Virginia is doing so ably today, so the American people will realize that we are really fighting for the preservation of their security, because we are fighting to keep the U.S. economy strong. It is clear that our Nation's economy is its greatest defense weapon.

We must stop weakening the national economy, and we must stop supporting inefficiencies and shocking wastes in the foreign aid program—inefficiencies and wastes which we have been trying to point out in the course of the speeches we have been making on the foreign aid program.

We must say to the administration, "You should be supporting the amendment which proposes to bring the entire existing program to an end by the end of 1965, and then begin it over again, but do so on the basis of the guidelines for which we have been pleading, whereby the countries to be aided will have to express their willingness to meet the terms and conditions which should be laid down, before they will receive $1 from us."

That is what the administration should accept; and I am at a loss to understand why the administration does not do so.

The Foreign Relations Committee has brought in a report which accepts the principles we stress; and in its report the Foreign Relations Committee warns the administration that it should do something about this matter before the end of 1965. However, as I have said, although the Foreign Relations Committee admits the justification for our major criticisms of the program, the committee asks the Senate to support the administration's desire to continue the program. Mr. President, that would be nonsense. The time has come to correct the program before we authorize or appropriate one more dollar for it.

Mr. ROBERTSON. Mr. President, I thank the Senator from Oregon. At the conclusion of my remarks, I intend to state that I will support his motion to recommit the bill, for further study and for necessary revision.

I have not gone into all the details of the waste involved; but before the Senator from Oregon entered the Chamber, I referred to a study I made of 14 European countries in the fall of 1949, in connection with the Marshall plan. When I returned, I was greatly discouraged by the waste and inefficiency I saw at that time—so much so, that I called them to the attention of Paul Hoffman, the Administrator, in a long letter I wrote to him. I said to him, "We are appropriating too much; we should cut it to $2,500 million"—a $1-million cut. He replied, "Any cut at all would take the heart out of all of these countries."

We cut the program to $2,500 million in 1950, at the peak of the need to rehabilitate the war-torn countries.

But now, 14 years after I made that report, we are asked to appropriate $4,200 million in addition to a pipeline of $8 billion of unexpended funds.

I have not gone into the question of waste, although I know it exists. As I have said, 14 years ago, I convinced myself that there was very great waste; and ever since then I have been advocating economy in the program and ending the program.

But now, as chairman of the committee which administers the laws under which we coin money and fix its value, I have the solemn duty to put the Senate on notice that, on the basis of the information I have received concerning the potential drain on the $3,500 million of free gold over the 25 percent needed to back our currency, if we do not put the soundness of our currency and the protection of our gold supply above playing Santa Claus to 100 nations, we shall go broke.

Mr. MORSE. Mr. President, I am glad the Senator from Virginia has pointed that out, because he speaks as chairman of the Senate Banking and Currency Committee, and I know of no one who is more familiar with all the problems which face the economic structure of the country than is he.

I am also very glad that he has referred to the amount of money in the pipeline, because some powerful lobbies are at work. As I speak, I notice in the galleries representatives of many groups—representatives of the League of Women Voters, the Association of American University Women, and various other groups. They are "putting on the heat"; but, as I have said repectfully and politely to them, they could not pass an elementary examination on the facts involved in our foreign aid program. The sad fact is that these lobbies have accepted dogma, and those who represent the lobbies do not have the facts about U.S. foreign aid. For the most part, they are talking in terms of emotionalism, not facts.

Mr. ROBERTSON. Yes. They say, "the United States is rich, and the other countries are poor; so why do we not share what we have with them?"

But I point out, as a case in point, that in Africa, under the guise of democracy, we are supporting some of the most outrageous advocates of dictatorship since the days of Hitler.

Mr. MORSE. Yes.

I have talked with some of the lobbyists, and have asked them, "How much is in the pipeline?" Then I found that they did not even know what the pipeline was; they did not know, as the Senator from Virginia has pointed out that there is now $8 billion in the pipeline.

Mr. ROBERTSON. Yes.

Mr. MORSE. In short, we could postpone for 6 months or 12 months our action on this bill and do no harm.

However, a "rush act" is on; and those who are conducting it think they will be able to silence our demands to cut the bill by some billion dollars. However, we need to take up the bill section by section and paragraph by paragraph.

I say to the representatives of the League of Women Voters and to the Association of American University Women and to the foreign policy associations, who apparently have been called here to "put on the heat," that what they need is a seminar on foreign aid, so as to become enlightened in regard to what is involved in the foreign aid program. Before they ask U.S. Senators to vote for their dogmas, they should stop long enough to realize that we have a trust which they do not have; we have the trust of casting our votes here in the Senate on the basis of the facts and the issues as we find them.

I say to the lobbyists, "I am very glad to have any factual information you can give me, but I am not interested in, nor will I ever be deterred by, any suggestion that it might be to my political advantage to follow the dogmas you advocate."

I say good naturedly to the ladies who represent some of these groups that I am moved by the spirit of chivalry when I say that one of the most chivalrous suggestions I could make to them is that they register for a seminar refresher course on what is involved in foreign aid.

Mr. ROBERTSON. Mr. President, I appreciate the contribution to clearer thinking on the subject that has been made by the distinguished Senator from Oregon.

To return to my discussion of the seriousness of the problem of balance of payments, in a speech to the annual convention of the American Bankers Association on October 9, I spoke of my concern that the administration so far has emphasized short-term stopgaps without going to the roots of the balance-of-payments problem. The President's July 18 statement of administration policy concerning the balance of payments placed major reliance on increased short-term interest rates and a further export expansion drive. Rising interest rates normally reduce output and employment if pursued to sufficient lengths, but the administration counts upon the proposed tax cut of $11 billion to prevent output and employment from suffering. There is already some evidence that the increase in short-term interest rates may be spilling over into longer term rate levels. If this tendency persists, the administration may have employed a remedy for the balance-of-payments problem that creates a new malady of increased unemployment and reduced output. The administration further provided more tying of military aid and foreign economic aid spending to purchases in the United States. And it seeks to reduce the balance-of-payments impact of its foreign spending programs by the sale of military assets abroad, such as the sale of land that we have bought in Germany, which we shall sell and buy back again. We shall sell them military hardware from some of our large supply depots in Western Europe. It seeks further to reduce the impact by various prepayment arrangements for foreign loans, and by offset agreements with NATO nations having U.S. troops within their borders. The administration proposes a new tax on foreign securities sales to check private capital outflows.

In my opinion, these measures ease without curing. I am convinced that our balance-of-payments policies require careful reappraisal. They should be accompanied by an equally searching reappraisal of Government spending policies which will, in the current fiscal year, reach an all-time high and include new programs with "escalator" clauses. The two are intimately related. To avoid a needed rethinking of Government spending policies at home, we are letting the balance-of-payments problem push us away from freedom of trade and investment, away from private enterprise in world trade toward more government in foreign economic affairs, and toward more tying of private exports to Government spending abroad, with all the dangers this may bring. Already, instead of reducing Government spending abroad to the minimum, we plan to tax private investment abroad. And the administrator of foreign aid is arguing that we cannot cut foreign aid because that will also reduce our exports.

Take exports, for example, where our promotion campaign has had few concrete results. There is a long list of possible measures. These include cuts in ocean freight rates and export taxes, restudy of our antitrust laws regarding exporters, and increased technical assistance. There is a vast area of nontariff restrictions on trade to negotiate away. There are the restrictions on tourist spending by our trading partners which prevent travel here. It is time to urge and help Europe to develop its own capital markets.

To further the prospect of achieving results in these areas, I have written to the Department of State on the subject of travel restrictions and to the Federal Maritime Commission on the subject of the impact of ocean freight rates. In the face of our freight rates, which are unjustly discriminatory between American exporters and their foreign competitors and are in some cases so high as to be detrimental to the commerce of the United States, we find our ships tied up by maritime union strikes which occur because of the flimsiest and most puzzling reasons.

Mr. President, I ask unanimous consent to submit for the RECORD at the end of my remarks my correspondence with the Department of State and the Federal Maritime Commission and other documents that relate to our shipping problems.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ROBERTSON. To return to the crucial subject of the balance-of-payments problem as a whole and the administration's policy concerning that problem, what is needed is not so much more ingenuity on the part of Government technicians as it is more confidence in the soundness of administration policy both by businessmen at home and by oversea dollar holders. I am convinced that a reduction in foreign economic aid and foreign military aid would make a greater contribution to solving the balance-of-payments problem than would more complicated and ingenious technical devices such as we have seen in recent years developed by the Treasury.

Despite the administration's ingenious actions to borrow time in which to solve the balance-of-payments problem and to fend off the danger of a crisis of confidence on the part of foreign dollar holders, the defenses of the dollar that have been developed during the past few years are not impregnable and do not solve the pressing problems of policy that we face.

Neither can we solve the balance-of-payments problem by juggling figures. The Wall Street Journal, in its issue of Thursday, October 31, contains an article that describes how the administration is confused about how to calculate the balance-of-payments deficit as a result of the measures which it has taken to reduce that imbalance.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the article, "While United States Wrestles Payments Deficit, Economists Fuss Over How To Figure It," from the Wall Street Journal for October 9.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. ROBERTSON. In brief, the problem arises because the Treasury has negotiated medium-term borrowing arrangements with foreign central banks. Such Treasury bonds of 15- to 24-month maturity which are sold to the foreign central banks, however, must contain a clause that permits the foreign central banks to convert the bonds into dollars on 4 days' notice. The reason for this provision in most cases lies in the monetary laws of the foreign countries, which prevent their central banks from investing in long-term securities in order to assure the liquidity of those vital governmental central banks' assets. Now we find that the administration does not know whether to count the foreign bond sale as short-term liquid liabilities of the United States because they legally come due on 4 days' notice, or whether to count them

as a long-term foreign capital investment in the United States.

Mr. President, these medium-term bonds of the U.S. Treasury, in fact, come due in 4 days at the option of the holder. Whether we now think that foreign nations are going to hold these bonds until maturity or not, the matter is for them to decide and not for us to decide. They are our creditors.

Mr. President, the confusion of the administration over our balance-of-payments statistics is only another example, although it is a vivid one, that what we need to solve our balance-of-payments problem is not more ingenuity but more sound fiscal responsibility on the part of the administration. A part of this fiscal responsibility is to tailor our foreign economic aid program to fit our economic resources and to fashion that program to serve the national interests of the United States and to administer that program with a minimum of confusion, delay, and cross-purposes.

We will imperil the soundness of our own currency and hazard our economic future if we do not reduce our foreign aid spending. I hope the present bill will be cut by at least $1,800 million, as I recommended last March.

Mr. President, the bill should be recommitted for further study and revision.

EXHIBIT 1

FEDERAL MARITIME COMMISSON,
Washington, D.C., October 16, 1963.

Hon. A. WILLIS ROBERTSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ROBERTSON: This will acknowledge receipt of your letter dated October 10, 1963, in which you discuss the impact of ocean freight rates on the balance-of-payments problem, the need to increase our exports, and in which you request that I discuss the possibilities of securing reduced shipping rates which would tend to stimulate our exports.

The Federal Maritime Commission is aware of the vital impact which the level of freight rates in our foreign commerce has upon our export expansion program and balance-of-payment problem. The Commission is now actively undertaking a program, within its authority and jurisdiction as contained in the Shipping Act, 1916, to eliminate wherever possible freight rates which have an adverse effect upon American exporters. Provisions of the Shipping Act make unlawful rates which are unjustly discriminatory between American exporters and their foreign competitors, or which may be so high as to be detrimental to the commerce of the United States. Under the authority of these statutes the Commission has already instituted a formal investigation into the level of rates on iron and steel products and is actively undertaking studies of freight rates on additional commodities. Whenever it appears necessary, the Commission will undertake further formal proceedings and take appropriate steps to assure that export freight rates are not an unreasonable burden upon our export expansion program.

Sincerely yours,

JOHN HARLLEE,
Rear Admiral, U.S. Navy, retired,
Chairman.

DEPARTMENT OF STATE,
Washington, D.C., October 16, 1963.

Hon. A. WILLIS ROBERTSON,
U.S. Senate.

DEAR SENATOR ROBERTSON: I am glad to be of help on the questions you raised in your letter of October 10 concerning currency restrictions imposed by the more industrialized countries on their residents who wish to tour abroad.

Over the past several years the United States has pressed both bilaterally and in the forums of the International Monetary Fund and the Organization for Economic Cooperation and Development for the removal of restrictions which have served to limit the numbers of Europeans and others visiting this country. A large measure of success has been achieved in this area. For example, 5 years ago French tourist expenditures were wholly subject to license, British tourists were limited to an annual expenditure of $334 per person, Italian tourists to $520 per person, and Netherlands tourists to $554 per person, with any additional expenditures abroad by residents of these countries subject to individual licensing. These countries as well as most of the other industrialized countries have now liberalized these restrictions. In addition to Germany and Belgium, which had no restrictions 5 years ago, the Netherlands, France, Italy, and the United Kingdom currently all permit tourist expenditures freely. In some cases there are checks to verify the bona fides of the case with a view to preventing illegal transactions of other sorts, with actual expenditures for tourism in fact unlimited.

Japan still represents an important exception. Japan grants no automatic allowances for tourist travel abroad at this time. However, it has recently eased restrictions on the use of foreign exchange for business and student travel and there are signs that further liberalization is to come. Japan's announced intention to make the yen convertible for current account transactions beginning sometime in the spring of 1964 should result in further relaxation of existing restrictions.

While the achievements in liberalization of controls over tourism to date have been impressive, the Department of State is, of course, continuing to work for the further reduction of remaining restrictions as the improved financial condition of countries abroad permits.

We are enclosing two tabulations which will indicate the 1963 and 1958 status of regulations over tourist expenditures practiced by the principal industrial countries. A comparison of these two tables will demonstrate the substantial progress made in removing restrictive regulations. Please do not hesitate to get in touch with us should you require additional information.

Sincerely yours,

FREDERICK G. DUTTON,
Assistant Secretary.

Tourist allocations for residents of the more industrialized countries

Country	Automatic foreign exchange allocation [1]	Additional allocation per journey in domestic banknotes (unless otherwise specified this allocation may be exchanged and spent abroad)
1958		
Austria	$275 per person per year; ½ this amount for children	$385.
Australia	$700 per person per year	None.
Belgium	Unlimited but verification of legitimate tourist status required	(See preceding column.)
Canada	Unlimited	Unlimited.
Denmark	$100	Determination by individual application.
France	Under license	Travelers permitted to take out 20,000 francs.
Finland	$125 per person per year	$112.
Germany	Unlimited	Unlimited.
Greece	$150 per person per trip	$5.
Ireland	$280 per person per year; ½ this amount for children	$28.
Italy	$480	$40.
Japan	Under license	Under license.
Luxembourg	Unlimited	Unlimited.
Netherlands	$504 per person per year	$50.
New Zealand	$380 per person per year	$25.
Norway	$280 per person; $70 for a child under 12	$50.
Portugal	Unlimited	Unlimited.
Spain	$50 per person per year	$16.
Sweden	$1,000	$250.
Switzerland	Unlimited	Unlimited.
Union of South Africa	$1,400	$1,125.
United Kingdom	$280 per person per year; ½ of this amount for children under 12	$54.
1963		
Austria	$577 per journey	$500.
Australia	$4,400 per traveler per year. Additional amounts are granted subject to the verification of the bona fides of the case.	Individual application evaluated for determination.
Belgium	Unlimited	Unlimited.
Canada	do	Do.
Denmark	do	Do.
Finland	$252 per person per trip	Nil.
France	Unlimited. The equivalent of $1,200 per journey is granted automatically; additional amounts are granted on request subject to verification of the bona fides of the case. There is no restriction for French residents whose foreign tourist expenses are paid on their behalf by travel agencies licensed by the Ministry of Public Works, Transport, and Tourism. Residents may also export the equivalent of $150 in foreign banknotes left over from previous journeys abroad.	$150.

Tourist allocations for residents of the more industrialized countries—Continued

Country	Automatic foreign exchange allocation [1]	Additional allocation per journey in domestic banknotes (unless otherwise specified this allocation may be exchanged and spent abroad)
1963		
Germany	Unlimited	Unlimited.
Greece	$266 per journey	$33.
Ireland	Unlimited. The equivalent of $706 per journey is granted automatically; additional amounts are granted on request subject to verification of the bona fides of the case.	$140, which may not be exchanged abroad.
Italy	Unlimited. Additional amounts are granted automatically by local banks for legitimate tourism.	$80 u/a.
Japan	Subject to license	Nil.
Luxembourg	Unlimited	Unlimited.
Netherlands	Unlimited. The equivalent of $830 per journey is granted automatically in foreign and/or national currency. An additional allocation equal to $42 is also granted automatically for each additional day after 14 days of travel, up to a total amount equal to $3,781. Further unlimited amounts are granted on application.	(See preceding column.)
New Zealand	$1,665 per year. For children under 12 the allocation is reduced to $1,154	Individual application evaluated for determination.
Norway	$500 per year. For children under 16 the allocation is reduced to $250	$25, which may not be exchanged abroad.
Portugal	Unlimited	Unlimited.
Spain	$275 per year. Additional amounts are granted to Spanish residents whose tourist expenses abroad are paid on their behalf by approved travel agencies.	$50.
Republic of South Africa	$2,800 per year. For children under 12 the allocation is reduced to $1,120 per year.	Unlimited for bona fide tourist use.
Sweden	$1,160 per journey in foreign and/or in national currency	(See preceding column.)
Switzerland	Unlimited	Unlimited.
United Kingdom	Unlimited. The equivalent of $840 per journey is granted automatically; additional amounts are granted on request, subject to verification of the bona fides of the case.	$140, which may not be exchanged abroad.

[1] Where the amount is limited, the cost of a return or round-trip tricket can usually be paid in national currency to a foreign or domestic air or surface carrier without deduction from the allocation.

EXHIBIT 2

[From the Wall Street Journal, Oct. 31, 1963]

FIGURE FEUD: WHILE UNITED STATES WRESTLES PAYMENTS DEFICIT, ECONOMISTS FUSS OVER HOW TO FIGURE IT

(By Richard F. Janssen)

WASHINGTON.—As if the Government's presistent international balance-of-payments problem weren't complex enough, Federal officials now are entangled in an intramural squabble that at least one top Treasury expert considers "damn silly" though, nevertheless, quite pertinent—just how do you figure the payments deficit?

The balance-of-payments problem is one that's never been dismissed as financial child's play, but while the situation itself has become much more difficult this year so has following the statistics by which it is measured. Depending on which set of official Government figures one cares to use, it can be proven that the deficit in the first half this year ran at an annual rate of a ponderous $4.5 billion, or $4.2 billion, or a less worrisome $3.2 billion.

At a time when the degree of the deficit's gravity is a vital consideration in shaping major domestic and foreign policies, the freedom of statistical choice is particularly inappropriate. Unless someone quoting figures hobbles his speech with such awkward qualifications as whether sales of nonmarketable convertible medium-term bonds are treated as a liquid liability or a long-term capital inflow it can be hard to tell if things are getting better or worse. And even then, few find it very easy.

DILLON'S FORECAST

Thus recently Treasury Secretary Dillon estimated the payments deficit for all this year would total roughly $3 billion. That looks fine when matched up against the first-half pace, no matter which set of figures you choose. But because the Secretary didn't specify the basis he used it wasn't clear at the time whether the 1963 outlook was cause for optimism or pessimism. Depending on the statistics, the 1962 payments deficit amounted to either $3.6 billion or $2.2 billion.

Paradoxically, it is the administration's effort to deal with the deficit that has brought the Treasury versus Commerce dispute over how to compute it. Basically, the United States incurs a payments deficit when the total dollars that the Government and the private citizens spend, lend or donate abroad exceeds the total dollars coming back into the country from all foreign dealings.

The problem is worrisome for many reasons. One is that in order to preserve confidence in the stability of the U.S. dollar, the United States pledges to sell gold to foreign central banks at the fixed price of $35 an ounce. This means that the dollar can be freely used in world trade with the assurance that it is as good as gold. But foreign governments and central banks frequently do exercise this right to buy U.S. gold with the surplus dollars they accumulate. This has brought the U.S. stock down to less than $16 billion, and around $12 billion of that is legally required to back domestic U.S. currency. While no one in Government thinks it likely to happen soon, foreigners could show up with dollars entitling them to buy about $24 billion of U.S. gold—more than exists.

The Government is taking many steps to bring the dollar inflow and outflow into something close to balance. Among them: Requiring that nearly all new foreign aid money be spent for products in the United States, cutting military spending abroad, campaigning for higher exports, and trying to get Congress to pass a tax discouraging U.S. citizens from putting so many dollars into foreign stocks and bonds. But in addition to these longer-term measures, the administration has made temporary moves to ease the bind. And it's the question of whether these steps count as pluses or minuses in the statistics that has multiplied the ways of toting up the deficit.

The knottiest problem is how to count some of the Roosa bonds, dubbed for Treasury Under Secretary Robert V. Roosa who initiated them. The Treasury started offering one type of these bonds just this year to foreign central banks in hopes they'll use their surplus U.S. dollars to buy them rather than U.S. gold. So far, the Treasury has sold $678 million of them.

These bonds mature in from 15 to 24 months, and as such, would qualify as a long-term foreign capital investment in the United States—a clear plus for the U.S. balance of payments. But to comply with foreign laws on the type of securities in which foreign central banks can invest, the Roosa bonds are convertible into dollars on 4 days' notice, and thus quickly into gold. This feature, according to the Commerce Department's top balance-of-payments economist, Walther Lederer, requires that they should be counted as a short-term liquid liability of the United States—and thus as a minus in this country's accounts, deepening the deficit the same as would an outflow of dollars.

Treasury men chafe at the bind they find themselves in by having a step they devised to save U.S. gold counted by "masochistic statisticians" as a negative factor. Foreign governments buy the bonds to hold them to maturity and then perhaps renew them, they argue, and it's only a technicality that requires the provision for quick convertibility into dollars and gold. "It's not what the other countries say they intend to do, it's what they can do" that counts, replies Mr. Lederer. He finds support for his view in the way the foreign governments tote up the bonds on their payments balance accounts; they usually count them as assets they can quickly turn into dollars, he says.

When the payments balance is computed the way Mr. Lederer prefers (and he's the one who writes the official Government release on it), the deficit reached a seasonally adjusted annual rate of $4.2 billion in the first half of this year and a $5 billion yearly pace in the second quarter alone. The deficit for all 1962 stood at $2.2 billion by the Lederer calculation.

THE TREASURY'S PREFERENCE

The Treasury, however, prefers to show the deficit being trimmed by the "Roosa" bonds, running at only $3.2 billion in the first half and $4.4 billion in the second quarter. Because such bonds weren't issued last year and, thus, don't directly affect 1962 figures, this measure also compares with the $2.2 billion deficit for all last year, and makes things look not quite so dark.

Sometimes, though, both the Treasury and the Commerce Department prefer to look at the figures without counting the bonds at all and without counting any of the other "special Government transactions" made to improve the balance or temporarily stave off sales of gold. These other "special" dealings include such things as foreign governments obligingly paying debts to the United States before they're due, and paying for purchases of military equipment in advance.

With the calculations limited only to what takes place without special Government efforts, then, the "regular" deficit ran at an annual rate of $4.5 billion in the first half, and at $5.1 billion in the second quarter. While the figures are bigger this way, they

don't show the sharp worsening trend the other methods do because they compare with $3.6 billion for all last year.

The desirability of clearing away the fog isn't unappreciated in Washington, and the Treasury has recruited a committee of non-Government economists to try to iron out the disconcerting creases in balance-of-payments statistics. A report is due next spring, and, depending on what the committee concludes, the dollar flow could take a sharp turn for the better or worse as the simple result of an alteration in the figure flow.

Mr. ROBERTSON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 201 Leg.]

Aiken	Hart	Nelson
Allott	Hayden	Neuberger
Beall	Hickenlooper	Pastore
Bennett	Hill	Pearson
Boggs	Holland	Pell
Brewster	Humphrey	Prouty
Burdick	Inouye	Proxmire
Byrd, Va.	Javits	Randolph
Byrd, W. Va.	Johnston	Ribicoff
Cannon	Jordan, N.C.	Robertson
Carlson	Jordan, Idaho	Russell
Case	Keating	Saltonstall
Clark	Kennedy	Simpson
Cotton	Kuchel	Smith
Curtis	Lausche	Sparkman
Dirksen	Long, Mo.	Symington
Dodd	Magnuson	Talmadge
Dominick	Mansfield	Thurmond
Douglas	McCarthy	Tower
Edmondson	McGee	Walters
Ellender	McGovern	Williams, N.J.
Ervin	McIntyre	Williams, Del.
Fong	McNamara	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Morse	
Gruening	Muskie	

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska[Mr. BARTLETT], the Senator from Indiana [Mr. BAYH], the Senator from Nevada [Mr. BIBLE], the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent due to illness.

Mr. KUCHEL. I announce that the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], the Senator from New Mexico [Mr. MECHEM], the Senator from Iowa [Mr. MILLER], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from South Dakota [Mr. MUNDT] is absent because of illness.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendments offered by the Senator from Montana [Mr. MANSFIELD], for himself and other Senators, to the committee amendment.

MILITARY ASSISTANCE TO LATIN AMERICA IS DANGEROUS

Mr. GRUENING. Mr. President, the amendment—No. 235 to H.R. 7885, the foreign assistance amendments—which I introduced for myself and Mr. ERVIN, Mr. NELSON, Mr. PROXMIRE, Mr. CANNON, Mr. MCGOVERN, Mr. MORSE, and Mr. SMATHERS, would halt further military assistance to Latin America.

Recent events in both the Dominican Republic and Honduras give added emphasis to remarks I made last year about the dangers we were running in continuing to supply weapons to Latin America.

A year ago those supporting military assistance to Latin America claimed the following five objectives of their program: First, hemispheric defense; second, standardization of weapons; third, modernization of weapons; fourth, reduction of forces; fifth, indoctrinization of the military as to their role in a democracy.

That was last year before I showed on the floor of the Senate on August 2, 1962, that not only were none of the objectives achieved, but, as to some, the exact contrary was the result of our efforts.

So this year there is a "new look" to the presentation of the military assistance program for Latin America.

The objectives of the program which I have just enumerated have been abandoned.

Now witnesses for the military assistance program for Latin America have stressed the danger of insurgency movements in Latin America. They have also stressed the civil action aspects of the work of the military forces in Latin America.

Certainly the emergence of a Communist government in this hemisphere has been a shock. We are legitimately concerned about the possibility of other nations in the Western Hemisphere following Cuba's path. Everyone is anxious to take whatever steps are necessary to reduce the possibilities of new Communist takeovers in the region.

However, we can seriously question whether a policy of helping Latin American countries strengthen their internal security forces is any real answer to the threat to that region. I am convinced that such a policy is inherently dangerous to the long-run objectives of U.S. policy in Latin America, but should rather be the creation of representative governments which are responsive to the will and needs of their people.

The new look was described to the Senate Appropriations Committee on August 31, 1962—shortly after my criticisms of the program—by Brig. Gen. W. A. Enemark in these terms:

> It is charged that a threat of direct aggression to the hemisphere is not realistic. We agree. It was precisely for that reason that the primary emphasis of our military assistance program for Latin America was changed from hemisphere defense to internal security in the fiscal year 1962 program.

But, Mr. President, the thorns on a rose are just as sharp no matter what new name we give to the rose. So it is with the military assistance program for Latin America under the guise of internal security and civil action. It is still no less a dangerous program and should be stopped.

I am not alone in perceiving the danger to our entire Alliance for Progress program. On September 28, 1963, our able and distinguished majority whip, Mr. HUMPHREY, stated:

> The whole matter of arms assistance to Latin America requires scrutiny. * * * We must arrive at a hemisphere agreement on this matter and quickly. We will weaken and possibly cause the failure of the Alliance for Progress unless something is done to implement an effective arms control agreement in this area.

And, indeed, only yesterday the distinguished senior Senator from Minnesota [Mr. HUMPHREY], the majority whip, said:

> I thoroughly agree with the Senator from Alaska and other Senators that in most Latin American countries there is a waste of money in the procurement of military equipment. If it is desired to reduce expenditures in the bill, that is a good place to start.

Indeed it is. Hence my amendment No. 235 to the foreign assistance bill.

I propose to do something right now. It is overdue.

It is not some third power that is supplying tanks and planes to the Latin American countries—a third country perhaps whose actions we cannot control.

No. It is the United States that is dispensing these fatal weapons—and we should be able to control our own efforts.

Since the inception of the Latin American military assistance program in 1951, we have poured over half a billion dollars into Latin America. Next year's program is at the level of $77 million divided as follows:

Internal security: $38 million, of which $29.2 million is for equipment and $8.6 million for training;

Civic action: $11.6 million, of which $10.7 million is for equipment and $0.9 million is for training;

Antisubmarine warfare: $15 million, of which $13.5 million is for equipment and $1.6 million for training;

Why on earth should be furnish antisubmarine warfare equipment to those countries? Bolivia, for example, is a long way from the ocean. Indeed, why should we furnish antisubmarine warfare equipment to any of these countries? It is ridiculous.

Packing, crating, and transportation: $5 million.

General training: $7.5 million.

In other words, some $53.5 million is for equipment, $18.6 million is training, and $5 million for packing, crating, and so forth.

In addition it is my understanding that it proposed to give the Latin American countries $8 million in excess equipment and another $25 million in sales credit assistance.

In terms of the billions of dollars Congress appropriates each year, and the real danger of Communist subversion in Latin America, $110 million may appear to be not worth quibbling about. My concern does not center around the expenditure of that sum—although a saving to the American taxpayers of over $100 million is not to be taken lightly.

Let us examine the assumptions upon which the new look in U.S. military assistance is based and the arguments with which its supporters advocate the program. But—and more important—let us judge the program on the basis of its performance. The record of performance is not good. In fact it is bad.

Can we point with pride to Peru where a year ago August military hardware supplied by the United States was used by the military forces there to take over from the civilian rulers of that country? Many of the officers leading that coup had been trained in the United States under our military assistance program. The tank that rammed through the iron gates of the Pizarro Palace to seize and depose President Manuel Prado was an American-built Sherman tank.

Can we point with pride to the Dominican Republic where recently a military junta overthrew a constitutionally elected civilian government and installed a civilian facade in an effort to obtain U.S. recognition and assistance? American tanks and other arms made that application of brute force to overthrow the democratically elected regime of Juan Bosch, to abolish the legislature and the constitution, possible.

Can we point with pride to Honduras where even more recently a similar overthrow of the civilian government by the military took place? There again, U.S. arms made possible the coup by Col. Lopez Arellano and his fellow officers. They had been trained in the United States.

Of what avail is our military assistance program in Latin America?

In the minds of the people of Peru, the Dominican Republic and Honduras, are we not aligned with the military cliques who have thrown out the governments selected by the people themselves?

Mr. President, the argument has been made that there must be at least a token military assistance program for Latin America to take care of emergencies and that the way to do it is to include Latin America in the program for the rest of the world.

Those who hold these views are mistaken.

In the first place, my amendment provides an exception whenever the President "finds, with respect to any Latin American country, that the furnishing of military assistance under this act is necessary to safeguard the security of the United States, and so informs the Congress."

In the second place, there is section 614(a) of the Mutual Assistance Act which places in the hands of the President 250 million in dollars and $100 million in foreign currency without regard to the provisions of any other law. Section 614(a) provides:

The President may authorize in each fiscal year the use of funds made available for use under this Act and the furnishing of assistance under section 510 in a total amount not to exceed $250,000,000 and the use of not to exceed $100,000,000 for foreign currencies accruing under this Act or any other law, without regard to the requirements of this Act, any law relating to receipts and credits accruing to the United States, any Act appropriating funds for use under this Act or the Mutual Defense Assistance Control Act of 1951 (22 U.S.C. 1611 et seq.), in furtherance of any of the purposes of such Acts, when the President determines that such authorization is important to the security of the United States. Not more than $50,000,000 of the funds available under this subsection may be allocated to any one country in any fiscal year.

In the third place there is section 510 of the Mutual Assistance Act which gives the President power to transfer up to $300 million in military stocks. Section 510 provides as follows:

During the fiscal year 1964 the President may, if he determines it to be vital to the security of the United States, order defense articles from the stocks of the Department of Defense and defense services for the purposes of part II, subject to subsequent reimbursement therefor from subsequent appropriations available for military assistance. The value of such orders under this subsection in the fiscal year 1964 shall not exceed $300,000,000. Prompt notice of action taken under this subsection shall be given to the Committees on Foreign Relations, Appropriations, and Armed Services of the Senate and the Speaker of the House of Representatives.

Mr. President, I submit that we are not in any way binding the hands of the President. If my amendment passes, the President still retains sufficient authority to continue military assistance to Latin America whether under the second proviso of my amendment or under section 614(a) or section 510 of the Mutual Assistance Act.

I hope my amendment No. 235 is adopted, and I also hope that the President—with or without my amendment in H.R. 7885—phases out our military assistance program in Latin America.

Mr. President, I ask unanimous consent that my speech on the subject of the failure of our military program in Latin America delivered on the floor of the Senate on August 2, 1962, be reprinted at this point in my remarks.

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

MILITARY AID TO LATIN AMERICA IS DEFEATING THE ALIANZA PARA PROGRESO

Mr. President, I was greatly disturbed to read in a special dispatch to the New York Times from Juan de Onis in Lima, Peru, that military hardware supplied by the United States was used by the military forces in Peru to take over from the civilian rulers of that country. Many of the military officers commanding that coup were trained here under our military assistance program. The dispatch states in part:

"The U.S. military assistance program in Peru provided the Sherman tank that rammed through the iron gates of the Pizarro Palace when President Manuel Prado y Ugarteche was deposed and taken prisoner Wednesday.

"The officer who carried out the capture of the palace, Col. Gonzalo Briceno, was trained at the Ranger School of Fort Benning, Ga. After his instruction, he returned to Peru to develop a crack antiguerrilla commando unit that was a showpiece of the U.S. military mission here.

"A son of former Navy Minister Guillermo Tirado Lamb, who spearheaded the armed forces resistance to accepting the results of last month's presidential elections, was graduated from the U.S. Naval Academy in June.

"Hundreds of Peruvian officers of the armed forces who form part of the military junta that has taken control of Peru have autographed photographs of their U.S. counterparts or of the U.S. Caribbean-area commanders, with whom they are on a first-name basis."

I ask unanimous consent that the entire article be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

Last week, in commenting on the unhappy events transpiring in Peru, I complimented President Kennedy on the prompt action taken to withhold foreign aid funds from Peru until that Government was stabilized. I recommended at that time that our Government take a second look at our Alliance for Progress programs in such countries as Argentina and Brazil whose governments have likewise given evidence of instability, where there is no certainty that the rulers of today will be there tomorrow, and consequently no assurance that commitments made today will be honored tomorrow—and withhold further economic aid to those countries until their governments are stabilized.

I commend the President again for holding firm with respect to Peru and ask unanimous consent that the President's comments on this topic at his press conference on July 24, 1962, be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

The military coup in Peru gives us good reason to review our military assistance program for Latin America: why it was instituted; is it fulfilling its purpose? What, if any, safeguards are imposed on it? Should it continue?

Although during the twenties and the thirties the United States sent military missions to Latin America, it was not until the passage of the Mutual Security Act of 1951 that military assistance was authorized and sent.

The original purpose of U.S. military aid was to strengthen the defense of this hemisphere by encouraging the Latin American nations to participate in their own defense against outside aggression.

The Mutual Security Act of 1951, in authorizing military assistance to Latin America stated that "military assistance may be furnished to the other American Republics only in accordance with defense plans which * * * require the recipient nations to participate in missions important to the defense of the Western Hemisphere."

The question of the use of our military aid for the recipient nation's internal security was the subject of congressional concern during the consideration of the Mutual Security Act of 1958. That act required the President to review annually a Latin American recipient's participation in a hemispheric defense plan to determine whether military assistance from the United States was necessary to enable that participation. The act also stated that internal security requirements of the countries concerned would not normally be the basis for extending military aid.

In 1959, the word "normally" in this restriction was eliminated. The conference report on the Mutual Security Act of 1959 stated:

"The elimination of the word 'normally' from the sentence providing that internal security requirements shall not 'normally' be the basis for military assistance programs in Latin America makes it clear that it is the intent of the committee of conference that internal security requirements shall not, in the absence of a presidential exception, be the basis for furnishing military assistance to Latin America. Rather it is the intent of the committee of conference that such military assistance as is furnished shall be in accordance with hemisphere defense planning and should be in furtherance of hemisphere missions."

Under the law, then, U.S. military aid to Latin America was limited strictly to hemisphere defense plans.

It is obvious that the genesis of the program of military assistance to Latin American countries was the defense of the Western Hemisphere from outside aggression.

Various reasons were advanced in support of extending military assistance to Latin America.

Those advocating the program pointed to the fact that during World War II the United States had to station more than 100,000 Army, Navy, and Air Force personnel in Latin America. Therefore, they urged that Latin Americans should be assisted to build up their own forces for participation in hemisphere defense in order to relieve us of the responsibility in the event of another conflict.

It was argued that military aid must be provided by the United States in order to promote standardization of Latin American arms and equipment. It was predicted that if the United States did not provide the necessary arms, the Latin American countries would go elsewhere to obtain equipment, resulting in a conglomeration of armaments, ships, and plans which would greatly complicate both training and logistics and invite the danger of military missions to Latin America from other countries.

It was further argued that modernization through military assistance of Latin America's fighting forces would enable the Latin American countries to discard their old equipment and reduce the overall size of their forces.

Another argument advanced for instituting a program of military assistance to Latin America was that in many countries the military exert a dominant role so that contacts among United States and Latin American officers and men would result in the U.S. officers and men being able to shape the Latin American attitude toward and support of democratic institutions, ideas, and ideals.

How have these arguments for U.S. military assistance stood up in practice?

The claim that the United States would be relieved of a share of responsibility for the defense of the Western Hemisphere from outside aggression has proven unrealistic. It is based on World War II concepts of military warfare.

The hard fact is that such strategy is obsolete in today's world. In the unhappy event of a world conflict, the Western Hemisphere will be defended by intercontinental weapons wielded by the United States. The feeble, obsolescent equipment which the Latin American nations possess can play no meaningful role in modern intercontinental warfare.

Moreover, the tragic events in Cuba since the military program was initiated show conclusively that the enemy works through subversion, pulling the strings of his puppets within the Nation being subverted.

The military assistance which we have provided Latin America does not save the taxpayers of the United States from the burden of providing for an adequate defensive missile system.

What of the claim that association with U.S. military personnel teaches their Latin American counterparts the role and mission of the military in a democratic, constitutional government?

Here is how Roy R. Rubottom, Assistant Secretary of State for Inter-American Affairs, testified before the Foreign Relations Committee on the Mutual Security Act of 1960:

"During this period of extensive U.S. military relations with Latin American countries, there has been a notable increase in the number of constitutional regimes in the area. In the majority of countries in which democratic governments have replaced dictatorial regimes, the local military has presided during the difficult period of transition immediately preceding the establishment of orderly, constitutional government.

"In such countries, the local military is continuing to support the new government and to provide it with that degree of security from antidemocratic acts of subversion and violence which is prerequisite to the functioning of the democratic process.

"These developments in constitutional democracy in Latin America tend to refute the allegation that our military program has impeded the growth of free political institutions in the area.

"U.S. military personnel assigned to Latin America scrupulously adhere to the policy of nonintervention which underlies all U.S. foreign aid activities.

"Nevertheless, as United States and Latin American military personnel are brought into close professional association through our military programs, whether in MAAG's, military schools, training missions or the Inter-American Defense Board, they gain not only a better understanding of the problems of hemispheric defense, but also a deeper appreciation of the democratic ideals which we and Latin American nations share in freedom from Soviet domination.

"As a result of these contacts, we believe that there is increasing emulation in Latin American military circles of the nonpolitical role played by the U.S. soldier in our national life."

After more than 10 years of U.S. military aid to Latin America, recent events have demonstrated beyond peradventure that in many of the countries U.S. influence in inculcating an ideology of civilian authority over the military is not a reality in the reaction of the Latin American army, navy, and air force officers and men to events in their own countries.

Most of the Latin American military leaders will continue to react to power struggles in their own countries in accordance with their own estimates of the situation, their own ambitions, their vested privileges, and their own heritage. Where military professionalism has really taken root in Latin America, the military's new concept of its role has developed from circumstances within the framework of their own institutions, not from the minute and transitory influence encountered in rubbing shoulders with U.S. military people.

Consider the case of Peru. Three of the four military commanders who staged the Peruvian coup had tours of duty in the United States, one graduating from the Command and General Staff School at Fort Leavenworth and another from the U.S. Armored Tank School at Fort Knox as well as the CGS at Leavenworth. Four of the present 13-man military cabinet were even given the Legion of Merit by the United States. I ask unanimous consent that the names of these officers, together with their citations, be printed at the conclusion of my remarks.

Let us consider just one of these citations for a moment in detail. Maj. Gen. Nicolas Lindley Lopez, commander of the Peruvian Army, participated with fellow military officers in the overthrow of Peru's civilian government. Eight and one-half months before, he was awarded the Legion of Merit by Secretary of Defense McNamara. Maj. Gen. Lindley Lopez attended the Command and General Staff School at Fort Leavenworth during 1946 and 1947. He also visited Fort Bragg, Fort Sill, Fort Bliss, and Fort Benning in November 1961. Secretary McNamara's citation to the Peruvian general reads, in part, as follows:

"His outstanding professional competence, consistent support of democratic principles, and sincere and imaginative cooperation with military representatives of the Department of the Army have produced important and effective military results in the creation of a Western Hemisphere defense program. * * * His support of common democratic principles and objectives has reflected great credit not only upon himself but also upon the Army of the Republic of Peru, and has enhanced the cordial and friendly relations which prevail between the United States and Peru."

Democracy, Mr. President, does not "rub off" by commingling of individuals or by grants of military assistance.

Nor is Peru unique in this respect. Among other military officers who have rubbed elbows with U.S. officers to no avail are the infamous "Ramfis" Trujillo, of the Dominican Republic; Gen. Anastasio "Tachito" Somoza, of Nicaragua; and Colombia's Gen. Rojas Pinilla, who developed from a brilliant officer into a tyrannical dictator and superb stealer of his country's public funds.

What of the claims that military assistance would lead to standardization, discourage the tendency to buy military equipment from third countries, and through modernization, lead to an overall reduction in armed forces?

From a compilation of statistics published in London by "Army, Air Force and Naval Air Statistical Record," I have gathered together a listing of the armaments possessed by the various armed forces in Latin America. I ask unanimous consent that this list be printed at the conclusion of my remarks.

This list discloses that much obsolete armament is in the arsenals of many of the Latin American countries, which lessen their military effectiveness while still necessitating a huge expenditure of funds for maintenance and repair.

The list also shows that weapons have in fact been acquired from other nations, vitiating the argument that the grant of military assistance would lead to standardization of weapons of U.S. manufacture in the Western Hemisphere.

Consider the case of Peru. I single out Peru as an example only because that nation is in the spotlight of the news these days and our arms have contributed to the prestige and power of the Peruvian military.

Efforts to standardize equipment and persuade Peru to limit its purchases to items essential to hemisphere defense have been futile. The Peruvian Air Force, for example, has a mixed bag of United States, British, Canadian and French planes. Many of the planes are no longer operable because parts are not obtainable.

We made available to the Peruvian Air Force 12 F-86's, the planes which proved to be excellent fighters in Korea. I am told that before delivery some of the planes were modified slightly to reduce their speed to make for easier control in landing. The Peruvians insisted that the planes be remodified to their original extremely fast and tricky configuration. In the first month, sadly, three of the planes cracked up.

Seeking high-powered planes, the Peruvian Air Force turned to Britain to purchase a squadron of 16 British Hawker Hunters, jets which are even faster than the F-86's.

The Peruvians also bought eight British Canberra jet bombers which, I understand, are already obsolete. I mention the Canberras' purchase because there is an interesting sidelight to that story. When the Ecuadorians, with whom the Peruvians have a violent border dispute, heard of the Peruvian deal, they rushed to buy six Canberras from the British. I understand that within days after delivery they cracked up two on the ground in Quito.

These planes cost about $1.4 million each.

Thus, not only have efforts to modernize, standardize, and reduce forces failed, but the military aid program has had some disastrous results not intended by its advocates.

It is quite appropriate to refer to Ecuador at this point and in the context of my remarks on the dangers of continued military assistance to Latin America for a number of reasons. In the first place, both Ecuador and Peru, neighbors, have long been in an arms race. In the second place, the Governments of both nations are controlled by the

military. And, finally, it is an illustration of how the arms race can affect the economic aid program.

Ecuador has received from the United States $21,700,000 in military aid. It has also received $39 million in economic aid. There is in the country at present a delegation from Ecuador seeking additional aid to bail out its shaky economic structure. While continuing to spend money to purchase more arms to keep up with arms purchases by Peru, Ecuador comes to the United States to have us make its budget whole.

The National Observer recently had a thoughtful piece on this subject. Part of it was as follows:

"The Malecon, the riverside drive in Guayaquil, Ecuador, is one of the filthiest streets in Christendom. The gutters are full of rotting orange peels, and the sidewalks are littered with fish heads. During the day it crawls with beggars, fruit vendors, drunks, sellers of contraband, and half-naked stevedores loading cargo from riverboats to the army of ancient trucks that jam the piers. At night it crawls with rats.

"Yet the natives of Guayaquil hardly notice the rats. They have other things to worry about. The current mayor, for instance, has three times had to flee for his life from city employees on strike for overdue wages. The previous mayor bowed out to the tune of stones showering through the windows of city hall. And the mayor-elect, who will take office on August 10, arrived in Washington last Monday seeking an immediate $4 million loan to stave off civic collapse.

"Accompanying the mayor, Assad Bucaram, was President Carlos Arosemena Munroy and a host of other Ecuadorian officials.

"Why can't they get the money in Ecuador? What about the Banco Descuento, which collects (due to liens) most of the city's real estate taxes, beer and tobacco taxes, and pier and wharf fees? The city's parks are mortgaged to the bank. So, according to the present mayor, is city hall itself.

"There is, then, money in Ecuador; anyone who doubts it has only to walk through the upper class residential sections of Guayaquil or Quito. For that matter, there's enough money in the Banco Descuento alone to get Guayaquil very safely out of the crisis zone.

"But the bank is getting leery of financing corrupt city administrations. It has made one loan after another, each one supposedly to get the city back on its feet, yet the situation keeps getting worse.

"The problem has three main roots:

"Lax enforcement and widespread corruption have made a farce of municipal tax collections.

"The city government has borrowed so much money, and got itself into such a maelstrom of compounding interest, that each year a larger percentage of its income goes to pay back debts.

"The city is so corrupt, so conditioned to poverty, and so ridden with thieves and gougers in every walk of public and private life that the handful of honest men trying to deal with the problem simply don't know where to begin."

This article points up a first for foreign aid, as far as I know. Here we have a mayor of a foreign city coming to negotiate a loan to bail out the finances of his city. We are accustomed in this country to welcoming heads of state to our Nation's Capital who come seeking bail out funds for the whole nation. To my knowledge, this is the first visit also from a mayor of a city to seek financial succor. If it ever gets down to the township level we will be overwhelmed.

Can we rely upon the promises of President Carlos Arosemena Munroy any more than we could have relied upon the promises of the Valesco government last fall? Let us not be precipitate in our aid to Ecuador. Let us wait until the Government has been stabilized and we can be certain that the self-help measures of the Alliance for Progress have a chance of being carried out.

It has become painfully clear that hemisphere defense considerations play a minor role in the determination of what equipment the Latin Americans acquire.

One nation will acquire some hardware only because a neighboring country has similar equipment. I have already mentioned Ecuador's attempt to keep pace with Peru's air strength. Argentina rushed to buy an aircraft carrier after Brazil bought one from England. Similarly, Ecuador protested long and loud in 1958 when it became apparent that the U.S. Congress was considering providing one of our excess destroyers to Peru. Finally in 1959, despite the Pentagon's judgment that Ecuador did not need a destroyer to fulfill its role in hemisphere defense, and the State Department's concern that the upkeep of the ship would strain Ecuador's hard-pressed treasury, we bowed to the political considerations and furnished Ecuador the destroyer.

Frequently, the questions of prestige vis-a-vis another branch of the military forces within the same country is the determining factor. A navy gets a destroyer; the air force wants supersonic jets.

The military assistance program also has had a bad psychological impact upon our relations with Latin America. Military aid and training grants to dictatorial governments in Latin America have done the United States much harm. Despite clear provisions of the Mutual Security Act that aid would not be used for internal security purposes, a number of Latin American tyrants, when hard pressed, did not hesitate to use U.S.-grant military hardware against their own people. No matter how long and hard we protest our innocence and good intentions, such acts have helped identify the United States in Latin American public opinion with the maintenance of dictatorships.

Another question which troubles me deeply is where the funds come from for the purchase of weapons from other nations.

All of the Latin American countries suffer from severe shortages of capital and foreign exchange. Under the Alliance for Progress, the United States has agreed to provide $1 billion a year in order to spur Latin American economic and social development. Ironically, it is estimated that the Latin American countries spend about $1 billion a year for the purchase of military materiel and its maintenance.

Where, Mr. President, did the millions Peru spent to purchase unnecessary British Canberra jet bombers come from? Is the American taxpayer indirectly paying for the purchase in England of British Canberra jets?

I am concerned, Mr. President, that indirectly through our economic aid, just as much as through our military aid, to Latin America we are enabling those nations to step up their arms race.

Take the case of Argentina.

Here is another case of a civilian government having been overthrown by a military junta.

Last Saturday's New York Times carried a story of a $500 million loan to Argentina, $200 million of it from the United States. The same day's Washington Post-Times Herald reported that Argentina's cattlemen were receiving tax cuts and government cash subsidies.

I ask unanimous consent that these two news stories be printed at the conclusion of my remarks.

Whose money is being used to give the cattlemen of Argentina a tax cut? I am afraid American tax dollars are being used. As stated by the press, the half-billion-dollar loan to Argentina will be used to bail out Argentina from a fiscal crisis.

"It will be used in Argentina to meet short-term obligations, bolster her currency and foreign payments, and maintain essential programs, including housing," so says the Times news story.

The list of arms which I have asked to be printed at the conclusion of my remarks indicates that Argentina has been obtaining planes from Britain, Italy, Canada, and Germany. This, in addition to the $4.9 million received from us in military assistance. It seems clear to me, Mr. President, that part of Argentina's financial woes stems from her arms buying, and the costly maintenance which follows.

It is clear that excessive arms buying in Latin America is a drain on the region's meager national resources and an obstacle to economic development. In more ways than one it is a definite impediment to the successful functioning of the Alianza Para Progreso.

If the Latin American governments feel they must sacrifice their precious, meager resources for the maintenance of oversized and obsolete military establishments, I say—let them. But let us not contribute to their folly from our own hard-pressed Treasury, and our own mounting debt and our unfavorable balance of payments.

Mr. President, in the 10 years since the inception of the Latin American military assistance program, we have provided over one-half billion dollars in military assistance to Latin American Governments.

I ask unanimous consent that tables prepared by the AID program be printed at the conclusion of my remarks showing how much was given or loaned to Latin American countries since fiscal year 1952 for both economic and military assistance. I am asking that both tables be printed, Mr. President, because in some countries there is a disturbing contrast in the amount of economic aid given or loaned and the amount of military assistance given or loaned.

It is interesting to note, Mr. President, that when the program of military assistance to Latin America was first instituted in 1952, total military aid that year totaled $200,000. It has climbed—indeed soared—steadily since that time.

The figures for the intervening years are:

Fiscal year:	*Latin America military aid*
1952	$200,000
1953	11,200,000
1954	34,500,000
1955	31,800,000
1956	30,400,000
1957	43,900,000
1958	47,900,000
1959	54,000,000
1960	53,700,000
1961	91,600,000

I am informed that it is expected that $63.6 million will be the total of the military assistance to all Latin American countries in the 1962 fiscal year. For the new fiscal year, the United States is budgeting an additional $84 million in military aid.

The record is not without warnings delivered on this floor that the program of military aid to Latin America must be carefully watched.

On May 12, 1957, the distinguished senior Senator from Minnesota, our able majority whip [Mr. HUMPHREY], in his capacity as chairman of the Subcommittee on Disarmament of the Senate Committee on Foreign Relations, warned:

"The executive branch must be careful that military aid sent to Latin American nations does not promote an arms race. Nor should military aid detract from important programs of economic development and technical assistance. What we give to one nation for hemispheric defense may provoke

demands by another for an equal amount of aid. The danger is particularly acute since little appears to have been to integrate the defense functions of the separate countries. If greater attention were given the coordination of military policy and functions, it might result in a decrease in the amount Latin American nations need to supply their individual establishments. Such a step might also lessen the possibility for arms competition among the several countries and, in turn, might enable more energy and resources to be channeled into constructive measures to increase living standards and develop Latin American economies."

From Latin America came words of caution also. Perhaps the most eloquent exposition was that of Eduardo Santos, a former President of Colombia and then in exile from the military dictatorship of Rojas Pinilla. Dr. Santos said:

"Against whom are we Latin Americans arming ourselves? Why are our countries ruining themselves with costly armaments which they will never be able to use? We have no reason for fighting one another; we have only reasons for drawing close to each other and living together fraternally. And do we have, perhaps, a military role to play in the great international conflicts? Never. In this era of the atomic bomb with these incredibly costly armaments, with technical systems backed by billions, why are our poor countries continuing to ruin themselves with armaments which at a time of international conflict would represent absolutely nothing? Then? We shall be creating armies which are insignificant in international affairs, but devastating to the internal economy of each country. Each country is being occupied by its own army."

José Figueres, while President of Costa Rica, said:

"We don't want any military support. We don't want any army. In case of aggression, our army is our moral standing and our faith in the Inter-American Treaty of Reciprocal Assistance. The two times that we have been invaded our citizens have turned immediately into soldiers to defend democracy while the machinery of the Rio Treaty was set into motion. Any assistance we receive, we want to be directed toward education and economic development."

The principle expressed by President Figueres has applied not only for a long time in Costa Rica, but in practice as well as in theory. Costa Rica has no standing army, no military throwing its weight around at election time. It is no mere coincidence that Costa Rica happens to be the purest democracy in Latin America.

I visited Costa Rica last January as a member of the Public Works Committee of the Senate to inspect the Inter-American Highway, a project largely financed by the United States. I was deeply impressed with the salutary and different atmosphere that prevails in Costa Rica. The Costa Ricans are in every sense the freest, most democratic people in Latin America. They have set a shining example, not merely for their sister Latin American States, but one that should provide the United States with a guideline for action.

Costa Rica carried its leadership in this field to the Organization of American States. In March 1958, Costa Rica's able and distinguished Ambassador to the United States, Dr. Gonzalo Facio—who is again his country's emissary—proposed a plan for control of armaments in Latin America. It was shelved by the same forces that perpetuate militarism in Latin America, with the disastrous consequences I am here discussing.

At that time the Washington Daily News, edited by John T. O'Rourke who is deeply knowledgeable regarding Latin American affairs, wrote an appreciative editorial on this subject entitled "You Cannot Keep a Good Idea Down." I ask unanimous consent that this editorial be printed at the conclusion of my remarks.

The United States and Latin America would have been much better off if 10 years ago we had adopted in our foreign aid program the ideas advanced by these two distinguished Costa Ricans.

Mr. President, a reexamination of U.S. military assistance to Latin America is sorely overdue. None of the goals of the program have been achieved—not hemisphere defense; not standardization, not modernization, not a reduction in forces; not even that much-to-be-desired byproduct, indoctrination of the military in their role in a modern democracy. Instead, we have witnessed some tragic results.

I am convinced that the evils of the military assistance program in Latin America far outweigh whatever benefits we hoped to achieve when first the program was started.

I call for an end to this unsuitable and fruitless venture. I am suggesting to the Senate Committee on Appropriations that its AID appropriations bill for fiscal year 1963 shall contain a prohibition against the expenditure of any funds appropriated for military assistance to Latin America either directly or indirectly through bailout payments to take the place of funds spent unnecessarily on armaments.

LIST OF ARMAMENTS

ARGENTINA

Fighters, interceptors: 28 North American F-86F Sabre, 40 Gloster Meteor F4, Britain; few Fiat G 46 (FB), Italy.

Bombers, patrollers: 60 FMA 24 Calquin, Argentine Republic; 15 Avro Lancaster 1, Canada; 30 Avro Lincoln, Canada.

Helicopters: Bell 47, Sikorsky S-51, Sikorsky S-55.

Transports: 8 Douglas C-47, 8 Douglas C-54, H. Percival Prince, Britain; 15 Bristol 170, Britain; 48 DH Dove, Britain; 24 Vickers Viking Airspeed Consul, Britain; 1 Aero Commander (VIP), Beech T-34A Mentor, FMA LA-35, Argentine Republic; 4 Aero 45, 12 DC-3 civil airline use, 7 DC-4 civil airline use, 2 DH (c) Beaver (Antarctic), Britain.

Trainers, support: 80 FMA DL 22-24 (T-6), Argentine Republic; 100 Hunting Prentice, Britain; 30 Beech AT-11 Kansan, Stearman PT-17, Vultee BT-13A Valiant, Fockewolf FW-44J, Germany; Stieglitz (AT), 15 Beech T-34A Mentor, 10 Gloster Meteor 7, Britain; North American T-28.

Bombers, patrollers on order: five Sud 1221 Djinn, France; one Sud Allouette, France.

Trainers, support on order: 90 (Beech T-34A Mentor, FMA built T-34A), 48 FMA built M-S Paris.

Navy planes

Fighters, strike: 20 Grumman F9F-5 Panther, 10 Chance Vought F4U-5, 62 Chance Vought F4U-5/5N.

Bombers, patrollers: eight Lockheed P2V-5 Neptune, Convair PBY-5A Catalina, Martin PBM-5 Mariner.

Transports, support: Grumman Goose, Douglas C-39, Douglas C-54, Stearman PT-17, Vultee BT-13A, Beech AT-11 Kansan, 4 Nord Norecrin (naval police), France; 30 North American ENJ-5C, Vickers Walrus, Britain; 2 DH Beavers (operated by Antarctic Institute of Argentina).

Helicopters: Bell 47 (H-13), three Sikorsky HRS 1 (S-55).

BOLIVIA

Fighters, interdicters: eight North American F-51D Mustang (ex Uruguay), few Republic F-47D Thunderbolt, two Lockheed P-38 Lightning, four C. Vought F4U-4.

Bombers, patrollers: eight Boeing B-17G Fortress, six North American B-25J Mitchell.

Transports: two Douglas DC-3, one Douglas C-47 Dakota, seven Beech C-45 Expediter, one Northrop YC-125B Raider, one Lockheed 10A Electra.

Trainers, support: 2 Beech AT-11 Kansan, 20 North American AT-6 Texan, 15 Boeing BT-17 Kaydet, 18 North American SNJ-6B, 8 Vultee BT-13 Valiant.

BRAZIL

Fighters, interdicters: 60 Gloster Meteor 8, Britain; Republic F-47D Thunderbolt, North American F-51 Mustang, 36 Lockheed F-80, 2 Western Dragonfly, Britain.

Bombers, patrollers: 2 Boeing B-29 Superfortress, North American B-25 Mitchell, 28 Douglas B-26 Invader, 20 North American B-25J Mitchell.

Helicopters: 14 Sikorsky H-19-D (MSA), 10 Hiller 360 (ASR), 4 Sikorsky S-51 (ASR), 5 Bell H-13, 3 Bell 47J, 2 Western Widgeon, Britain; 12 Bell 47G-2 Trooper.

Transports: Beech C-45 Expediter, Curtiss C-46 Commando, Douglas C-47 Dakota, Douglas C-54, Lockheed C-60 Lodestar, 12 Fairchild C-82 Packet, 10 Beech Super 18, 2 Vickers Viscount (VIP), Britain; 30 Morane Paris, France; Convair Canso, Beech Bonanza, 6 Avro 74 8-2, Canada; 6 C-119.

Trainers support: 90 Fokker (Rio) S. 11 (BT), Netherlands; 4 Lockheed T-33 (MSA), Beech AT-11 Kansan, Stinson PT-19 Reliant, 50 N. American T-6G Texas, 10 Gloster Meteor T7, Britain; 1 Boeing TB-29, Stearman PT-17, 20 Nord Norecrins in civil reserve, France; 10 Paulistintha 56B, Italy.

Navy planes

Bombers, patrollers: Convair PBY-5A Catalina, 14 Lockheed P2V-5 Nep (MSA) 13 Grumman S2F-1 Tracker (MAP).

Transports support: 10 Boeing B-17 (ASR), Grumman JRF-5 (ASR), 14 Grumman SA-16A (MSA), 4 Kawasaki 47s Navy, Japan; 6 Sikorsky HSS-1N (MAP), 3 Western Whirlwind 1, Britain.

CHILE

Fighters interdicters: Republic F-47D Thunderbolt.

Bombers patrollers: 32 Douglas B-26 Invader, Convair PBY-5A Catalina, Lockheed P2V Neptune.

Transports: eight Douglas C-47, eight DH L-20 Beaver, Canada; eight DHC Otter (two Antarctica), Canada; five Beech L-23B Seminole.

Trainers support: 60 FNA Chincol, Chile; few Jet Chincol, Chile; 45 Beech T-34.

Other types: Boeing B-17G Fortress (ASR), three Cessna 180, two Beech T-34.

Helicopters: four Bell H-13D (ASR), four Sikorski HRS-1, few Hiller 12E.

Navy planes

Transports, support: three Douglas C-47, three Grumman SA-16 Albatross, C. Vought OS2V-1 Kingfisher.

Trainers: six Beech D-18 (AT).

COSTA RICA

Fighters, interdicters: four North American F-51 Mustang.

CUBA

Fighters, interdicters: 60 Mig-17 Fresco, U.S.S.R.; 15 Hawker Sea Fury (5 left), Britain; few Mig-19 Farmer Planner, U.S.S.R.

Anti-Castro air arm: eight North American F-51D, 12 B-26 Invader.

Bombers, patrollers: five Douglas B-26 Invader.

Transports: Douglas C-47 Dakota, Beech C-45, three DH L-20A Beaver, Canada; four Il-14 Coach.

Trainers, support: 30 Mig-15 UTI, U.S.S.R.; 4 Lockheed T-33A (2 left), Beech Bonanza, Vultee BT-13 Valiant, Boeing BT-17 Kaydet, North American T-6 Texas, Piper Tri-pacer, 10 North American T-28A, 10 North American F-51D.

Helicopters: one Bell 47 G-2 Trooper, four Bell 47J, two Western Whirlwind, Britain; four Mil Mi-4, U.S.S.R.

Navy planes

Bombers, patrollers: six Convair PBY-5A Catalina.

Transports, support: 10 Grumman Goose.

DOMINICAN REPUBLIC

Fighters, interdicters: 35 DH Vampire (ex-RCAF), Britain; 30 North American F-51D Mustang, 15 Republic F-47 Thunderbolt.

Bombers, patrollers: North American B-25 Mitchell, DH Mosquito 6, Britain; Convair PBY-5A Catalina.

Transports: Curtiss C-46 Commando, Beech C-45 Expediter, Aero L-26 Commander, DHC L-20 Beaver.

Helicopters: Few Bell 47.

Trainers, support: Beech T-11 Kansan, Vultee BT-13A Valiant, Boeing PT-17 Kaydet, North American T-6 Texan.

Other types: Cessna 170, Boeing B-17 Fortress (ASR), Bristol Beaufighter 10, Canada.

ECUADOR (AND GALAPAGOS ISLAND)

Fighter, interdicters: 16 Gloster Meteor PR-9, Britain Republican F-4.

Bombers, patrollers: six English Electric Canberra B-6, Britain.

Transports: Douglas C-47 Dakota, Beech C-45 Expediter.

Trainers, support: Fairchild PT-19 Cornell, North American AT-6 Texan.

EL SALVADOR

Fighters, interdicters: Goodyear FC-1D, six Chance Vought F4U-5 Corsair.

Transports: Four Douglas C-47.

Trainers, support: 10 Beech T-11 Kansan, Fairchild T-19 Cornell, 10 North American T-6 Texan, few Vultee BT-13A Valiant, 3 Beech T-34A Mentor.

GUATEMALA

Fighters, interdicters: Republic F-47 Thunderbolt, North American F-51 Mustang.

Transports: Douglas C-47 Dakota.

Trainers, support: North American T-6 Texan, Vultee BT-13 Valiant, Beech T-11 Kansan, Stearman PT-17.

Other types: Hiller 360.

HAITI

Fighters, interdicters: North American 51-D Mustang.

Transports: One Boeing 307 (VIP), two Beech C-45 Expediter, three Cessna C-78, few Douglas C-47.

Trainers, support: One Beech T-11 Kansan, three Stearman PT-17, three Fairchild T-19 Cornell, two North American T-6 Texan, three Vultee BT-13A Valiant.

Other types: Piper L-4A.

HONDURAS

Fighters, interdicters: Lockheed P-38 Lightning, Bell P-63 Kingcobra, Republic F-47 Thunderbolt, North American F-51 Mustang.

Transports: Douglas C-47 Dakota, Beech C-45 Expediter.

Trainers, support: Vultee BT-13A Valiant, Stearman PT-17, North American T-6 Texan, Beech AT-11 Kansan.

MEXICO

Fighters, interdicters: 34 DH Vampire 52, 6 Republic F-47D Thunderbolt, Canada.

Bombers, patrollers: two Douglas A-24 Dauntless, North American B-25 Mitchell.

Transports: Beech C-45 Expediter, Douglas C-47 Dakota, few Helio Courier, two Fokker F-27 (VIP), Netherlands.

Trainers, support: 30 Lockheed T-33, Beech AT-11 Kansan, Beech AT-7-F2, Fairchild PT-19, Stearman PT-17, Vultee BT-13A Valiant, 15 North American AT-6 Texan, 2 DH Vampire T-55, Canada; 30 North American T-28A, few Beech T-34.

Helicopters: one Hiller E4 (VIP), three Hiller 12E.

Navy planes

Bombers, patrollers: Convair PBY-5A Catalina.

Transports, support, other types: Stinson L-5E, Sikorsky VS20-1 Kingfisher (reconnaissance), Grumman J2F-6.

Helicopters: six Sikorsky S-55 Checkasaw, four Bell 47, two Sud Djinn, France.

NICARAGUA

Fighters, indicters: Republic F-47 Thunderbolt, 25 North American F-51 Mustangs.

Bombers, patrollers: few Boeing B-29.

Transports: Douglas C-47, Beech C-45.

Trainers, support: North American T-6 Texan, Fairchild PT-19 Cornell, Vultee PT-13A Valiant.

Other types: few Lockheed P-38.

PARAGUAY

Bombers, patrollers: Convair PBY-5A Catalina.

Transports: Beech C-45 Expediter, two Douglas C-47.

Transports on order: FMA built, Paris, France.

Trainers, support: Stearman PT-17, North American T-6 Texan, Fairchild PT-19 Cornell.

Other types: six Piper L4A.

Navy planes

Helicopters: four Bell 47.

URUGUAY

Fighters, interdicters: one squadron Lockheed F-80, few North American F-51D.

Bombers, patrollers: one squadron North American B-25J Mitchell.

Transports: Few Douglas C-47, six Curtiss C-46, one DH (C) L-20 Beaver, Canada.

Trainers, support: 6 Lockheed T-33Q, 12 DH Chipmunk, Fairchild PT-26 Cornell, Beech T-11B Kansan, North American T-6 Texan.

Navy planes

Fighters, strike: six Grumman F6F-5 Hellcat.

Bombers, patrollers: eight Grumman TBM-1C Avenger, few Martin PBM-5.

Transports, support: Chance-Vought OS2U-3 Kingfisher, Australia; North American SNJ-4, Fairchild PT-23A, Fairchild PT-26-A, Grumman J4F-1.

VENEZUELA

Fighters, interdicters: 22 North American F-86F Sabre, Republic F-47 Thunderbolt, 22 DH Venom F-4, 20 DH Vampire FB3/5.

Bombers, patrollers: North American B-25J Mitchell; six English Electric Canberra B24, Britain; eight English Electric Canberra B8, Britain.

Transports: Douglas C-47 Dakota, 9 Beech D18s, Vickers Sea Otter, Britain; Douglas C-54; few Helio Courier, 18 Fairchild C-123B Provider.

Trainers, support: Beech T-11 Kansan, 1 DH Vampire T-55, North American T-6 Texan, 14 Beech T-34 Mentor, 2 English Electric Canberra T-4, Britain; on order—5 Vampire T-55.

Other types: Grumman SA-16 Albatross, one MS Paris.

Helicopters: Sikorsky S-61, two Bell 47G, one Sud Alouette II, France; on order—six Sikorsky S-56.

Mr. GRUENING. Mr. President, in connection with the takeover of the Dominican Republic, I call attention to an interesting article entitled "Dominican Republic Bans Public Meetings," which is a special dispatch from Reuters, published in the Washington Post of today. The article, originating at Santo Domingo, reads:

The Dominican Republic—

"Republic" is a euphemism; it should be "the Dominican military junta"—

today suspended all public meetings, demonstrations, and picketing for 30 days.

In other words, it does not take long for the freedom of speech, the freedom of assembly, and the freedom of press, which existed under Juan Bosch, to be suspended. Now note the second sentence:

A government announcement said the measures were taken to prevent Communists from subverting public order.

Always, the usurpers claim they come in to fight communism; but within the past few days other dispatches told how on taking over the junta had jailed Communists, expelled them, and driven them from the Dominican Republic, so that presumably, that country was free of Communists. Yet now the Government of the Dominican Republic has suspended freedom of speech and freedom of assembly, in order allegedly to prevent Communists from subverting public order. The truth, of course, is that it was done to prevent the people from voicing their opposition to the military takeover and its brutal tactics of violence, imprisonment, and suppression.

This is what we can expect in every such military takeover. Such takeovers lead to oppression and to the suppression of all freedoms. They are not governments that the United States, under any circumstances, should recognize.

I notice that yesterday Great Britain recognized the Dominican Republic, and that such recognition was followed by recognition by other countries. That should not cause us to weaken. I think it is probably because of the fact that we recognized Yemen almost simultaneously with Nasser's invasion. Nasser has kept his troops in Yemen for 14 months, at a total cost of $170 million, in a war of aggression which we are, in effect, subsidizing with AID funds.

The British have not recognized the Government of Yemen, a government which would not last for a moment if Nasser were to withdraw his troops. Yemen and that area are very important to Britain, because of its interests in the adjoining country of Aden, a British protectorate, and for other reasons.

The British are probably repaying us for our prompt recognition of the new Yemen regime in a part of the world where our interest is not so great as Britain's.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an editorial entitled "Failure in Yemen," published in this morning's Washington Post. It properly challenges our support of Nasser and his aggressions.

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

FAILURE IN YEMEN

President Kennedy showed restraint in discussing the tangled affairs of the republic (or the kingdom) of Yemen. He is still hopeful that Egypt and Saudi Arabia can bilaterally agree to end intervention in the internal affairs of a country in the midst of a civil war. What he didn't say is that this country's policy in Yemen has failed, and that the chief reason for the failure has been Egypt's refusal to honor its promise to pull out 28,000 troops.

Secretary General U Thant was franker. On November 4, the United Nations will remove its 200-man observer mission, leaving only a token civilian presence in Yemen. Significantly, Mr. Thant's brief report states that during the time the U.N. observer team

was in Yemen "there were no signs of Saudi Arabian military assistance or heavy weapons in royalist areas visited by the observers."

This confirms the suspicion that Egypt will not pull out, no matter what the United States or the United Nations may do or feel. Mr. Nasser is evidently determined to continue propping up the republican regime, though the financial drain on Egypt is formidable. At the same time, Mr. Nasser has come to the help of President Ben Bella in Algeria's border dispute with Morocco. Certainly Egypt is entitled to wage an aggressive, expansionist campaign. But should the United States continue to provide the economic aid that helps in this campaign? It is time to take a hard look at our wishful policy of giving Mr. Nasser the benefit of every doubt.

Mr. GRUENING. The situations in the Dominican Republic and the Middle East are not unrelated. In both cases, they have witnessed the rise of military dictatorships. In the case of the Middle East, the United States has been responsible for repeatedly saving Nasser, first from an overthrow which would have taken place 6 years ago if we had not intervened. We saved him from extinction and put him back into power. We have helped him ever since. The United States is not without responsibility in the aggressive war that he is now waging and has waged for 14 months in Yemen at a cost of about $170 million, while we have been pouring into Egypt a somewhat larger number of dollars. He has broken his promises to us to withdraw his troops. He is now sending his troops to Algeria.

Today the Government of Morocco is severing relations with the United Arab Republic, which is Nasser's Egypt, because he has also sent troops to Algeria to help the Algerians fight Morocco. In other words, Nasser is making war in several countries, threatening it in others, keeping the Middle East in a ferment, and is able to do so because we continue to send him several hundreds of millions of dollars every year which, though intended to help Egypt's economy, in effect helps finance his military ventures. We do not send our money there for that purpose, of course, but rather to help Egypt's ill-nourished, ill-housed, and ill-clothed population. Nevertheless, Nasser takes that money and spends an almost equivalent amount on making war in other countries.

I trust that the amendment which I submitted yesterday, together with several cosponsors, the purpose of which is to deny any assistance to those who wage aggressive warfare, as is Nasser, will be adopted when it is called up in the Senate.

Mr. MORSE. I join with the Senator in his amendment. I again commend him for the able fight he is making against this most unfortunate bill. I hope that in due course of time the amendment of the Senator from Alaska will be adopted by the Senate.

Mr. GRUENING. There are several amendments.

Mr. MORSE. I refer to the one about which the Senator has just spoken.

Mr. GRUENING. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the article to which I referred, entitled "Dominican Republic Bans Public Meetings."

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

DOMINICAN REPUBLIC BANS PUBLIC MEETINGS

SANTO DOMINGO, October 31.—The Dominican Republic today suspended all public meetings, demonstrations, and picketing for 30 days.

A Government announcement said the measures were taken to prevent Communists from subverting public order.

Police said a conspiracy was discovered aimed at the overthrow of the 3-man junta set up when President Juan Bosch was overthrown by a military coup last month.

Details of the conspiracy were said to have been revealed by air force officer Lt. Col. Danilo Simo. He was arrested, with another air force officer, Col. Guarien Cabrera, industrialist Soto Bermudez, and the former Santiago prosecutor, Ambiorix Diaz.

Police were also seeking former Gen. Pedro Rafel Santiago Rodriguez Echavarria.

Mr. MORSE. Mr. President, without losing my right to the floor, I ask unanimous consent that I be permitted to yield to the distinguished junior Senator from Colorado.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, I have some information which I think would be of interest to the Senate. It has come directly from Indonesia.

Before speaking about the information, I ask unanimous consent that my name be added as a cosponsor of the amendment submitted by the Senator from Wisconsin [Mr. PROXMIRE], which would eliminate all aid to the Republic of Indonesia.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, in order to present to the Senate the reasons for my action in this regard, perhaps the Senate would be interested to know of a letter I have received from Djakarta, Indonesia, dated October 13, 1963. It was written by an employee of the AID Administration. Because I have not been able to communicate with the writer of the letter, I shall not give his name in this speech. However, I have written to him and asked permission to place the entire letter in the RECORD at a later date. At this time, I believe it is pertinent to read excerpts from the letter, to give an idea of what is happening to our AID program in the eyes of an AID agent who was working on the spot and knows what is taking place in that country. He writes:

DJAKARTA, INDONESIA,
October 13, 1963.

DEAR SIR: I am writing this as a U.S. taxpayer and, if it were not for the fact that the regulations covering absentee ballots in the State of Colorado preclude my doing so, a voter. The following are a few comments I would like to make concerning the foreign policy of the United States in general and this policy as it pertains in particular to Indonesia. I am a U.S. AID technician working in the Indonesian malaria eradication program. I have lived in south-central Java for 3½ years.

The Indonesian Government is "run" by a group of juveniles who are not in the least bit concerned about the welfare of the people which they supposedly represent. I have seen a steadily declining standard of living to the present level where, for the average person, a month's salary is enough for 5 days. This Government is continuously trying to find a scapegoat in order to keep the people's mind off of their starving condition. The only thing this "President"——

The writer of the letter is talking about President Sukarno—

is concerned about is himself, his concubines, and in making world trips. How many world trips has "President" Sukarno taken? Who has paid for the expenses of these trips? Recently this country received two large "loans." One was to stabilize the Indonesian economy (what happened to this money?) and one to purchase spare parts and raw materials which this country sorely needed. Two days after receiving the last loan, "President" Sukarno ordered two Convairs from the United States and then departed on another world tour.

Let me tell you about the program of which I am a part. The director of the national malaria eradication program is a military colonel—

Again, the writer of the letter is talking about the Indonesian dictator—

who has vowed "not to die a poor man" and believe me he certainly won't. There have been approximately 16 U.S. purchased vehicles which have been sold by Indonesians (without approval of AID). Supplies and other vehicles have been moved to the outer islands. The U.S. Government is not obligated to purchase supplies and vehicles for the outer islands. A dollar claim has been presented to the Indonesian Government for these items but, as far as I know, nothing has been paid to the U.S. Government. At the end of calendar year 1962, 6 million tablets of chloroquine (a malaria drug) were missing. It is assumed that these tablets were sold (or given) to the army for their invasion of west New Guinea. The United States was forced to fly emergency drugs into Indonesia from Manila. Although we (AID) insist that the vehicles which were purchased for the malaria program are to be used only for official business they are, in fact, used at least as much for unofficial business. Although our agreement with the Indonesian Government is that the United States will furnish the vehicles and the Indonesian Government will furnish replacement tires, the United States immediately shipped in new tires when the Indonesian Government failed to live up to their side of this bargain. Recently there is a shortage of 6,000 tons of DDT (at 35 cents a pound=$4.2 million). The U.S. Government has purchased enough jeep spare parts to fill a large warehouse in Djakarta. Now the Indonesians refuse to allow the U.S. AID vehicle maintenance specialist into this warehouse (no doubt they are selling these spare parts also). Jeep station wagons were imported for all U.S. AID field technicians. To date only four technicians have received their stationwagon—the Indonesians refuse to turn over the remaining two vehicles to AID. Three Chevy II's were ordered for the chief AID malaria representative and two of his subordinates. The military colonel took two of the vehicles and released only one to AID. When U.S. AID finally got a chief malaria representative who would at least try to control the corrupt colonel, the colonel told the U.S. mission director that he could not work with such a man—consequently the American was removed. This, of course, gives the colonel the green light for anything he wishes to do. This colonel made a speech that, since the malaria eradication program was a command of the president, it was a part of the military and therefore all foreigners working in this program were spies. Since this speech our working relationships with the Indonesians have steadily worsened.

The letter continues. As I have said, as soon as I obtain permission, I shall have the entire letter printed in the RECORD.

Mr. President, in view of such direct statements from people who are active in the aid program in Indonesia about the fact that the program not only is not doing any good within the context of what we are trying to do in the process of giving aid, but, in fact, is doing nothing but increasing the power and tyranny of Sukarno—who, incidentally, was given the royal treatment when he was in Washington within the last year—it seems to me that we are not fulfilling the philosophy or the purpose of the aid program.

I believe it is time for some of those countries to learn that the United States is not a bag full of honey, into which all they have to do is poke a stick and suck out as much of the honey as they want, and use it in any way they wish. They must learn that we send our missions to them for specific purposes; and that unless they aid in the fulfillment of those purposes, we will cut off our aid.

Therefore, I believe the Proxmire amendment, which specifically would cut off our aid to Indonesia, should be agreed to.

Again I thank the Senator from Oregon for yielding to me.

Mr. MORSE. I thank the Senator from Colorado. He has contributed in a valuable way to the record being made with respect to the shocking inefficiencies and waste in connection with the foreign aid program and the necessity for the adoption of amendment after amendment before the bill is passed. While the Foreign Relations Committee was considering the bill I proposed a 25-percent reduction in the funds designated for Indonesia. That was before the recent aggressiveness displayed by Indonesia toward Malaysia and before the relations of that country's purchases of jet airlines. I think now that aid to Indonesia should be cut far more than 25 percent.

Mr. President, before I proceed to discuss my motion to recommit the bill, I ask unanimous consent to have printed in the RECORD an article entitled "Great Debate on Foreign Aid—Dixie Backing of MORSE Move Viewed as Part of Anti-Civil-Rights Drive." The article was written by Joseph Kraft.

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

GREAT DEBATE ON FOREIGN AID—DIXIE BACKING OF MORSE MOVE VIEWED AS PART OF ANTI-CIVIL RIGHTS DRIVE

(By Joseph Kraft)

The Senate is now giving a convincing demonstration of the proposition that searching discussion of basic issues is entertained only as a screen to cover up foul purposes. The current debate on foreign aid may seem to promise a thorough exploration of a difficult matter. But in fact, it can endure only as a stalking horse for the southern position on civil rights.

To be sure, the aid discussion has all the earmarks of being the real thing—a great debate in the grand tradition. The chief protagonist is no nitpicking PASSMAN, swollen with trivial details of obscure transactions arising from unheard-of projects in unknown countries. On the contrary, the present attack on the aid program comes from WAYNE MORSE, a Senate veteran of 19 years, equipped with the gift of tongue, noted for doughty fights on behalf of lonely causes, and serious with a vengeance. "We are starting," he said in launching his attack this week, "one of the most historic debates in the history of my time in the Senate."

The issues Senator MORSE has raised in the aid debate are as lofty as his rhetoric. With something approaching genius, he has dredged up all the underlying uncertainties, ambiguities, and inconsistencies implicit in the aid program, and traditionally dear to makers of great debates.

He has, for example, pointed out that foreign aid has fostered "antifreedom forces" and "permitted oligarchies to dig in." That poses the question of how aid can be shaped to achieve desirable political results. And that is a nice question.

He has pointed out that the aid program is spread too thinly over too many countries. That raises the question of how to cut off going projects in Africa, Asia, Latin America, and the Middle East without provoking an outburst of anti-American feeling. That, too, is a nice question.

He has pointed out that more aid should be expended and administered on a multilateral basis. That raises the question of how to induce the Europeans to pony up a larger share. That, too, is a nice question.

He has asserted that Congress must not vote large sums on the basis of "an act of faith" in the Executive. That raises the question of how a hundred men, with varying degrees of information and little staff assistance, can draw up complex and detailed programs of great magnitude and importance. And that, too, is a nice question.

But how is it that the country is so fortunate, so late in the Senate session, to have such a searching probe of such fundamental questions? Why is it not simple to override the two-score amendments Senator MORSE has put forward in order to rewrite the aid bill on the Senate floor? Why does not the aid bill go through the Senate as the defense bill went through—in a matter of 3 hours?

The answers lie with the Southern Democrats. Last week, in a secret caucus, they decided to support Senator MORSE's effort to rewrite the foreign aid bill on the floor of the Senate. And why? Not because they love Senator MORSE; but because they see in him a possible dupe.

Plainly, the southerners are now delaying everything in the Senate, the better to wage war on the coming civil rights legislation. Their hope is that by slowing down all business, by prolonging all debate, they will put off the civil rights issue to the point where the North and the Negroes, tired and frustrated, lose heart. Or failing that, the southerners hope to arrange matters so that foreign aid and the tax bill collide with civil rights on the Senate floor—thus creating the conditions for an orgy of trading in which anything could happen.

In these circumstances, the right thing to do is clear. In the interests of civil rights, the debate on aid ought to be abandoned. And the lesson it teaches ought not to be forgotten. What look like great debates are at all times to be regarded with great suspicion. When the Senate allows its time to be taken up with hard and interesting questions, it is not in the hope of finding answers. It is in the hope of stimulating alarms and excursions around conundrums which have no answers.

Mr. MORSE. Mr. President, a reading of the articles will show that not only is the writer of the article extremely ignorant, but, in addition, he is the type of journalist who uses malicious motivations to malign the Senate and deceive the American people, because his article is a chain of falsifications and distortions. Apparently Mr. Kraft thinks the foreign aid bill is not important enough to warrant more than 3 hours' debate. He seems to believe that Senators should not fulfill their responsibilities to present the facts concerning it and the amendments which are for the purpose of correcting the waste, abuse, and inefficiency. He makes pretty clear his opinion that any Senator who seeks to do so can only be a dupe of someone else.

Long ago I became accustomed to the writings of yellow journalists; and I suppose I should thank them, because their techniques bring me thousands of votes in my State, for the people know there is no basis for the falsifications in the press generally in regard to me.

I rise to the defense of the southern Members of the Senate, for I know that neither the Senator from Alabama [Mr. SPARKMAN] nor the Senator from Arkansas [Mr. FULBRIGHT]—both southerners—is against foreign aid. On the contrary, they are ardent supporters of the bill, and it is not true that I have been assured that any agreement of that sort has been entered into by southern Senators.

However, the ignorant writer of this article did not check the previous voting records on the foreign aid bill. He has unjustifiably maligned southern Senators, because among them there are two definite points of view—as there are among all groups of Senators: some favor foreign aid, and some oppose foreign aid. Southern Senators, like the rest of us, have been split in the past, and will be split, again, this year on the subject of foreign aid; some of them will vote for the foreign aid bill and some of them will vote against it.

But, Mr. President, shocking yellow journalism of this type fails to live up to the responsibilities of a free press, for a free press has the obligation to print the truth, not lies; and to inform the American people, not deceive them. However, I think this record of journalistic malfeasance should be put today into the CONGRESSIONAL RECORD; and that is why I have done so. I say from the floor to Mr. Kraft that I cannot imagine anything about which I would care less than to have his views about me or, for that matter, about anything at all.

I turn now to the pending issue. In my opinion, in fairness to the leadership of the Senate, it should have an opportunity this afternoon to vote—for the first time—on a motion to recommit the bill to the committee. I point out that, from the parliamentary standpoint, such a motion can be made on another occasion, too, although I hope it will not be necessary to make it on another occasion, because I hope the Senate has learned by now that if ever there was a bill which had reached the floor of the Senate which ought to be returned to the committee, this is it.

The Senator from Tennessee [Mr. GORE], in a brilliant and eloquent speech last night, made an unanswerable case, in my judgment, in support of returning the bill to the committee, for he pointed out that the so-called compromise Mansfield amendment—and much will be said about it before it is voted on, at some time in the future—is, in itself, tacit admission that the bill should be returned to the committee, because we find that the compromise amendment deals with money figures in the bill. The amendment has been offered on the floor of the Senate without any consultation with the Foreign Relations Committee. The Senator from Tennessee [Mr. GORE] described that as cavalier treatment. That is a very apt description. In my judgment, the full Foreign Relations Committee was entitled to be called into session, for consideration of the proposed compromise amendment, before it was brought to the floor of the Senate.

Here, again, Mr. President, I am completely impersonal and professional; I do not reflect on anyone in a personal way. I express great disappointment that such a meeting of the committee was not held. Before the amendment was brought to the floor of the Senate, a meeting of the Foreign Relations Committee should have been held, and at the meeting the amendment should have been discussed. In view of the debate which now has been in progress in the Senate for several days, I believe it unfortunate that the Foreign Relations Committee has not been called into session to consider the parliamentary situation which confronts the Senate.

Yesterday, I said to the majority leader [Mr. MANSFIELD], who is a member of the Foreign Relations Committee, "I believe that Senators who are in support of the bill should move that it be recommitted. They owe that much to the administration and to the Senate. I believe that we who serve on that committee should closet ourselves again to consider this bill, but not under instructions from the Senate, other than the general instruction which my motion contains. We ought to closet ourselves together and consult not only among ourselves and with our Senate leadership, but with administration leaders downtown, too."

We owe it to the President of the United States to call before the Foreign Relations Committee, the Secretary of State, the Secretary of Defense, the head of AID, and the leading administrators of the Government who are dealing with the administration of the program of foreign aid. We ought to obtain their advice.

Let us not kid ourselves—and I suggest that there be a stop order to kidding the American people—about foreign aid. The administration knows that its foreign aid bill is in serious trouble in the Senate. The Mansfield amendment is the confession and admission of it. It will be confronted with more serious trouble when it goes to conference and is finally passed. It will be confronted with additional serious trouble when the authorization bill reaches the Appropriations Committee of both Houses. We ought to try to iron out in advance, to the maximum extent possible, the great differences of opinion that have developed in Congress over the foreign aid program.

The other day I said—and I repeat it today—that I do not question to the slightest degree the sincerity, the good faith, and the dedication of Senators who favor the bill. But neither is there any question about the sincerity and the dedication of those who are opposed to the bill. We believe that the bill is not in the best interests of our country.

The next point I wish to make in these brief remarks is that, in my judgment, the Mansfield amendment clearly in effect, supports a motion to recommit. If we are to consider the proposal of the Mansfield amendment, the Senate ought to have the advantage, at least, of the committee's judgment, through committee action of the Foreign Relations Committee. I do not care how it is described, in effect the Mansfield amendment is an end play around the Foreign Relations Committee. It is a bypassing of the Foreign Relations Committee.

The Senate has a standing committee called the Foreign Relations Committee to handle substantive legislation on foreign policy. Before the vote on the Mansfield amendment, each Senator should wish to know what the official formal position of the Foreign Relations Committee is on the amendment.

The report which the committee made to the Senate was not a signed report. It was a report that was passed upon by members of the committee as a whole. I do not know how many members of the committee ever saw the report before it came to the floor of the Senate. I talked with many members of the committee who said that they had not seen it, and they were as surprised as I was and as was the Senator from Missouri [Mr. SYMINGTON], who expressed his surprise on the floor of the Senate today, when they read the committee report.

The committee report supports in meaning my motion to recommit, because the committee report sets forth many of the major objections that we are making to the foreign aid bill. Yet, in spite of those objections, the report recommends that the bill be passed. That is a peculiar way to legislate. The committee has a clear obligation, if all the weaknesses in the foreign aid program which the report sets forth exist, to report a bill that would correct the weaknesses.

I have submitted an amendment that I am satisfied bothers a good many of the proponents of the foreign aid bill. They find it a little hot to handle. They find it a little difficult to go back home and explain to their constituents that they are opposed to ending all foreign aid at the end of fiscal 1965, which would give ample time to phase out existing obligations except some long-term obligations that ought to be modified, anyway, and start foreign aid all over again, but on the basis of a new program, a set of standards, a set of guidelines, a set of restrictions, a set of conditions that will have to be met by countries that apply for foreign aid, and a limit of 50 countries that may receive aid at any one time.

If Senators would go into the history of the foreign aid program they would be surprised to see in how many instances the United States in effect has practically forced foreign aid upon some countries. In effect, foreign aid has practically been crammed down their governmental throats. In my judgment, foreign aid ought to be granted only on the basis of an application made by an applicant country, and that country ought to be required to meet standards, conditions, and guidelines that will give the American people a better assurance of an efficient, nonwasteful, and constructive foreign aid program than the record shows the present program has revealed for a good many years.

What did the committee do? It rejected the Morse amendment.

Language is contained in the committee report that in effect tells the administration, "You had better take note. You had better recognize the situation before it is too late." In effect, the committee said to the administration, "We may not be able to hold the line next year. If you do not do something about the faults that we tell you in the report exist in the foreign aid program, we may not be able to stop a Morse amendment in another year."

They have no assurance that they will stop it this year, for judging from what many Senators have said to me and, judging from the nationwide and voluminous support that I have received for my amendment, it may very well be that before the educational debate is over, the Morse amendment will be adopted this year. If it is not, it should be.

What the committee in effect is saying to the administration is, "You had better take note of this proposal and revise the foreign aid program before the end of fiscal 1965."

If I ever saw an example of legislative buckpassing, that is it. It is the obligation of Congress, and not of the administration, to pass proposed foreign aid legislation in such form and subject to such conditions, restrictions and guidelines as to protect the American taxpayer. That is our checking duty. The situation is even much worse than the committee has set forth in its report; but even if the situation as described in the report is the full coverage of the need for reform and the justification for reform, Congress has the duty of doing it now and not saying to the executive branch of the Government. "You do our job for us."

Let us take a look at our past experience with regard to the program. This is not the first time that the administration has been warned that something should be done. The records of the Foreign Relations Committee for years are replete with warnings, supplications, and pleas with the administration, whatever the administration may have been at the time, Republican

or Democrat, to do something about foreign aid, and to do something about eliminating the waste, the inefficiencies, and the instances of corruption that have arisen in connection with the program in certain places in the world.

We have made this plea over and over again. This procedure has always supplied some with the excuse to go home and say, "We know these criticisms exist, and there is merit in many of them, but let us tell you what we did. We made it very clear to the State Department and to the Pentagon, and we poured it on AID. We sent our messages to the White House, and they had better do something about it." It is the old "wolf, wolf," cry. It is "passing the buck" by the committee, and, if the Senate supports it, by the Senate.

I refuse to believe that Senators who take the time to study the facts we are laboriously trying to put in the RECORD will do so.

I am proud to say that the material we have been putting in the RECORD has been the result of very careful research. I am grateful for the dedication of the Foreign Relations Committee staff members who have helped us, of the researchers in the Government agencies who have helped us, and also of our own senatorial staffs. The instruction they have received from us always has been, "Do not give us anything that is not factual. Do not give us anything that cannot be documented."

We have a solemn trust. We owe it to the Senate to satisfy ourselves, before we make a criticism or present an argument, that we can stand on it. I believe that many Senators are so close to the heat of this debate that they do not yet fully realize what has been going into the CONGRESSIONAL RECORD for the past several days. I speak with some pride, although my part has been really minimal compared to the contributions that other Senators have been making to the debate. I am very proud of the record that has been put into the CONGRESSIONAL RECORD in opposition to the bill and in opposition to the recommendations of the Foreign Relations Committee.

There are many more reasons that I could give which I believe amply justify my motion, but I reemphasize this reason: I believe we owe it not only to Senators, but also to the administration, to give Senators and the administration a second look at the bill.

Leaders of the administration who have consulted with me would be the first to admit that there is a great need for many reforms in the foreign aid program.

I have another conclusion. It would be helpful to the administration in diplomatic relations with other governments if we did the job of adopting amendments that would deal not only with money reductions in this bill but also with policy.

I quickly add that that does not cover the Morse amendment, which would bring to an end foreign aid by the end of fiscal year 1965. I consulted with no high-level authority of this administration who agrees with that. I am satisfied that the amendment is a sound amendment and that it should be adopted. If it is agreed to, I have no doubt that the administration will move rapidly to see to it that the reforms called for by the amendment are brought about.

I believe that the amendment we are urging—and the amendments called for by implication in the criticisms of the Foreign Relations Committee report itself—would greatly strengthen the diplomatic hands of this Government in negotiations with foreign governments in respect to foreign aid.

Let us consider Europe, for example. I give my opinion, and I impute it to no one else. My opinion is that if the Senate adopts some of the amendments we shall offer in the days ahead in respect to aid to Europe, the Senate will perform one of the greatest services for the administration in the field of diplomatic negotiations that could be performed.

The administration then would be in a position to say, "After all, under our constitutional system, this is the law. As President of the United States"—or Secretary of State, or Secretary of Defense—"it happens to be my obligation to follow the law."

I hope Senators will look upon our criticism of the bill and our amendments from the standpoint of the effect that their adoption would have on strengthening the hand of the President of the United States, the Secretary of State, the Secretary of Defense, the Director of AID, and all the others who are involved.

But be that as it may, I am satisfied that the administration in its heart is not opposed to every one of my amendments. Quite to the contrary. The administration would like some language changes in them, perhaps. The State Department sent down a redraft of one of my major amendments yesterday. State Department officials wish to consult with me further in regard to it; and I shall consult with them early next week.

I cite this, Mr. President, because I am satisfied that at the other end of the avenue there would be a great relief if the Congress fulfilled its legislative responsibilities and duties in connection with the foreign aid bill. Even if that were not true, it would not relieve us of those responsibilities; because in my judgment the facts are overwhelmingly against the bill, which necessarily should be amended in the public interest.

Therefore, for the reasons I have just given, and for many other reasons I have presented during the week in speech after speech, I now move that the bill, H.R. 7885, to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, be recommitted to the Committee on Foreign Relations with instructions to report the bill back to the Senate no later than November 8.

All we are saying to the committee is: "Receive it once again for further discussion and consultation." We are not sending it back with instructions to do anything by way of changing the bill. We are only pleading that members of the Foreign Relations Committee apply their minds to the bill once more, that they give consideration, in consultation with the administration, to what course of action should be followed, and that members of the committee, in formal committee meeting, be given an opportunity to discuss and suggest modifications of the Mansfield amendment.

Every member of the committee is entitled to that treatment, that privilege, and that opportunity.

I can only say—and if one wishes not to believe it, there is nothing I can do about it—that I know what my own motivation is, and I can bespeak my own motivation.

I offer this motion in a friendly, cooperative spirit, with no rancor, no personal criticism, but with a plea and prayer on my lips that the motion be adopted by the Senate, so that there will be consultations in the Committee on Foreign Relations and consultations and conferences with representatives of the administration.

Mr. MANSFIELD. Mr. President, certain remarks were made on the floor of the Senate yesterday relative to the amendment offered by the Senator from Montana—and I stress the "Senator from Montana"—joined by the Senator from Illinois [Mr. DIRKSEN], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Vermont [Mr. AIKEN].

The leadership in this body has never claimed any special rights or privileges. But it does insist that the leadership has the same rights as every other Member of the Senate; and while I hold the title of majority leader, I am also a Senator from the State of Montana and have as much right as any other Senator to introduce a resolution or offer an amendment.

There are a number of amendments at the desk introduced by Senators from various States.

About 40 amendments were introduced to this bill before the leadership uttered a word of substance in connection therewith. Each one of these amendments, in effect, differed with the majority judgment of the Committee on Foreign Relations. There were no protests against the introduction of these amendments. Each one was recognized as being fully within the rights of the Senator introducing it. Indeed, members of the Committee on Foreign Relations, themselves, introduced amendments to alter the bill as reported from committee. Was there any talk, Mr. President, of disrespect for the committee in these actions? Indeed, there was not.

The leadership waited 4 days for action to begin on consideration of these 40-odd amendments.

But aside from the distinguished Senator from Oregon [Mr. MORSE], the distinguished Senator from Alaska [Mr. GRUENING], the distinguished Senator from Arkansas [Mr. FULBRIGHT], the distinguished Senator from New York [Mr. JAVITS], and a very few others, little was done to get this bill moving. It waited for some sign of eagerness or even willingness to begin debate. It waited for Senators to express a deep interest

in the matter. But this interest in discussion is such, Mr. President, that there are about 25 Senators absent today, and, may I say with regret, the great preponderance are on this side of the aisle. The leadership had to take into consideration that this bill is already months overdue and that further delays promise only increasing administrative chaos and waste in the program. It had to consider that other pieces of highly significant legislation are approaching the floor as days go by without action on this measure.

I refer to civil rights, tax proposals, health care for the aged, and appropriation bills for the next fiscal year, which will begin coming before the Congress shortly.

It had to consider, in short, what in its best judgment would move the legislative wheels and bring this matter to some resolution.

These were the factors, Mr. President, which influenced the majority leader—the Senator from Montana, if you will—to consult with the minority leader and then with the ranking members on both sides of the Committee on Foreign Relations. These men, of course, did not agree with every detail of what was proposed as a solution to the difficulty which confronts the Senate. The Senator from Arkansas [Mr. FULBRIGHT] and others had reservations about the depth and form of the cut which is proposed. But, these men are all reasonable men with a full recognition that this body operates not at all unless it operates on the basis of mutual restraint and mutual accommodation. And so, Mr. President, we agreed as a group of Senators on how this problem, in our best common judgment, might possibly be resolved. That is the entire story. I then introduced yesterday, on behalf of the six of us, an amendment to the bill. We acted as any Member or Members of this body are free to act at all times, and have acted in connection with this measure at least 40 times.

And for this, Mr. President, for doing no more and considerably less than many other Members have done, we are accused of all sorts of heinous crimes, of cavalier behavior, of disrespect for the committee. I must say, Mr. President, that I resent most deeply these accusations and inferences. The leadership is doing its best, as every other Member of this body is doing. It is doing its best to bring about a resolution of this issue so that the Senate can get on to other business. To suggest that this is cavalier or highhanded is to seek to deny to the leadership the rights of every other Member of this body. Neither the minority leader nor the majority leader has any inclination in this role to assert superiority over any other Member, but I wish to make clear that in accepting this role of leadership, we did not abandon our equal rights as Senators with every other Member.

I appreciate, by and large, the courtesy which has been extended to me by Senators on both sides of the aisle.

The distinguished senior Senator from Oregon [Mr. MORSE] has been most courteous and considerate, and has notified me ahead of time on all occasions as to what he contemplated doing. And, by the same token, I have tried to notify him, as I would any other Member on any particular legislation, and as the leadership has tried to do at all times.

I wish to make it perfectly clear that, regardless of any title we may hold, by sufferance, we are still Senators from a State, we are still Senators of the United States, and we have at least as many rights as any other Members of this body.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum——

Mr. GORE. Mr. President, will the Senator withhold that suggestion?

Mr. DIRKSEN. I prefer to have a quorum.

Mr. MANSFIELD. Mr. President, will the Senator withhold it?

Mr. DIRKSEN. I withhold it.

The PRESIDING OFFICER. Will the Senator yield?

Mr. DIRKSEN. No; I withdraw the request.

Mr. GORE. Mr. President, the remarks of the distinguished majority leader were the first notice I had had that he entertained some personal resentment at the remarks which the senior Senator from Tennessee made yesterday.

I regret that he so interpreted my remarks. I tried to make it perfectly clear—indeed, I repeated the sentiment—that I directed no personal criticism at any Member of the Senate. I expressed the view, which I reiterate, that the Foreign Relations Committee, which had spent months in consideration of the bill, might properly have been consulted before this major—and, to me, entirely surprising—amendment was offered.

Had the administration and the "leadership"—to use the word of the distinguished senior Senator from Montana—reached the conclusion that the bill needed further modification, the Committee on Foreign Relations could have been consulted and requested to reconsider the bill and submit its recommendation to the Senate.

I had hoped—and I shall hope in the future—that a legislative committee in the Senate would be accorded this courtesy, particularly in view of the responsibility which the Senate has placed upon its respective committees.

I say to my distinguished friend from Montana, with whom I have had the honor and pleasure of serving in both Houses of Congress, that I intended no personal offense. I was sitting in my seat on the Senate floor, having supported the reporting of the bill, and was taken completely by surprise by this major reducing amendment. It may be that the bill should be reduced this much. It may be that it should be reduced further. Indeed, it was with great reluctance that I consented to support the reporting of the bill. Only the day before yesterday, Secretary Harriman called me, speaking, as he said, for the President of the United States, urging me to support the bill as it was before the Senate. I told him that I had supported its reporting.

I hope the distinguished Senator from Montana, the majority leader, will understand how I and other members of the committee felt, because we were not consulted with respect to this major move, which was made by the combined leadership of the Senate.

The able Senator says that he has every right that every other Senator has. In that statement I concur. I accord him every right. He is also the majority leader; and the distinguished junior Senator from Illinois [Mr. DIRKSEN] the minority leader.

If we follow the lines of traditional procedure in the Senate by according to committees the opportunity to exercise the responsibility which the Senate has delegated to them, all of us will be better off, and our parliamentary procedure will operate more smoothly.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MANSFIELD. I assure my distinguished colleague the senior Senator from Tennesse that, so far as he was concerned, I knew there was nothing personal in what he said. However, so far as the record shows, it would appear that the charge of being cavalier and, in a certain sense, not quite fair, had been directed against the mover of the amendment. I know the Senator will believe me when I state that I did not discuss this reduction with the administration in any way, shape, or form. I looked into this subject on my own authority as an individual Senator. I believe I have a right to exercise independent judgment, as the occasion demands. I have done so in the past, I did so yesterday, and I will continue to do so in the future.

There is a line of demarcation between the various positions which a Senator may hold. So far as I am concerned, I am, first, a Senator from the State of Montana, and I have never lost sight of that fact. So far as the position of majority leader is concerned—and I say again that I hold it by sufferance of the Senate—that is not a subtraction from my duties, but an addition to them, instead.

Therefore, I wish to repeat to my distinguished friend—and he is my friend, and has been for more than 20 years in both Houses of Congress—that I did what I did without any reference whatever to the administration. I had no consultation with them as to what I proposed to do. On the basis of talking with other Senators, I reached the conclusion that something had to be done. What I did was, in my best judgment, what I thought should be done.

I asked other Senators, as a matter of courtesy, to discuss this subject with me. They did so. There were differences of opinion, but in the end we arrived at a figure and a disposition which we thought would best serve the interests of the Senate as a whole. We may be right, or we may be wrong. However, the offering of other amendments is not precluded. The record should be made clear that I am delighted that we have had an opportunity to have this exchange of views, so that we may better understand the situation.

I repeat that I did not consult anyone in the administration in any way, shape,

or form so far as the amendment is concerned; and I accept full responsibility for it.

Mr. GORE. Mr. President, as upon every other occasion, I accept fully and give the fullest possible credence to whatever statement the distinguished senior Senator from Montana makes.

Let me once again express regret that he felt personal resentment with respect to my remarks. It is my way of speaking to say what I mean in rather precise language. I respectfully suggest that if the Foreign Relations Committee had been called into consultation, this proposal might very well have had the endorsement of the full committee.

If the situation which persuaded the distinguished authors of the amendment had been laid before the committee, the committee might have been persuaded. My feeling was that the committee which had the responsibility of considering this highly important question and making recommendations to the Senate should have been consulted before the attempt to make a major alteration in the bill was made by the combined leadership.

Therefore, I am pleased to close the incident on this happy note of renewal of confidence and expression of my esteem for my friend the distinguished Senator from Montana.

Mr. MANSFIELD. There was nothing personal in my remarks. I did not judge the remarks of the Senator from Tennessee to be personal. However, I felt that the record should be made clear.

Mr. GORE. I thank the Senator.

I conclude by saying once again that I had not intended to support the motion to recommit. However, if the combined leadership of the Senate believes that the bill needs such major alteration as is now proposed, it is the responsibility of the Committee on Foreign Relations to consider it and to make its recommendations.

It is my view that the wisest course at this time is to recommit the bill to the committee, and let the committee consider all the amendments offered. I hope the motion to recommit would contain instructions to report back within a reasonable time. If so, I should be glad to support the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MORSE. The motion provides that the committee shall report back on or before November 8. So the committee could report the bill back tomorrow, if it decided to do so, or it could report it back by November 8.

Mr. President, will the Senator from Tennessee yield for a parliamentary inquiry and a brief comment?

Mr. GORE. I yield.

Mr. MORSE. First, while a large number of Senators are in the Chamber, I should like to ask for the yeas and nays on my motion to recommit.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, I wish to make these comments about the statement of the majority leader: What he says is true with regard to the relationships that have existed between us in the handling of the parliamentary matters involved in the debate. Those relationships will continue. I shall always notify the majority leader of any parliamentary move I intend to make in opposition to the bill—and there will probably be many before we are through with it.

I publicly express my appreciation to him, as I have in private, for the unfailing courtesy and kindness he has extended to me at all times. Certainly there is nothing in my mind that is subject to the slightest implication that I would deny to him, because he is the majority leader, his right as a Senator from Montana to offer any amendment he wishes to offer at any time. Not only has he that right; he has the duty to offer an amendment as a Senator. He has a right to offer this amendment.

But this amendment is not merely an amendment. It involves some important parliamenatry and policy matters of the Senate, because while it is offered, it is true, by the Senator from Montana, he is, nevertheless, the majority leader. The amendment is cosponsored by the distinguished junior Senator from Illinois [Mr. DIRKSEN], the minority leader. It is cosponsored by the distinguished senior Senator from Iowa [Mr. HICKENLOOPER], the ranking Republican member of the Committee on Foreign Relations and chairman of the Republican policy committee. The amendment is cosponsored by the distinguished junior Senator from Alabama [Mr. SPARKMAN], the ranking Democrat on the Committee on Foreign Relations, next to the distinguished junior Senator from Arkansas [Mr. FULBRIGHT], the able chairman of the Committee on Foreign Relations, who is also a cosponsor of the amendment. The amendment is also cosponsored by the distinguished senior Senator from Vermont [Mr. AIKEN], a Republican member of the Committee on Foreign Relations and really the dean of the Republican side of the aisle.

What is before the Senate is really a powerhouse amendment that would have great effect in connection with the parliamentary policy that is to be followed from now on in connection with the bill. We have checked—we will not talk about it now, but we will later, when we begin to discuss the amendment—we have checked the parlimentary situation that is created by the amendment. The amendment would have great parliamentary effect on the future course of the bill. The amendment, if adopted, would have an effect on the standing of future amendments. That does not mean we would not be able to offer other amendments; but it means, as I have been advised by the Parliamentarian, that we would not be able to offer some amendments.

So what is before the Senate, in my opinion, is a powerhouse amendment that seeks to exercise great effect not only on the substance of the bill, but great effect on the parliamentary procedure that would be available to Senators who are opposed to the bill.

Mr. CURTIS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CURTIS. Would the Senator mind telling the Senate what amendments would be foreclosed from being offered if the amendment he refers to as a powerhouse amendment were adopted?

Mr. MORSE. As I am advised by the Parliamentarian, we would have to proceed to amend the Mansfield amendment in figure amounts in connection with economic aid and military aid. If we want less, we had better offer amendments to the Mansfield amendment itself. The Mansfield amendment is really an amendment to the amendment in the nature of a substitute for the bill before the Senate.

That situation could very well raise serious parliamentary questions as to whether some of the proposed amendments in money amounts would be out of order if the Mansfield amendment were adopted and became a part of the bill.

We think that these questions ought to be discussed in the Committee on Foreign Relations. We think the committee ought to discuss them and obtain a parliamentary ruling on them. We should discuss what the effects of the Mansfield amendment woud be on the parliamentary procedures to be followed in amending the bill.

Mr. CURTIS. Is it the Senator's opinion that if the so-called powerhouse amendment were adopted without change, there could be no further amendment changing the figures?

Mr. MORSE. I think amendments could be offered which would affect the figures for specific countries and that those amendments would be in order. If we adopt the Mansfield amendment, so far as its being a general amendment concerning money amounts, we have "fixed" it. That does not mean that when we finished with the total amendment, if the total were less than the Mansfied amendment, such amendments would not be in order. That is my understanding of the advice we have received, although we have not had time to consider it in detail. It is our understanding that such amendments would still be in order. The Mansfield amendment would not in any way prevent the offering of other amendments that dealt with basic policy questions, amendments such as the Gruening-Javits nonaggression amendment, such as my junta amendment, and such as amendments that seek to impose some restrictions on the use of military aid in Latin America and elsewhere. Such amendments would still be in order.

But I am doubtful as to whether or not we would not be somewhat restricted in our parliamentary maneuverability on the opposition side if the Mansfield amendment were adopted post haste—although it will not be adopted post haste. We shall have to see to it that it is not adopted post haste, in order to protect our parliamentary rights.

Mr. CURTIS. Would it be correct to say that if the amendment were adopted without change, there would be no opportunity to offer amendments changing the overall amount set forth in the bill?

Mr. MORSE. Let us raise that as a parliamentary question.

Mr. GORE. Mr. President, I yield for a parliamentary inquiry.

Mr. RUSSELL. Mr. President, who has the floor?

Mr. GORE. I have the floor, and I have yielded for a parliamentary inquiry.

Mr. RUSSELL. If this amendment were agreed to, any amendment affecting the foreign aid program's main items, such as the Alliance for Progress total, the loan total, and the military assistance program would be buttoned up; no further amendment would be in order. Senators would be precluded from offering any amendments that would change the amounts involved in the main items of authorization.

Mr. MORSE. That is my view. That is the point on which I think the Senator from Nebraska is seeking information.

Mr. GORE. Mr. President, I have yielded for the submission of a parliamentary inquiry. Would the Senator wish to clarify this question by stating a parliamentary inquiry?

Mr. FULBRIGHT. Would the Senator include whether this amendment is subject to amendment? There is nothing to restrict the Senator from Oregon from offering an amendment.

Mr. MORSE. I said that.

Mr. FULBRIGHT. That was not clear from the Senator's statement.

Mr. MORSE. The Senator from Georgia said that once the Mansfield amendment were adopted, it would be buttoned up.

Mr. FULBRIGHT. But there is nothing to prevent any Senator—the Senator from Nebraska [Mr. CURTIS] or any other Senator—from offering an amendment to this amendment to change the amount.

Mr. MORSE. We have admitted that.

Mr. GORE. Mr. President, I have yielded for a parliamentary inquiry.

Mr. CURTIS. I thank the Senator from Tennessee. I am not sure that I can recite all the conditions.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Nebraska will state it.

Mr. CURTIS. If the Senate adopts the amendment referred to by the distinguished Senator from Oregon as the powerhouse amendment, and its adoption is without change, would an amendment then be in order to change the total figures in the bill?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Should the Senate adopt the Mansfield amendment, it being an amendment in the first degree, it would freeze any further action on the amounts agreed to in the Mansfield amendment, but it would not foreclose any other amendment of any figure not listed in the Mansfield amendment.

Mr. MORSE. That is what I said. We would have to proceed country by country and item by item.

Mr. GORE. Mr. President, upon careful consideration, it seems to me that any Senator ought to be free to express his view with respect to a parliamentary procedure, without having such expression of view resented. I am sorry that it was. I am happy to accept the statement of the distinguished majority leader.

I respectfully suggest that perhaps we can profit from this occurrence; perhaps we can once again reflect upon the wisdom of the committee system of this body. It has served the Senate well.

In view of all that has transpired, and in view of the fact that the contingency fund is proposed to be increased by $125 million, without any justification therefor having been given to the Senate, and also in view of the parliamentary ruling which has been made, I am led to conclude that the part of wisdom now is to recommit the bill with an instruction that it be reported within a very brief, but reasonable, time.

Mr. DIRKSEN. 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 (Mr. BREWSTER in the chair). Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. I was looking for my very distinguished friend from Oregon, because I always like to have his comforting presence when I talk about him. But since the time is running——

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. PASTORE. I would be happy to ask unanimous consent that one of the pages locate the Senator from Oregon and invite him to come into the Chamber and accept the invitation of the Senator from Illinois.

Mr. DIRKSEN. I cannot quite be a monitor for all Senators, and particularly the great appeal in reading the news dispatches from Vietnam. But we have some business on the floor of the Senate and we must get about it.

Mr. President, I listened intently to the distinguished Senator from Oregon. Frankly, when he suffers great agony and pain as a result of the challenges that confront him in the bill, I suffer right along with him. I catch those reflexes of agony, and as he puts it into a lyrical panegyric, it hurts me even more. So I should like to have him about as I discuss the motion to send the bill back to committee.

First, the amendment is called a "powerhouse" amendment. I have never heard that expression attached to an amendment before. The Senator proceeds to give it that character because of its sponsor and cosponsors, including the two leaders, the chairman and ranking member, and the next ranking member on each side of the Foreign Relations Committee. I think he even noted the fact that the distinguished Senator from Iowa [Mr. HICKENLOOPER] was also chairman of the minority policy committee. Of course, he forgot to put in that I am also a member of the American Legion and the Presbyterian Church. So if he wishes to identify the amendment as a "powerhouse" amendment, he can merely look at the Congressional Directory, because I am not one of those timid and shy people who does not put all of his persuasions into his congressional biography.

But I am concerned about the bill. I earnestly hope that it will not go back to the committee.

The point was made that so many amendments have been submitted, there ought to be a further look-see by the committee, although the bill has been before the committee since the middle of June. If we are going to apply that reasoning as a precedent and every time 41½ amendments are pending in the Senate, that automatically argues that a bill must go back to the committee, we shall be in a fix from now on, because I apprehend there will be other bills—and very notably the implementing appropriation bill to go with the authorization bill—that will have its full share of amendments.

By what sophism can it be argued and justified that a bill should be recommitted to a committee because a sheaf of amendments is lying on the desk for consideration in this body? There is no logic to that argument. If we were to follow that reasoning, then I say, "Look out for the future, because the motion to recommit will become a very common motion indeed based upon a volume of amendments that spring from the fecund brains of Senators who are interested." That justification falls by its own illogic.

The proposal to send the bill back to the committee until the 8th of November is futile. There have been 18 markup sessions on the bill. If Senators desire to send the bill back to the committee, what do they wish the rest of the Senators to think about what has been done by the members of that committee? The distinguished Senator from Oregon is No. 4 in the majority list. Do Senators wish us to think that the work was not done?

The bill has been in the committee since June. The first markup came in middle July. There have been 18 markup sessions. If that is not enough to mark up a bill, I give up. With all the abstruse and difficult things that we have had in the Judiciary Committee, we can do a little better than that, I believe.

So the Senator from Oregon comes in poor grace to suggest that the bill go back to the committee because of his personal frustration; he does not like it and he wishes a second whack at it. What did he do the 18 other times? Was he there? I do not know, and I am not going to run the record to see. But I say that from the middle of July until the 1st of November is long enough.

I discovered that we cannot push January 3 into the future. At midnight on January 2, unless we push that clock back, the 1st session of the 88th Congress will end. By order, we can change the convening of the second session. We

can make it the 9th, the 10th, or the 20th, because the Constitution provides—unless Congress otherwise orders.

We can do it. But the present session comes to an end at midnight on the 2d of January. We can push the clock back for a while—I have seen it done since I have been a Member of this body—but the business of the country has got to be settled.

The third point I make is that there must be a bill. The agency has 67,000 people on its payroll, 27,000 of whom are natives, and 40,000 are aliens. But that money looks as good to an alien as it does to a native Yankee. Senators ought to know.

What are we going to do with that agency? Will we set up a caretaker agency? What would we substitute for it if the bill is not passed? Do Senators think that we would be helping the cause by sending the bill back to the Committee on Foreign Relations without instructions, which is what the motion provides?

Mr. Chairman, I can imagine what the first committee meeting will be like, assuming that a quorum is present the first time around. I shall have something to say on that subject, too. The chairman of the committee might say, "Members of the committee, we are here on orders of the Senate to reconsider the bill. What is your pleasure?" That is all the chairman woud have to say.

Then the business would begin. The committee would be presented with the 42 amendments that are at the desk. The committee would probably see amendments that at the moment are merely a gleam in the eye of the Senator from Oregon. There will probably be more before he gets through. Then the argument would begin.

The committee would meet until noon. Some Senator would come into the Chamber and say, "We ask that the committee be authorized to meet notwithstanding the sessions of the Senate." The Senator from Illinois will say, "No." I made that statement to the Finance Committee. I felt that we could not meet over there and be here, too, and discharge our responsibilities on the floor of the Senate. I give my word, Mr. President, if that happens, I shall object, because there is business to be transacted. The clock on the calendar of this session of the Senate is beginning to run out.

No. 5, I said I would say something about attendance. There are five members on the committee who are also members of the Senate Finance Committee.

Mr. FULBRIGHT. Six, I believe.

Mr. DIRKSEN. Five or six. One member, distressingly enough, either is in the hospital at the present time or is convalescing at home. It will be six or seven. The Senator will be lucky to start with a quorum from the day he receives instructions to take the bill into "Abraham's bosom" all over again and wrestle with it. How far does the Senator believe he will get with it?

All the while those amendments will be right there. They do not require even mothballs to retain their status. They will be there when the bill is reported from the committee. They will be considered. I have one in the pile, and I am going to offer it, I do not care what happens in the committee. It will be heard, and I shall discuss it, notwithstanding. I believe the committee turned it down, but I do not "turn down" very easily, Mr. President, and so I shall offer it.

But looking at the attendance problem, the Senate Finance Committee—as you, Mr. President (Mr. RIBICOFF in the chair), a distinguished member, know so well—meets every morning except Saturday, wrestling with a monumental tax bill. There are more than 160 registered witnesses, and still more to follow. Obviously, since that matter is of so much moment to the country, the members want to be present in the Finance Committee. But they cannot be there.

The distinguished Senator from Tennessee [Mr. GORE], who is one of the most diligent members of that committee, and one of the most articulate, and one of the smartest, has been on hand all the time. I sit there and just glory in his interrogations, because he does them so candidly and so well. I love to see the witnesses squirm when the distinguished Senator from Tennessee pushes the etymological needle into them in such a deft and agile way.

Where will one get the members to consider the bill if it is reported back to the committee? So, attendance is quite another problem. But the amendments will still be here.

We are operating as we do because the author of the motion to commit the bill told the Senate yesterday afternoon, and told the majority leader as pointedly as he could, that there would be no unanimous-consent request honored, that there would be no expedition. He is the author of the idea that this bill will not get through this Senate very soon, if he can help it. Well then, he can stew in his own juice, but let us not stew with him to the point of futility, because that is precisely what it will amount to. No instructions as it goes back. Then we wait until the 8th of November, and when the bill is reported and the bells ring and the Members call the cloakroom and ask, "What is the order of business?" it will be the foreign assistance bill. And by then there will not be 38 amendments, not 42 amendments, but 50 amendments. Do you believe you will have saved anything? You will have added only to the time, you will have added only to the agony.

Mr. President, what gives me great personal pain is that the distinguished Senator from Oregon will go down this strange trail, and on every tortuous foot of it, I have to bleed with him. That bothers me no end. I have compassion for that soul-searching pain that is his, over the fact that there is a powerhouse amendment that he characterized as an "end run" around the committee.

The members of the committee as individuals, could well appraise, by looking at the amendment pile and its diversity of subject matter, as to what was going to happen and how long it will be on the floor.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I am glad to yield.

Mr. PASTORE. Does the Senator know whether there is any parliamentary prohibition against trying to amend the Mansfield amendment?

Mr. DIRKSEN. No; I shall get to that, let me say to the Senator from Rhode Island. I wish to be sure that that is specifically understood, to show that we did not deal cavalierly with anyone. I do not believe I am a "class B" Senator yet, unless there is something on the books which I have not seen. By your grace and sufferance you have permitted me to be your floor spokesman. But that did not divest me of my character and my perquisites, and my authority under the rule book and under the Constitution. I am just as free to offer an amendment as anyone. I am just as free to join with the majority leader in offering an amendment as anyone. I did not know about the meeting in the office of the majority leader yesterday, until 10:30. My secretary told me, "The majority leader would like to see you in his office." He is always so gracious about it, and when I arrived there the distinguished Senators from Vermont and Arkansas were there with the majority leader. The Senator from Iowa came later, and then I arrived and we had a general discussion. I made the suggestion that I thought we should get that very brilliant intellect, over on the Appropriations Committee, TOM SCOTT, to come over and sit with us in the afternoon because those are the people who serve so well and who know so much about this Government. We had a second conference. The Senator from Arkansas objected in part to the first suggestion I made, where I thought it should be cut. He said, "I cannot go along with you."

I do not believe the Senator from Iowa, our ranking member, concurred with me, but by dint of discussion, we finally oriented and fixed those items in the bill where we thought cuts could be made, and then one substantive proposal to require feasibility evaluation by the Army engineers. That was my own little, feeble product along with all else. It was modified a good many times, and I believe what was done can stand up. When somebody talks about the military cut, the Defense Establishment gets money from the Congress easier than any other agency in the Government. They can come asking for a deficiency, they can ask for a supplemental, they can ask for a regular appropriation; and invariably, if it is reasonably justified, they can get it—and they can get it quickly.

One contention I made about the contingency fund, I said, "That is the last one I should like to see cut." I went through that agony with President Eisenhower a good many times, but the headlines, and the ticker tape, out there and the telecasts certainly support my contention that we cannot tell when the firmament of the world will be alight with revolt and fever and bloodshed, so we cannot tie the hands of the Commander in Chief.

Mr. PASTORE. Mr. President, will the Senator yield on that point?

Mr. DIRKSEN. I am glad to yield.

Mr. PASTORE. The very distinguished Secretary of State told me one day, "You can afford to cut the foreign aid bill in two if you will only make the contingency fund larger, because you are committing the money under circumstances that do not prevail at the time when a crisis arises. If the President, who is charged under the Constitution of the United States with the foreign policy of this land, had the authority to step in at the appropriate time and operate expeditiously without having his hands tied as the Congress has done from time to time, you could start tomorrow to cut the foreign aid bill right in two."

Mr. DIRKSEN. Well, I say to the distinguished Senator from Rhode Island, I remember when President Eisenhower sent the Marines to Lebanon. I remember Matsu and Quemoy. We cannot tie the hands of our Commander in Chief when we do not know what is going to happen overnight. So we came to a pretty fair conclusion.

Now, because six Senators' names are on this amendment, it is said it is the powerhouse amendment. Perhaps some day we will get it in the Standing Rules of the Senate, and rule 99 may read, "There can"—or cannot—"be powerhouse amendments, and there cannot be powerhouses unless they have the names of the leaders on them and the names of the ranking minority members and the names of chairmen of committees," and we will spell it all out. If it requires any other attribute, they can be put in the rule. "I am a member of the American Legion, the Veterans of Foreign Wars, the Elks Lodge, the Presbyterian Church"—and what a wonderful rule we will have.

I have in my hand amendment No. 232. Look at the list of the distinguished Senators who offered it: the distinguished Senator from Alaska [Mr. GRUENING], the distinguished Senator from Wyoming [Mr. SIMPSON], the distinguished Senator from North Carolina [Mr. ERVIN], the distinguished Senator from Utah [Mr. MOSS], the distinguished Senator from Nevada [Mr. CANNON], the distinguished Senator from Colorado [Mr. DOMINICK], the distinguished Senator from Oregon [Mr. MORSE], the distinguished Senator from Texas, the largest unfrozen State in the Union [Mr. YARBOROUGH], the distinguished Senator from Nevada [Mr. BIBLE], and the distinguished Senator from Florida [Mr. SMATHERS]. There are 10 names. If the powerhouse from Oregon—and I say that with kindly affection—is a member, we can put him down for 2, and that will make 11. Yet there are only six on this amendment.

I did not know that when I went on an amendment with the distinguished majority leader, plus one chairman, a ranking member, and perhaps other Senators, suddenly we gave that amendment special status and made it a powerhouse amendment. What an amazing thing and what logic.

Let us nail this down so there can be no question about it. In this amendment we reduce the committee figure to bring it in line with the House figure. That makes a reduction of $300 million.

Does a Senator want to change it? Ask the Parliamentarian now whether he cannot get up and be permitted to offer an amendment to make a cut of $100 million, or $200 million, or the committee figure can be increased by adding $500 million. A Senator can maul it and maim it to his heart's content under the rules, because the committee amendment is a complete substitute for the House bill. That gives it the status of original text when this amendment is pending, and it will be after the motion to recommit is disposed of.

Senators can offer amendments from now until the 20th of December, but not beyond, I admonish Senators, because that is when our Christmas recess begins. So do not go beyond that date. But Senators can offer amendments to change the figure before that committee amendment is finally agreed to. So Senators have not lost any rights. No one has lost any flexibility. There has been no impairment of the rule. Consequently, a Senator is as free as a bird to maim and maul this bill, amendment-wise, including powerhouse amendments.

Write that in the book. It makes me feel kind of proud that at long last someone recognized my talent that, in a feeble way, I could share, in the history of this establishment, as Brother Clark would say, a powerhouse. [Laughter.]

But we want to get it as clear as crystal that no Senator has given up anything, notwithstanding the very agile argument of our distinguished friend from Oregon. And while he was in the very labyrinth of this amazing argument, I was bleeding with him every minute; I was suffering with him the deep reflexes of his soulful pain. I hope it fell on sterile ears. There was no substance to it.

Let me say to my distinguished colleague what an astounding thing it is to go from a larger forum to a smaller forum of 15. That is the number on the committee, is it not?

Mr. FULBRIGHT. Seventeen.

Mr. DIRKSEN. Seventeen. There has been a gain since I last looked into it.

The whole desire, in the field of legislation, is to get a bill out of the committee, to get it here before this august body of 100 Members; but you see, Mr. President, our friend from Oregon takes an inverse look. He does not want to go from a lower to a higher body, where the ultimate disposal rests. He wants to go from the higher to the lower body, to wrestle without a single instruction from the Senate.

So when the distinguished chairman says, "Gentlemen, what is your pleasure?" That is when the fun begins. And who shall say what will come back out of the room downstairs, or in the new Senate Office Building where they meet? They will be wrestling with quotas, import duties, the matter of no aid to members of the United Nations unless they pay up their arrears, interest rates—somebody will have amendments on that subject. There is an immigration amendment in there. I had a list. I got up the other morning at 2 o'clock. Counting sheep did not do, so I began counting amendments.

The Senator from Oregon rewrites the whole bill. What a time I had with his substitute. Then there is a money amendment and the country-by-country amendment and the United Nations amendment and the self-help amendment. I cannot read my own writing. Then there is the "hunta" amendment. We ought to call those "juntas." They "junta" people out of the country.

There is an amendment for military assistance to Latin America, college contracts, import duties, aggression.

There they are. What a time members of the committee will have. I will see you Christmas.

What a mistake to send the bill back to the committee. It is in this Chamber that it must be disposed of, and with a reasonable approach, and a decent limitation of amendments, without a Member feeling that all wisdom resposes in him.

We can make progress and get this bill out of here, into conference, secure in the feeling, finally, that when one is around the Christmas tree on the morning of December 25, in red flannel pajamas, with his grandchildren, he does not have the weary, aching thought, "Tomorrow I've got to go back. We did not finish foreign aid."

Things are crowding. Do not send it back. This is where the business has to be done.

No matter what the commitee does, the bill must come back to the Senate. Then it will be susceptible to every standing rule and every amendatory process. Then we will go through this business all over again.

No; this is not the first time I have seen this done. Therefore, let us approach our responsibility and fight it through. Let us write the score on the scoreboard when the roll is called on the motion to recommit without any instructions so that the orbit could be the limit. I say keep it here. In that way we will make the necessary progress and we will not finally have to have the boys up there at the clock and at the other clock turn the hands back at midnight on the 2d of January; because there is a whole cave full of unfinished business. Let us vote down the motion to recommit and get on with the people's business in the Senate. Not a single right that the Senator from Oregon has is foreclosed. He can offer amendments by the stack. If he wants no time limit, we can have that too. He can bring up every argument he wishes, but let us have final disposition of it here.

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). The question is on agreeing to the motion of the Senator from Oregon [Mr. MORSE] to recommit the bill to the Committee on Foreign Relations. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. On this vote I have a pair with the senior Senator from Maryland [Mr. BEALL]. If he

were present and voting he would vote "yea"; if I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. BARTLETT], the Senator from Indiana [Mr. BAYH], the Senator from Nevada [Mr. BIBLE], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Washington [Mr. JACKSON], the Senator from Louisiana [Mr. LONG], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Wyoming [Mr. MCGEE], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent due to illness.

I further announce that, if present and voting, the Senator from California [Mr. ENGLE], the Senator from Montana [Mr. METCALF], and the Senator from Florida [Mr. SMATHERS] would each vote "nay."

On this vote, the Senator from Alaska [Mr. BARTLETT] is paired with the Senator from Nevada [Mr. BIBLE]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Nevada would vote "yea."

On this vote, the Senator from Indiana [Mr. BAYH] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Mississippi would vote "yea."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Washington [Mr. JACKSON]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Washington would vote "yea."

On this vote, the Senator from Wyoming [Mr. MCGEE] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Wyoming would vote "nay," and the Senator from Louisiana would vote "yea."

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Utah would vote "nay," and the Senator from Pennsylvania would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], that the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senator from Arizona [Mr. GOLDWATER], the Senator from Nebraska [Mr. HRUSKA], the Senator from New Mexico [Mr. MECHEM], the Senator from Iowa [Mr. MILLER] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The pair of the Senator from Maryland [Mr. BEALL] has been previously announced.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Kentucky [Mr. COOPER]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from New Mexico [Mr. MECHEM] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Iowa would vote "nay."

On this vote, the Senator from Pennsylvania [Mr. SCOTT] is paired with the Senator from Utah [Mr. MOSS]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 29, nays 46, as follows:

[No. 202 Leg.]

YEAS—29

Bennett	Gruening	Russell
Byrd, Va.	Johnston	Simpson
Cannon	Jordan, N.C.	Symington
Church	Jordan, Idaho	Talmadge
Clark	McGovern	Thurmond
Cotton	Morse	Tower
Curtis	Mundt	Walters
Ellender	Nelson	Williams, Del.
Ervin	Ribicoff	Young, Ohio
Gore	Robertson	

NAYS—46

Aiken	Hickenlooper	Monroney
Allott	Hill	Muskie
Boggs	Holland	Neuberger
Brewster	Humphrey	Pastore
Burdick	Inouye	Pearson
Carlson	Javits	Pell
Case	Keating	Prouty
Dirksen	Kennedy	Proxmire
Dodd	Kuchel	Randolph
Dominick	Lausche	Saltonstall
Douglas	Long, Mo.	Smith
Edmondson	Magnuson	Sparkman
Fong	Mansfield	Williams, N.J.
Fulbright	McCarthy	Young, N. Dak.
Hart	McIntyre	
Hayden	McNamara	

NOT VOTING—25

Anderson	Goldwater	Miller
Bartlett	Hartke	Morton
Bayh	Hruska	Moss
Beall	Jackson	Scott
Bible	Long, La.	Smathers
Byrd, W. Va.	McClellan	Stennis
Cooper	McGee	Yarborough
Eastland	Mechem	
Engle	Metcalf	

So Mr. MORSE's motion to recommit was rejected.

Mr. FULBRIGHT. Mr. President, I move that the vote by which the motion was rejected be reconsidered.

Mr. DIRKSEN. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the schedule and what he anticipates for the remainder of this afternoon and about as much of the schedule for next week as he can state at this time.

Mr. MANSFIELD. Mr. President, it is my understanding that the distinguished Senator from South Carolina [Mr. JOHNSTON] has an hour's speech on the foreign aid proposal.

Unfortunately, the distinguished senior Senator from Oregon [Mr. MORSE] had to leave the floor briefly, to attend a very important conference on the higher education bill. He will return later and will have a speech to make.

I do not know of any votes which will be taken during the remainder of today.

It is anticipated by the leadership that next week the Senate will meet on Monday, Tuesday, Wednesday, Thursday, and Friday; and it may be that votes will be taken on any or all of those days. I mention Tuesday specifically, because although some elections will be held on that day, there is no commitment that votes will not be taken in the Senate on that day. In view of the fact that we may be in for a long siege, I think it well to inform Senators that the Senate will meet on Tuesday of next week, as well as Monday, Wednesday, Thursday, and Friday, and that on Tuesday, votes may be taken in the Senate.

Mr. JOHNSTON obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator from South Carolina yield briefly to me?

Mr. JOHNSTON. I yield.

Mr. MANSFIELD. Mr. President, I understand that the distinguished Senator from South Carolina has an amendment to the amendments which are pending and are at the desk. I call his attention to the fact that, in response to a question raised by the distinguished minority leader, I stated that no other votes would be taken this afternoon. So I hope that with that in mind, the Senator from South Carolina will agree with the leadership and will join in the assurance that no other votes will be taken this afternoon.

Mr. JOHNSTON. I assure the majority leader that I shall not call for any vote on any amendment.

Mr. MANSFIELD. I thank the Senator from South Carolina.

ORDER FOR RECESS TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session today, it take a recess until noon, on Monday next.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Without objection, it is so ordered.

KAINO HELY AUZIS

Mr. HUMPHREY. Mr. President, I ask that the Chair lay before the Senate the amendments of the House of Representatives to Senate bill 310, for the relief of Kaino Hely Auzis.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 310) for the relief of Kaino Hely Auzis, which were, in line 3, strike out "sections 101(a)(27)(A)" and insert "sections 203(a)(2)", and in line 6, strike out "minor child" and insert "daughter".

Mr. HUMPHREY. Mr. President, on April 4, 1963, the Senate passed S. 310, to provide for the granting of nonquota status to the adopted daughter of citizens of the United States.

On July 9, 1963, the House of Representatives passed S. 310, with amendments to grant second preference status to the beneficiary.

Inasmuch as a quota number will be currently available for the beneficiary, I move that the Senate concur in the House amendments to S. 310.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Minnesota.

The motion was agreed to.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. HOLLAND. Mr. President, I have at the desk an amendment to the pending amendments which have been offered by the distinguished majority leader [Mr. MANSFIELD], on behalf of himself and other Senators. I ask that my amendment to those amendments be called up and be made the pending question.

The PRESIDING OFFICER. The amendment of the Senator from Florida to the so-called Mansfield-Dirksen amendments will be stated.

The LEGISLATIVE CLERK. On page 1, in line 8, of the amendments (No. 280) submitted by Mr. MANSFIELD, on behalf of himself and other Senators, the following amendment (No. 290) is proposed: namely, strike out the figure "$1,500,000,000" and insert the figure $975,000,000".

The PRESIDING OFFICER. The question is on agreeing to the Holland amendment to the so-called Mansfield-Dirksen amendments.

Mr. JOHNSTON. Mr. President, I believe that we have reached a crucial point—perhaps the most crucial point in the history of U.S. foreign policy. When any nation, most particularly a great nation which carries the heavy responsibility of leadership for much of the world, is determined to preserve its identity and independence before the onslaught of Communist degradation and imperialism, it cannot afford the luxury of fantastic waste.

Mr. President, it is my considered opinion that it is mind-changing time in the Senate of the United States. For 17 years since World War II we have constantly and consistently accepted the magic formulas of the apostles of giveaway foreign aid. This we must stop.

I am not one of those people who recklessly charge those with opposing points of view with dishonesty, deceit, or a lack of integrity. Let us give the apostles of giveaway the benefit of the doubt. Let us say in all sincerity that they believe in their magic formulas. Like most human beings, the persons whom they have deceived most are themselves. There can be no doubt that these supposedly sane, intelligent, and loyal Americans have gotten us into a quicksand of mess and predicament in foreign entanglements from which we may never disengage ourselves. The great tragedy of it all is that their only recommended solution to approaching disaster consists of more and more billions to be wasted in foreign aid—more billions to be thrown on top of the billions already spent into the cesspool of hopeless confusion.

There is nothing new about foreign aid. In one form or another, it has been given for thousands of years. The nations of the world throughout the pages of history have engaged in aiding each other. The ancient Greeks tried to meet the challenge of the Persians, the Macedonians, and finally the Romans with programs of mutual assistance. The Romans paid handsome subsidies, from time to time, to both their allies and their satellites. Great Britain, almost singlehanded, bore the financial burden of the last and eventually successful coalition against Napoleon.

No, there is nothing new about foreign aid as a concept and as a practice. The only thing new about foreign aid is the reckless abandon with which the United States of America has pursued its programs.

Over the years of history other nations have pursued foreign aid programs with a specific purpose in mind and with a specific goal in view. But we Americans seem to have another idea—or perhaps the lack of an idea. We seem to believe that if we pursue relentlessly a program of abstract togetherness and humanitarianism, we will find at the end of some distant rainbow that brave new world which we have sought and failed to achieve, through two World Wars and the Korean war.

Historically, other nations have extended foreign aid for two reasons: first, to strengthen their military position in concrete terms; and second, to develop their colonies or territories or other areas for the ultimate benefit not only of the colony or protected state but also for the benefit of the motherland itself. We Americans, however, have gone radically beyond these practical and emphatically limited objectives. We Americans aid everybody who asks for it, and even some who do not. We aid our allies. We aid so-called neutral states which consistently vote against us in the United Nations and oppose us elsewhere. We even aid the satellites and vassals of the Communist enemy.

I call attention to the "Report to the President of the United States From the Committee To Strengthen the Security of the Free World on the Scope and Distribution of U.S. Military and Economic Assistance Programs." This is the so-called Clay Committee report on foreign aid, dated March 20, 1963.

Every American interested in the foreign relations of his country and in world peace should read the Clay report. The majority view of the report contains more clear thinking than any of the reports on the same general subject which have come out of the executive branch of Government under the three administrations since World War II.

I can only conclude, however, that it is a terrible pity that General Clay and his committee did not carry their thoughts to a logical conclusion and thus recommend that foreign aid giveaway programs be stopped now. I only regret that the President did not, on the basis of the Clay report, do more than make a modest cut of $420 million in his request for foreign aid funds for the coming fiscal year. But he still asks for another $4½ billion in foreign aid. May the good Lord have mercy on us and our economy.

But perhaps I expect too much too soon of a committee appointed by the executive branch of Government. In any case, these 10 points made by the Clay Committee were of special interest to me:

1. External aid is of little value unless it is accompanied by an internal expression of will and discipline.
2. We are attempting too much for too many.
3. We should not extend aid which is inconsistent with our beliefs, democratic tradition, and knowledge of economic organization and consequences.
4. We believe the United States should not aid a foreign government in projects establishing Government-owned industries and commercial enterprises which compete with existing private endeavors.
5. Foreign aid was not designed for combat zones. Consideration should be given for making provision for countries in the border areas other than in our foreign aid program.
6. We do not see how external assistance can be granted to Indonesia by free world countries unless it puts its internal house in order, provides fair treatment to foreign creditors and enterprises, and refrains from international adventures.
7. We cannot accept the view that the United States must provide aid lest the fragile, new, developing countries of Africa accept it from Communist nations with resulting political penetration and eventual subversion.
8. We believe that the United States has contributed proportionately more than its share to the task assumed by the United Nations in the Congo.
9. The United States and Latin America cannot allow another Castroite-Communist Cuba to come into existence.
10. We are convinced that the burden of sustaining foreign assistance to the less-developed countries is falling unfairly on the United States, and that the industrialized countries can and should do more than they are now doing.

One would think, also, that sooner or later, at least a part of the truth would catch up with even those who practice political and economic self-hypnosis. The Clay Committee shows some indication of achieving at least a slight glimmer of an understanding of the political and economic facts of life. But apparently the truth has no meaning for these other people who are prisoners in the decadent, crumbling castle of ideas of their own making. They suffer from one grotesque hallucination piled on top of one act of stupidity after another. No! Fiscal sanity and the economic facts of international life continue to escape and elude the apostles of giveaway.

Instead, they try to readjust the facts—or at least to confuse themselves about the facts—by indulging in name-changing and alphabet soup for aid programs and agencies. We can only hope that the Clay Committee report will result in more insight and real thinking about foreign aid.

We have had economic aid which we called lend-lease. That was during

World War II, and I think a review of the settlement agreements would show that there was not too much lend, very little lease, and an awful lot of giveaway. Since World War II we have had mutual security programs. But these mutual security programs by name defy all logic. Not only is mutual security aid extended to allies but it is extended also to neutrals and to the vassals of the Communist enemy. How can these programs be either mutual or add to our security?

Then there has been technical assistance designed to provide the know-how to those who do not possess our industrial and technical skills. A close examination of the technical assistance program will, however, show that money is spent not only on personnel possessing skills but also on goods and miscellaneous services.

Then, there are loans. These loans, so many of them, are really gifts in that there is no hope of ever recovering them. The Development Loan Fund, which was put into operation several years ago, tacitly acknowledges this state of affairs by employing the category of "soft loans." What are soft loans? Soft loans are loans that no practical banker or businessman would touch with a 10-foot pole. Soft loans are gifts that it is more politic to call loans.

Finally, there is the interesting category of defense support, which one would think includes the instruments and weapons for possible war. But defense support includes not only weapons and materiel but substantial amounts of economic aid. Indeed, at one time all economic aid was called defense support aid.

We started out, after World War II, with the Greek-Turkish Aid Act. At that time there was great pressure by the Russians on Greece and Turkey. In the case of both countries we went from military assistance to permanent programs of economic dole.

Then, there was the Marshall plan. We were told, in 1947, by Mr. Paul Hoffman and by Representative Christian Herter—later Secretary of State under the second Eisenhower administration—that in 4 years the total expenditure on aid to Europe in its recovery would not exceed $17 billion. Actually, I believe, that aid under the Marshall plan only amounted to about $12 billion.

But foreign aid becomes a habit, and we have gone on and on, looking for new areas to aid, on the theory that since 1947 there are harsh new forces at work in the world which endanger this Republic and its people. According to the latest reliable figures I have on hand, by the end of fiscal year 1962 our total aid amounts to $97,675 million since World War II, on top of $49¼ billion spent on lend lease.

That makes approximately $147 billion. Bear in mind that is not all. Remember, we had to borrow the money to pay 3 percent interest. Ever since 1950 we have been paying more than $3 billion annually on the additional amount of indebtedness caused by our aid to foreign countries. At the present time it amounts to almost $6 billion annually in interest alone—additional interest created on account of foreign aid.

In the final analysis, it is impossible to determine how much of this aid is military and how much is economic. There is just too much change and too much fuzzy thinking in the labels and categories assigned to different types of programs for anyone to be very sure of himself on this subject.

The agencies which have administered foreign aid have changed names even faster than the names of aid programs have been changed—in fact, as fast as a lizard can change skins. As I recall, we started out with the Marshall plan being administered by a task force within the State Department. For a time, even after the bulk of economic assistance was transferred to a separate agency, the Technical Cooperation Administration was part of the State Department. Later, however, TCA became part and parcel of the Mutual Security Administration which then administered foreign aid.

As for the alphabet soup, the foreign aid agency has been known as ECA, MSA, FOA, ICA, and now AID. Which stand for, respectively, Economic Cooperation Administration, Mutual Security Administration, Foreign Operations Administration, International Cooperation Administration, and now Agency for International Development.

One might say that, regardless of the name, this particular rose smells all the same. The smell is that of giveaway leading to national bankruptcy and economic chaos.

Perhaps the most interesting name of all was Foreign Operations Administration which was the Eisenhower administration's first choice of giveaway agency names. At least, FOA gave the wags around Washington a chance for a little expression of humor. For it was said that FOA, pronounced "Fo-ah," was entirely fitting for a Capital City which at that time showed a strong affinity for the game of golf.

But let us go to great lengths to be fair about this matter. Without being guilty of creating straw men to be knocked down, and with full intent to do justice to those who believe in economic aid, let us ask ourselves: On what premises do they base their beliefs? Let us, indeed, ask ourselves what kind of rationale has been used to stampede the departure of all our billions of foreign economic aid—billions which amount to almost three-fourths of our national debt.

The national debt is more than $300 billion, and almost three-fourths of it has been caused by the foreign aid giveaway program. It costs us approximately $6 billion a year in interest alone.

Now then, what are the arguments for foreign economic aid?

Insofar as I can determine, the arguments are based on these basic concepts:

First. Foreign aid, they say, enhances our national defense and strengthens our military might.

Second. Foreign aid, they say, will stop communism in its tracks by creating conditions of social and economic well-being from which the opposition to communism will arise.

Third. Foreign aid, they say, will provide for programs of economic growth on a planned businesslike basis.

Fourth. Foreign aid, they say, will create stable societies friendly to the West.

Fifth. Foreign aid, they say, will provide for hungry nations to buy surplus U.S. commodities.

Sixth. Foreign aid, they say, will encourage the flow of capital, both public and private, essential to the longrun success of economic development.

Seventh. Foreign aid, they say, will act as a stabilizer against recession in the United States, a crutch for our foreign trade and thus, by implication, as a subsidy and a pump-priming device for American economic expansion and full employment.

Eighth. Foreign aid, they say, will offer in the persons of Americans living abroad and through subsidized visits of foreign officials to the United States, a living example of democracy—that is, "democracy by example," to use the fashionable cliche.

First. Let us take the idea that foreign aid enhances our defense and strengthens our military might.

Historically, and on the basis of practical horsesense, a case could be made for real defense support, as contrasted with vast quantities of giveaway economic assistance, to our NATO allies in Europe as well as to our allies in the Southeast Asia Treaty Organization—SEATO—the Central Treaty Organization—CENTO—the Republic of China, Vietnam, the Philippines, and perhaps a few other nations.

But there are other countries in which economic aid cannot possibly be justified under the pretext of defense support because in those nations the United States is not helping to support the military forces to any significant degree. In those nations economic aid is called special assistance and under this category we are asked to provide additional millions to Afghanistan, Bolivia, Burma, Ethiopia, Ghana, Haiti, Indonesia, Jordan, Liberia, Libya, Morocco, Nepal, Somalia, Sudan, Tunisia, Yugoslavia, and others.

Let us take a few examples of the recipients of special assistance. Through fiscal year 1962 we gave approximately $3,953 million to India. India, supposedly, was a nation dedicated to nonviolence and peaceful pursuits. Yet India's record is a mixed one. She has attacked our NATO ally, Portugal, and defied the U.N. Charter in doing so, but she also resisted Red Chinese aggression.

Ghana, an African State, was promised vast new amounts of aid for its sweeping Volta River project. Yet Ghana's brand of neutralism is that of repeatedly voting against our position in the U.N.—not abstaining but voting against us repeatedly. Ghana, moreover, has embarked upon a program of left-leaning dictatorship and authoritarianism.

Even among those nations to which we are allied there has been incalculable waste which could have only weakened not only our defense position but theirs. In Iran, for example, we spent $3 million to build a road to a proposed dam site before there was even a firm contract for financing the dam.

In Laos, to whom we have given about $445 million in aid, there has been, according to one Government operations committee report, case after case of conflicts of interest, apparent mismanagement, misuse of funds, and even instances of what I would call graft.

The list of error and miscalculation and outright stupidity is indeed almost endless. And for further details I refer, Senators, to the address I made in 1961 before the Senate on this same unhappy subject. So let us proceed in our clinical examination of the ideas which foster giveaway by the billions and over decades.

Second. Foreign aid is supposed to stop communism in its tracks by creating the social and economic conditions from which the opposition to communism will arise. We gave, through fiscal year 1962, approximately $2,400 million to Communist Yugoslavia, and approximately $522½ million to Communist Poland. We even gave approximately $50 million to Cuba before the rise of that bearded beatnik Napoleon, Fidel Castro, and then another $2 million after Castro came to power. How much opposition to communism has arisen in Poland? Did our aid restrain Castro from declaring himself a Communist and leading his people to totalitarianism and bringing us to the very brink of war last fall? Just how independent, in the final showdown, will Tito's Yugoslavia be of Khrushchev's Soviet Russia

Third. Foreign aid, they say, will provide for programs of economic growth on a planned businesslike basis, a totally ridiculous theory proven baseless by sad experience.

May I call attention, also, to the fact that in Pakistan one of the auditing teams observed that 10 dump trucks, procured at a cost of $265,000, were standing idle while the earthmoving work has performed by women with head baskets and burros. The dump trucks, it was discovered, were not suited to the nature of the soil. Moreover, it was difficult to train operators of complex equipment, and labor was abundant, so women were used instead of the expensive dump trucks which our tax dollars had purchased.

Still another example of the planned, businesslike basis of foreign economic aid programs can be found in the case of Korea. In the report of the staff survery team of the Subcommittee for Review of the Mutual Security Program on Economic Assistance to Korea, Thailand, and Iran, dated July 5, 1960, attention is called to five projects which are described as being "bogged down." This interesting quotation, found on pages 6 and 7 of this report should provide further refutation of this third concept:

NATURE OF PROBLEM

These stalled projects cannot be gotten back on the track merely by putting up more money. Korea suffers from an acute shortage of capital, but there are indications of an even more acute shortage of entrepreneurs—that is, men able and willing to assume top management responsibility and at the same time risk a substantial amount of their own money in backing up their judgment.

In the United States, as in the other nations of the world where industry and commerce are highly developed, the choice of a factory site, the determination of the type of equipment to be used, and the scale of operations and the prices to be paid for machinery and materials are left to the management of the enterprise. If the judgment of the management proves to be wrong on these matters, the management loses its investment.

In Korea, where many industries are government owned and where many others are financed almost entirely by government loans, the normal profit and loss incentives and penalties cannot be accepted as adequate controls of management, and the elaborate and time-consuming machinery of bureaucratic review has to be relied on.

There are undoubtedly a considerable number of entrepreneurs with the management ability and with capital, and the survey team visited a number of factories equipped by the United States which are in successful operation. These successes appear to reflect the adequacy of the entrepreneurs rather than the effectivenss of the procedures for granting U.S. assistance.

Recognizing that its observations were limited, the survey team, nevertheless, invites consideration of the possibility that U.S. assistance to the industrial-commercial segments of the economy (as distinguished from public utility segments—such as railways and powerplants) should be limited to enterprises where there is a qualified manager with adequate equity capital available and then most of the surveying, screening, and reviewing procedures now in effect eliminated.

A corollary of this would be that to the extent that local entrepreneurs are not available to carry forward industrial-commercial development on an adequate scale, encouragement should be given to foreign firms to come in and fill the deficiency. If the Korean Government is unwilling to use the services of foreign entrepreneurs, it should accept the fact that certain areas of economic development must await the indigenous production of management ability and risk capital.

How well-planned and businesslike is a program which gives birth to projects for which the existing managerial abilities and other skills are most inadequate—in fact, so inadequate that the projects grind to a halt?

Another case in point is that of Turkey to whom we had extended approximately $4 billion in total aid through fiscal year 1962. It is reported that our aid to Turkey has met with tremendous success. Indeed, one document states that there was a 50-percent increase in Turkey's gross national product between 1948 and 1962, 144-percent increase in the number of industrial establishments, 61-percent increase in industrial production, 52-percent increase in mineral production, 95-percent increase in generating capital for electric power, and more than 100-percent increase in agricultural production.

Yet, despite all of these impressive figures and despite the constantly repeated statement that Turkey's great leader, Attaturk, had carried his country so far that it was ripe for an economic aid program, and despite the fact that Turkey has been able to maintain an impressive armed force against Communist aggression, our hopes have not been fulfilled in that valiant country. For years, inflation has been rampant, there has been a flight of capital from the country, and there has been an unfavorable balance of trade. To put it simply, Turkey could not meet the burden of rapid economic development, and the whole problem culminated several years ago in the overthrow by a military junta of the constitutionally established Government of Turkey.

As that great educator of Yale University, William Graham Sumner, put it many years ago:

State ways do not make folkways.

Too often, our apostles of giveaway have failed to take into consideration the mores and customs of a developing society. Too often, they have overestimated the absorption power of an economy for foreign aid. Too often, foreign aid has brought not stability and economic plenty but instability and economic chaos. Too often, modern technology has been superimposed on regimes and administrative systems which were unable to cope with Western instruments of progress.

Fourth. Foreign aid, they say will create stable societies friendly to the West.

This idea is so closely related to the previous one that it has been for the most part answered. Let me just suggest, however, that stability is generated from within a society. And friendship can no more be purchased among nations than it can be among individuals. Perhaps William Shakespeare put it best when he said:

Neither a borrower nor a lender be, for loan oft loses both itself and friend.

In our own country Ralph Waldo Emerson wrote along the same lines:

We do not quite forgive a giver. The hand that feeds us in some danger of being bitten.

Fifth. Foreign aid, they say, will enable hungry nations to buy surplus U.S. commodities. Under existing law, we may dispose of farm surpluses abroad by selling them for foreign currencies, making grants for disaster and famine relief, and donation to private welfare organizations for oversea distribution.

I do not find fault with giving farm surpluses to hungry people, but I do find fault with some of the techniques used.

Why should we collect foreign currency for agricultural surpluses and then spend these funds on the country's development program? Why do we not make a greater effort to swap more of our agricultural surpluses for the products in which we are in such short supply—for example, manganese, chromite, cobalt, and tungsten, and so forth? Even given the facts that some of the hungry nations do not produce these scarce commodities, could me not join with other surplus food producing areas and arrange three-way barters of products? And even if we do now have huge stockpiles of many scarce commodities, surely these commodities could be imported for day to day use in the United States.

Sixth. Foreign aid, they say, will increase the flow of capital, both public and private, essential to the long-run success of economic development.

This concept is based, of course, on the fairly widely held view among modern economists that an underdeveloped and agricultural economy will reach a so-called takeoff point. That is, the economy must produce a surplus over

and beyond its needs in order that savings may be available for investment. The percentage of savings necessary for the economy's takeoff toward industrialization is variously estimated at 5 to 15 percent of the gross national product.

In the Western World during the industrial revolution, particularly in the 19th century, savings for investment were accumulated by capitalists through the mechanism of maintaining low wages and thus controlling the consumption of the working people—who otherwise would have eaten up and used up all of the savings.

In the Soviet world, modernization and industrialization advanced at a much faster rate than in the West—the Soviets not only kept wages low but also controlled prices, and deliberately maintained scarcities of consumer goods as well as millions of slave laborers.

Taking the underdeveloped nations as a group, it would seem that those Americans who expect miracles from foreign aid ignore many facts of life. First of all, we have seen what happens when foreign aid is poured into nations without modern administrative institutions—nations whose people are tied to beliefs that fitted simple societies but not modern industrial societies. It frequently results in a runaway inflation, reckless consumption, an excess of imports—including luxury imports—over exports and wholesale corruption.

Somehow, those who have the savings are afraid to remove them from the sock or the cookie jar. And to keep the ball rolling—to meet the so-called revolution of rising expectations—the apostles of giveaway must continually find new sources of funds—either American, British, or from international organizations.

More and more, also, we find the recipients of foreign aid inclined toward authoritarian methods to solve the increasingly complex problems of their own making. Castro has embarked on wholesale nationalization and heavy-handed controls. Nasser of Egypt and Nkrumah of Ghana have apparently behaved in a similar, although perhaps more moderate vein. The list of foreign aid sired or nourished tyrants is almost endless.

It is said, however, that Tito of Yugoslavia has relaxed in his frenzy of dictatorship and nationalization since becoming a major recipient of the American dole. But this is somewhat like the man who cut his throat so he would not have to shoot himself. For Tito had gone so far down the path of dictatorship and nationalization that any relaxation, whether it is spelled out in a new constitution or not, is purely relative—and probably will be temporary as well.

Seventh. Foreign aid, they say, will act as a stabilizer against recession in the United States, a crutch for our trade, and thus, by implication—a pump-priming device for American economic expansion and full employment.

It is perfectly true that no nation can live indefinitely in economic plenty while the rest of the world starves. But I doubt that it is wise for us, in this era of international tension and fantastic expenditures for defense, to lean upon the weak reed of foreign aid.

True, our exports do exceed our imports, and this imbalance could not continue indefinitely. If a nation sells, it must also buy.

But with foreign aid, we are running a deficit in our balance of payments, and we had been losing gold at a rapid rate until the Kennedy administration was able to institute measures of control. In 1947 we had almost $23 billion in gold stocks and in 1963 we were left with less than $16 billion. Most of the gold outflow has occurred since 1957.

And why has there been a gold flow out of the country in recent years? The answer is both complex and simple. It is that our exports are less than the combined totals of imports, essential military aid to our allies, expenditures by American tourists abroad, and giveaway foreign aid.

No. Even ignoring other factors, foreign aid is an undependable crutch. For foreign aid contributes in more ways than one to our balance-of-payments problems.

There is no doubt in my mind that foreign aid channels American production into temporary and unstable pursuits. More important, perhaps, it does the same thing abroad to foreign industries. It builds up with American money competition from foreign industries who have the production costs' advantage of low wages—advantages which can be magnified through the introduction of modern assembly line techniques. The disaster brought to the textile industry in my own State of South Carolina and in many other States is only one example of this fact of life.

American industries, not wanting to preside over their own destruction, are investing more and more money abroad. In 1939 there were $11,400 million in American long-term capital invested abroad. By 1947, this figure had grown to $16,900 million in private capital and $12,200 million in U.S. Government investments. And by 1961, this figure had increased to $48,927 million in private investments and $21,814 million in U.S. Government investments—a total of almost $70 billion invested abroad.

The free flow of capital is just fine in theory until one examines the stark realities of tariffs, customs regulations, currency controls, and differences in wages for labor that does not move freely across national boundaries.

An excessive flow of capital can, in other words, spell disaster in this world of controlled domestic economies.

Perhaps we should learn a lesson from Great Britain of the 19th century. For Great Britain emerged from the Napoleonic Wars as the most powerful and industrially-advanced nation on earth—the workshop of the world.

Contrary to popular belief, it was not World War I that put Great Britain on the economic skids. World War I only expedited a process that had long been in progress. I am told that in 1860 Great Britain produced two-thirds of all the coal and steel—the very lifeblood of economic strength in the 19th century—which flowed in international trade. By 1880, Great Britain was producing only one-third of the coal and steel that flowed in international trade.

True, British production had expanded during those 20 years. But absolutes are never important in international economics or politics. The awful truth is that Great Britain's competitors had expanded with modern technology at a far greater rate than had the British.

Ironically, it was British capital which had built up the competition offered to her in the 1880's and thereafter by the United States, Germany, and Japan—all newcomers among the great nations on the international scene. Yes, the British capitalists allowed their own industries to become obsolete and antiquated while they enjoyed large profits from oversea investments. The net result was that Britain was no longer able to play her traditional role as the balancer in the European balance-of-power system. And once the scramble for colonies was over, Germany decided to challenge British power.

The peril point and escape clauses and all the trade agreements in the world will not help us if we preside over our own economic disaster. Nikita Khrushchev has invited us to compete with the Communist world and has promised the United States that he would "bury us." Nikolai Lenin is said to have made this statement:

> The time will come when they (the capitalist nations) are so bankrupt that they will lose all power of resistance.

It may be, as some eminent authorities have maintained, that Lenin was referring only to moral rather than to financial bankruptcy. But I doubt it. Communism, in theory and in practice, is tied to materialism. Thus, I should think that Lenin meant both financial and moral bankruptcy. In any case, financial bankruptcy frequently precedes moral bankruptcy—or at least the two go hand in hand.

Let us not contribute to our own downfall by reckless giveaway programs. Let us not aid Khrushchev in burying us. Let us not prove that a ruthless Communist, Nikolai Lenin, was right.

Eighth. Foreign aid, it is said, will, in the persons of Americans living abroad and through subsidizing visits of foreign officials to the United States, provide a living example of democracy, that is, democracy by example, to use the fashionable cliche.

According to the last account I had, we, the United States, had about 15,000 people engaged in the foreign aid program. All of these people, of course, do not live abroad. But I wonder how many of them, even with the best will in the world, can really offer democracy by example in societies ruled by absolute monarchs, medieval despots, and authoritarian socialists—regimes which are so frequently riddled with corruption. And we note that Americans living abroad are subjected to wholesale criticism for high living in the minds of those less fortunate than ourselves—particularly the intellectuals who cannot hope to attain the American standard of living. To them, the oversea American more and more comes to resemble the European colonizers who have departed so recently. Surely the tempers of these Americans must be frayed and

they must be the most frustrated and disillusioned people on earth.

As for the foreign officials whose visits to the United States are subsidized, I wonder how much understanding they really gather in their tours of the United States. Do they see only the shell of America? Contrary to the recently popular song, "Getting to Know You" does not always mean "getting to like you"; in fact, "getting to know you" frequently means "getting to despise you." For on a short-term basis, people of different value systems come to realize that they disagree with those of another value system about things that never even occurred to them before they came into contact.

Real international understanding is a cumulative thing and should be thought of in terms of generations. An official on a subsidized visit naturally has on the blinkers of his own society—blinkers through which he must look and which cloud his vision. In a few short months he could not possibly gather much understanding of the United States and its people. For one never understands another country and its people until one absorbs the beliefs and customs of that country and its people and thus is able to judge its people by their own value system.

Mr. President, this has been a long review of the question of foreign aid. But I conceived it is my duty to state my opposition more clearly than ever during this year of great decisions.

I am tired of giveaway programs. I am weary of oversimplifications. I am disgusted with waste and unfulfilled promises of accomplishment.

I am annoyed by those nations which play the role of international coquettes; who openly say that they will take aid from any nation, Soviet or Western.

I am also irritated by those leaders who suggest that their countries will turn to communism if we do not sign a blank check. In July 1961, the President of Pakistan, Ayub Khan, said that if we gave his country billions of dollars, Pakistan would embrace democracy and be our friend. But if not, Pakistan would turn to communism. Moreover, it was also reported in 1961 that Ambassador Habib Bourguiba, of Tunisia, stated, as he left the conference table with Secretary of State Dean Rusk:

> I suggest the free world act now before another world does.

Foreign aid is the vehicle of special interests. Foreign aid is the vehicle of selfish interests. No matter how its cloak shines with humanitarianism and empty promises of economic progress, foreign aid is still not in the national interest.

At times like this, I am reminded of this message from the words of one of our greatest Presidents, Woodrow Wilson:

> When I think over what we are engaged in doing in the field of politics, I conceive it this way. Men who are behind any interest always unite in organization, and the danger in every country is that these special interests will be the only things organized, and that the common interest will be unorganized against them. The business of Government is to organize the common interest against the special interests.

I shall vote against foreign aid, as I have always done in the past.

Mr. RUSSELL. Mr. President, I have just read an article which was published this afternoon in the Washington Star. The article was written by one Joseph Kraft; and in the article he undertakes to deal with the debate on the floor of the Senate on the pending legislation.

Mr. Kraft seizes on the very popular approach to every subject today, when it is desired to prejudice any case by substituting fancy for fact and by seeking to don the mantle once worn by Ananias—by indulging in the most contemptible kind of falsehoods in attempting to prejudice the opposition to the foreign aid bill by reciting the fact that some southern Democrats are opposed to the bill.

The writer has made the statement that the southern Democrats, in a secret caucus, had agreed that they would support the efforts of the Senator from Oregon to rewrite the foreign aid bill on the floor of the Senate. He went on to attribute that support to a great many ulterior purposes in an effort not only to prejudice the opponents of the bill now before the Senate, but also to prejudice any opposition that might ensue later to the so-called civil rights measure. Of course, that man is a contemptible falsifier, which is evident from the vote taken on the floor of the Senate just a few minutes ago, before I had read the article. He said:

> All the southern Democrats had met and had agreed on this course.

I have checked the yea-and-nay vote briefly, and I think I am correct in saying that every one of the southern Democrats followed the voting pattern he has always followed with respect to foreign aid. Those who are in favor of foreign aid voted against the motion to recommit, and those who are opposed to increasing foreign aid voted in favor of the motion to recommit. I do not have the actual yea-and-nay vote before me, but the Senator from Alabama [Mr. HILL] has not yet completely deserted the little group of embattled southern Democrats; the Senator from Florida [Mr. HOLLAND] has not; the Senator from Alabama [Mr. SPARKMAN] has not; the Senator from Arkansas [Mr. FULBRIGHT] had not at the last account that I had from him. All of them voted against the motion to recommit.

All of those who voted in favor of the motion to recommit have a consistent record of voting to reduce the foreign aid authorization or opposing the program in its entirety.

We have come to a pretty pass in our country when men of the fourth estate, who are supposed to be men of honor—and most of them are—seize on every issue that comes before the Senate in an effort to twist, distort, and wilfully and malignantly falsify in order to attempt to prejudice the case in favor of the pending civil rights legislation, which has not yet reached the floor of the Senate, or—as, in this case, attempt to prejudice the efforts of all those who are opposed to the foreign aid program or seek to reduce the authorization therefor.

Mr. President, there is nothing I can do about it. I cannot stop it. It is not a new custom, although all of it is not as vicious and as open and flagrant and maliciously false as is the article to which I have referred. But I shall continue to protest it and to have embalmed in the volumes of the CONGRESSIONAL RECORD the fact that some men who are supposed to be devoted to a cause that is protected in the Constitution of the United States—the freedom of the press—abuse that freedom by attributing evil purposes to all those who do not agree with their views on all legislation.

It ought to stop. Those who own the newspapers should see to it that this kind of yellow journalism is eliminated or else there will be a time when they will have finally made the circuit around and distorted the position of everyone, and there will be some curtailment of the right of the press to slander, libel, and falsify, as is done in the article to which I have referred.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. MANSFIELD. Before I make the request which I intend to make, I should like to say that the writer to whom the distinguished Senator from Georgia has referred, whoever he may be, I am sure underestimates very drastically the integrity of the Senator from Georgia as well as the integrity of the Senator from Oregon.

Mr. President, I referred previously to an amendment offered by the Senator from South Carolina [Mr. JOHNSTON]. It is my understanding that a prior amendment to the Mansfield-Dirksen amendment had been offered by the Senator from Florida [Mr. HOLLAND], and is now pending. I have been trying to locate the Senator from Florida to ask him to make certain that his amendment would not be called up this afternoon because of the commitment which the leadership has given to the Senate that there would be no further votes this afternoon. I am quite certain that the distinguished Senator from Florida will agree to the arrangement, because he has had to leave the Chamber temporarily, and therefore I cannot at the present moment see him. But I desired to put the Senate on notice that there will be no further votes this afternoon.

Mr. JOHNSTON. Mr. President, the Senator from Florida said that he intended to file the amendment, so that he could call it up on Monday. I believe that the Senator will find there is no difficulty.

Mr. MANSFIELD. I have stated information I received from one of the attachés.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. MORSE. I regret that I did not hear the Senator's comment. I came into the Chamber as the Senator was closing. I understood that the Senator made some reference to the Kraft column.

Mr. RUSSELL. I said that he was a candidate for the mantle of Ananias and had demonstrated more ability to

wear it than anyone I have known recently.

Mr. MORSE. That is an appropriate description of that journalist. Earlier today I had paid my disrespects to him for his lying column published today.

Mr. RUSSELL. I regret that I did not hear the Senator. I was out of the Chamber when he made his statement.

Mr. MORSE. I made it clear that I had been advised by Senate colleagues that there had been no such secret caucus as is reported. I also made it clear that the writer had done a great injustice to my southern colleagues. I expect that kind of justice to be done to me by men of the yellow press of America. That does not concern me, except that I attempt to keep the record straight each time I observe such articles by paying my disrespects to such kept journalists.

Mr. RUSSELL. The writer evidently undertook not only to prejudice the case of the Senator from Oregon, but also undertook to make a case against the efforts of the southern Democrats in connection with a proposed civil rights bill. He is trying to kill two birds with one falsehood, to besmirch all those whose consciences will not permit them to support the foreign aid bill as well as those who will be opposed to a so-called civil rights measure when it comes before the Senate.

He endeavored to create a monumental falsehood in order to accomplish a double purpose with one falsehood.

Mr. MORSE. I wished the Senator to know that I paid my disrespects to that kind of journalist. I desire that the RECORD be clear again that there is no arrangement between the Southern Senators and the Senator from Oregon. I know that on the merits and the demerits of the bill Senators will exercise their independent judgments.

I also suggested that the writer take a look at the division of the southern Senators in this body on the question. I suggested that he look at the record of the Senator from Alabama [Mr. SPARKMAN] and the chairman of the Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT].

Mr. RUSSELL. As well as the senior Senator from Alabama [Mr. HILL] and the Senator from Florida [Mr. HOLLAND], who voted in the negative. Unfortunately they have persisted in the error of their ways by supporting all foreign aid legislation.

Mr. MORSE. Nevertheless, I appreciate the fact that the Senator from Georgia has joined in nailing this vicious, lying article to the mast.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield.

Mr. LAUSCHE. I commend the Senator from Oregon for his bold and direct approach and purpose to reveal the truth. Unless journalists are truthful, we will run into calamity. The Senator from Oregon has exhibited his usual, objective, and courageous approach to problems in regard to foreign aid.

Mr. MORSE. I appreciate the Senator's comments.

Mr. JOHNSTON. Mr. President, to go back to the discussion that the Senator from Georgia brought up, I believe I, too, have attended every one of the southern caucuses. I can truthfully say that the proposal of the Senator from Oregon was never discussed before the group at all. I believe he will agree that neither I nor any other Southern Senators has come to him and acknowledged anything about it.

Mr. LONG of Missouri. Mr. President, since the American Revolution, the people of our Nation have had one fundamental dream with respect to the world family of nations. That is, that it be made up of free and independent nations. While for many years our role in achieving such a world was passive, time and events have brought us to a role of world leadership. Our own security prevents us from turning our backs on this leadership. The basic question before us today is how can we as a nation best exercise this leadership to accomplish the longstanding dream of freemen and thus advance our own security.

To answer this question, we must first recognize the forces working against a world of free and independent nations. Of course, the foremost enemy of freedom is Communist imperialism. The Communists are hard at work attempting to penetrate and dominate the underdeveloped nations of the world. In Latin America, Asia, and Africa, the Communists are utilizing every weapon at their command—social, political, and military—in their efforts to make this a Communist world. Their allies in this fight against freedom are poverty, disease, ignorance, and desperation.

Our efforts must be directed toward overcoming all of these forces. Foreign aid has proved an effective instrument in this struggle and I believe it can be made an even more effective instrument in achieving a world of free and independent nations.

Mr. President, critics of foreign aid almost always include in their charges the assertion that you can't buy friends. This is a very easy charge to make since it is axiomatic. However, the charge is completely irrelevant to foreign aid since the program is not intended to buy friends. The military support phase of the program, of course, is for the purpose of strenthening the military might of the free world. The nonmilitary phase is intended to help less fortunate underdeveloped nations strengthen their economic and political independence. That is, to help the people of the nations win their struggle against poverty, disease, ignorance, and desperation.

Paramount to success in this endeavor is a desire on the part of underdeveloped nations to achieve economic and political independence. All our Nation can do is help those who are willing to help themselves. As a general rule, economic aid should not be extended unless the recipient nation undertakes to carry out the necessary social, political, and economic reforms. This was the intent of Congress in enacting the Foreign Assistance Act of 1961 and the Alliance for Progress.

Mr. President, I believe the basic intent of Congress in enacting these two programs is sound. I believe the future security of the free world depends on our continuation of an effective foreign aid program. This belief is supported by the fact that almost all industrial nations of the West have adopted programs to economically assist the underdeveloped nations. Even the Soviet Union has recognized the effectiveness of this approach by adopting an economic assistance program to bring underdeveloped nations under Communist influence.

Our economic assistance program to Western Europe after the war had dramatic results and its success was easily measured. Unfortunately, this cannot be true of our present program. Europe had all the necessary requirements for economic development other than capital and plants. The underdeveloped nations are beginning from scratch. It will be a long but necessary road.

Our actions on the pending bill should be aimed at carrying out the policy envisioned when the Foreign Assistance Act of 1961 and the Alliance for Progress were initially enacted.

ALLIANCE FOR PROGRESS

Mr. INOUYE. Mr. President, recently I had the opportunity to visit the small nation of Uruguay for the dedication of a statue to George Washington. During my visit, I had occasion to talk with many members of the Uruguayan Government, business and civic leaders, as well as our personnel in the Embassy and related missions. Although I have always been interested in the Alliance for Progress, and have offered it my support, this was my first opportunity to view in operation the vast hemispheric program that has developed under the sponsorship of President Kennedy, to promote the economic and social development of Latin America.

In the numerous discussions I had in Uruguay, the Alliance for Progress repeatedly became the topic of interest and concern. A number of Uruguayans were unhappy with the slowness of the implementation of this program. On the other hand, I was extremely impressed by the dedication of the Uruguayan Government and the people of Uruguay in following a course of action within the framework of the Alliance for Progress, although it was apparent that they, themselves, were not moving as fast as possible.

Since the time of my visit to Uruguay, I have been devoting a considerable amount of my time reviewing the Alliance.

Certainly, neither party can claim exclusive authorship of our present Latin American program. It was during President Eisenhower's regime that the Act of Bogotá, calling for mutual cooperation, was adopted. It was also at the request of President Eisenhower that Congress, in 1960, authorized $600 million for the Inter-American Program for Social Progress.

Then, under President Kennedy, the Alliance itself was inaugurated in August 1961, at a meeting of finance ministers at Punta del Este, Uruguay. It was conceived as a vast, dynamic program, engulfing the northern and southern continents of America, and dedicated to the

eradication of poverty, ignorance, and disease, which have plagued Latin America through its long and turbulent history. Twenty nations signed the Charter of Punta del Este, and dedicated their programs and their efforts to the accomplishment of such goals as: elimination of adult illiteracy by 1970; increasing life expectancy at birth by a minimum of 5 years; an annual rate of growth of 2.5 percent per capita per year; and encouraging and expanding such related enterprises as housing construction, sewage and sanitation facilities, agrarian reform, and increased productivity; and to the development of long-range programs which would insure the self-sustaining growth of each nation.

Since its inception, I have heard some critics prophesy the failure of the Alliance for Progress, while others have predicted its eventual failure unless certain changes—which happen to fit their own ideas—are made immediately.

Sentiments like these could indicate that there exists an impatience to get moving, to get the job done, and that would be all to the good; I am afraid, however, that this attitude reflects defeatism and a deep misunderstanding of what we have undertaken.

These people have forgotten what President Kennedy said when he first outlined his proposals for the Alliance at the White House on March 13, 1961. The 10-year plan for the Alliance, he said, will be the years of maximum effort, the years when the greatest obstacles must be overcome.

And, if we are successful—

He said—

if our effort is bold enough and determined enough, then the close of this decade will mark the beginning of a new era in the American experience.

I would like to stress his use of the word "beginning." Those who complain that the Alliance has failed in 24 months to correct the economic and social distortions of 250 years of colonialism and 150 years of frequently turbulent political independence should go back and read Mr. Kennedy's speech to discover the full dimensions of the job we are tackling.

As stated by the U.S. Chamber of Commerce in its recent report on the Alliance for Progress:

These criticisms reflect not only the obstacles facing the Alliance, but also the enormous problems that called it into being.

Certainly, the Alliance for Progress has not been a total success. However, the great progress that has been made is miraculous in the face of the problems it faces. As Tad Szulc, noted columnist on Latin American affairs, has said:

Social and political unrest are rising vertically like a maddened fever chart.

The chamber of commerce has pointed out the principal criticisms brought against the Alliance in the light of its objectives, accomplishments, and potential. These criticisms, and the chamber's answers, are as follows:

It hasn't gotten off the ground. The need for speed is urgent. As U.S. Alliance Coordinator Teodoro Moscoso constantly stresses: "It is 1 minute to midnight in Latin America." Tomorrow the hemisphere may have more Cubas to deal with. Yet any program as complex and ambitious as the Alliance requires time to get moving, and the results are not likely to be apparent overnight or even within the first few years. Economic development historically shows a tendency to accelerate from slow beginnings.

Its machinery is inadequate. Much more needs to be done to improve coordination among the United States, the IDB, the OAS, ECLA, and the other international institutions which will participate. The OAS machinery itself, particularly the Panel of Nine, needs to be strengthened and its role clarified. National planning for the Alliance in Latin America is just getting underway, but AID and other U.S. agencies could improve their coordination. As one leading U.S. newspaper has put it: "Latins thought they had a monopoly on manana and they were both perplexed and dismayed when they discovered that this was another field where Washington was first."

The U.S. contribution is inadequate. At this stage most of the Latin American countries have not completed their plans, much less undertaken the varied and complex self-help efforts necessary to make U.S. aid effective.

Latin American governments have not met the conditions to which they agreed. This is one of the thorniest problems for the Alliance, because of the inclination of AID and other agencies to provide aid, as in the past whenever an emergency arises. On the other hand, 18 Latin American countries have taken positive steps toward sounder long-range planning, self-help, and reforms.

The emphasis is on social development rather than the real need for investment in productive enterprise. In this respect, viewpoints differ widely. Many experts feel that there is not enough time to follow the pattern of the United States and Europe, and that social and economic development must be pursued simultaneously if either is to succeed.

The reforms envisaged by the alliance are unfair. Members of the so-called oligarchies of Latin America have made this charge. This is the group which stands to be most immediately affected by altered land and tax policies. However, these oligarchies stand to lose more in the long run if they are unwilling to relinquish some degree of the control which they now enjoy. As one Peruvian aristocrat said, "Either we give or they take."

The Alliance gives too little emphasis to the role of private enterprise. If this investment is to materialize, Latin American governments must make more strenuous efforts to provide the conditions necessary for the free enterprise system to function adequately. Among other things, many countries will have to reexamine policies on expropriation and compensation, state planning, state investment in enterprise, and business regulation. Of the total $80 billion expected from the Latin American countries over the 10-year period of the Alliance, nearly three-fourths is to be in the form of private domestic investment by the Latin American businessmen themselves.

The alliance lacks a mystique. The U.S. Government has so far failed to create a genuine enthusiasm for the Alliance in this country, and in much of Latin America it is still largely unknown or misunderstood. Without broad popular support, the task of the Alliance will be infinitely more difficult. A new public information effort by the OAS was launched in July 1963, to create greater public consciousness of the Alliance and to stress, particularly in Latin America, the partnership nature of the program.

The Alliance for Progress has recently been faced with a series of blows, more particularly the military coups d'etat in the Dominican Republic and Honduras. As stated by Tad Szulc in the New York Times of October 6:

Because this [Washington] is a town that has accustomed itself to think in the black-and-white terms of definitive victories or definitive defeats, the instantaneous inclination here was to begin composing the obituary of the Alliance for Progress.

To me it is quite apparent that these setbacks should not reflect adversely on the Alliance for Progress program, since these military coups are not a result of the failure of the Alliance, but rather a most vivid manifestation of the tremendous problems which the Alliance is attemping to overcome.

The New York Times, on Monday, October 7, in referring to these last violent death throes of the Latin military and oligarchy, correctly stated that—

The Alliance needs time, persistence, and that elusive quality—faith. It must not be used to bolster military reaction, but it must not be given up because these vestiges of a dying past are making last stands in some Latin American countries.

I do not deny that what has happened in Honduras and the Dominican Republic is sad—sad for the Alliance for Progress, sad for the Dominicans and Hondurans, and sad for those around the free world who strongly believe in the principles of self-government and democracy.

Even though we have taken one step backward in these instances, the story of the Alliance is not yet finished. Even the Dominican and Honduran stories are not yet finished. I remind you that even in the cases of the military coups d'etat in Peru and Argentina, they have eventually resulted in free elections and representative democratic governments.

I cannot promise you that there will not be similar setbacks in the future in Latin America before the Alliance for Progress achieves its ultimate goals.

Battles are lost, but wars are still won. What is at issue is whether, in the face of adversity such as we have recently encountered, we have the necessary fortitude to continue this war against communism, or whether our frustrations will result in our withdrawing from the affray. Upon this decision will rest the ultimate success of the Alliance for Progress.

Support for this program by the American people unfortunately ebbs and flows with every intermediate small advance or setback. Our fickleness in this regard leads our Latin American friends to feel that possibly we are incapable of the long-sustained effort necessary to reach the goals set by the Alliance. Castro and his communistic cohorts in Latin America play continually on this fear as part of his campaign to destroy the program that stands between Latin America and Communist domination. Castro, recently on the Havana radio, happily commented:

The North American Congressmen have cut in half certain funds which the administration has asked for the Alliance for Progress. Of course, that famous Alliance was always conceived on a false basis, as an instrument of aggression against the Cuban revolution. It was from the beginning doomed to failure.

The Chilean Communist newspaper, El Siglo, tolled the death knell of the Alliance as follows:

The $2 billion annual aid promised 2 years ago was mere propaganda and was actually reduced to $600 million. The result has been stagnation, even retrogression instead of predicted growth, since in this period North American monopolies have withdrawn from Latin America more than AID furnished. With the House cut to $450 million, the Alliance has died. May it rest in peace.

It is miraculous that, considering the problems faced in Latin America, we have had the degree of success that has accrued to the Alliance in short time of its operation. The U.S. Chamber of Commerce sums up its report, as follows:

In the face of these difficulties, the Alliance for Progress stands as a bold program calculated to make at least a start toward the long-range solution of Latin America's diverse problems and toward assurance of social and economic progress in the years ahead.

In order to place the progress of the Alliance in its proper context, I would like to tell you some of the things that I know are right with the Alliance, and some of the accomplishments that the program has already achieved.

One thing right with the Alliance is that it represents an awakening of our national interests and responsibilities in Latin America.

Until a couple of years ago, very few of us in the United States were aware of the real nature of the problems of Latin America, and few of us cared. As Mr. Moscoso recently stated in the Saturday Review of October 12:

Latin America was a region we took for granted. We went there as tourists, and counted on it to supply us with coffee, bananas, and raw materials. It was also an area to which we exported a large volume of our manufactured products. Through these decades, Latin America either failed to develop modern economies and societies, or it reared distorted economies dependent on only one or two products—tin in Bolivia, oil in Venezuela, coffee in Brazil. All this time, blissfully ignored by all but a few, tensions and problems were growing. Revolutions made colorful, but unimportant, reading. Dictatorships and political convulsions drew from most of us a yawn rather than a quest for understanding. Only intermittent and largely ineffective attempts were made to get to the root of the problems that were growing in Latin America and that sooner or later were bound to command our attention.

Then came Fidel Castro, and suddenly, North America awoke to Latin America.

The Alliance is not a carbon copy of the Marshall plan which merely—yes, I said "merely"—set itself the tack of reconstructing war-ravaged economies. This is a program, as Alliance Coordinator Teodoro Moscoso has put it, which seeks to build—not to rebuild—economies and societies ravaged by history.

Against this background, it seems to me that the expectation of quick results in the shape of a flourishing, contented, democratic Latin America after 2 years of treatment, is as ludicrous as it sounds.

Another thing that is right with the Alliance is its concept. It does not gloss over problems but faces up to them honestly. It does not say that, with a few million dollars poured into technical assistance projects, we can make up for 150 years of underdevelopment. It calls for changes in the outdated and brittle structure of the Latin American economies and societies, so that the money and the other resources that are poured in are channeled to the people who need them most. Nor is the Alliance just another aid program. It puts the burden of the effort—as far as internal reform as well as the generation of funds are concerned—on the Latin American countries themselves. United States and other outside aid can and will become effective only to the extent that the Latin American members of the Alliance carry out their end of the bargain. President Kennedy has said repeatedly that this is "a vast cooperative effort in which the United States is the junior partner."

Not only are they required to institute basic reforms in order to better respond to the needs of their people—not only is the principal burden of generating 80 percent of the necessary funds within their own countries—but even on those programs with which we assist them, they provide a substantial portion of the funds.

In Mexico we have authorized a $20 million credit for loans to small farmers. It is expected that Mexico's own contribution to this program will be $185 million.

AID is providing a $30.5 million loan to Argentina for the construction or improvement of 1,200 miles of highways. Argentina will provide $160 million.

In Chile, through the social progress trust fund, we have made a credit of $2 million available to build 1,900 homes. The local contribution is in excess of $5½ million.

A grant of $310,000 for technical assistance in the formation of credit unions in Latin America has resulted in stimulating and creating some 500 credit unions. New credit unions are being created at the rate of 60 a month.

In Central America the social progress trust fund has made a $2,925,000 loan to the five Central American universities, for improvement of the training of their technical and professional personnel. This is being matched by an equal amount from the countries themselves.

Another thing that is right with the alliance is that it is not a government-to-government program.

It recognizes candidly that roads, ports, communications, and other infrastructure facilities are generally beyond the ability of private enterprise to provide. So, to the extent that these basic ingredients need to be provided, we have to work with governments.

Even most of the loans that are made under the Alliance for Progress to recipient governments end up in the private sector. For example, the supervised agricultural credit loan to the Government of Mexico, which I have referred to, is for the purpose of distribution through private banks, for small agricultural credit loans under a controlled rate of interest, to farmers for the purchase of seed, equipment, fertilizer, and the other basics required for full utilization of the land.

But beyond this, private enterprise must carry the burden. It is estimated that 65 percent of the resources within Latin America must come from private sources there. Also, $300 million a year will be needed over the course of the 10-year program from U.S. and other foreign private investors. What is needed is the maximum cooperation and pooling of resources from both the private and public sectors. For what we are after are modern economies in the Government serving the people and in which private initiative has the opportunity to play the productive role it must assume if the country is to prosper and the people are to be free.

Development toward fair tax loans and proper administration is another thing that is right with the Alliance for Progress.

Twelve Latin American countries have either passed new and tighter tax legislation or improved their tax and customs collection systems. In seven cases, the reforms have been of major scope. This area is of great concern to the founders of the Alliance both here and in Latin America.

It is also, as we know from our own experience in the tax field, one of the most politically sensitive and difficult.

However, the beginning that has been made in countries as far apart as Guatemala and Chile, Colombia, and Bolivia, is impressive. At the same time we realize that it is only a beginning.

One of the most valuable services that our American technicians are providing today in Latin America is advice on tax collection and fiscal administration. Our Internal Revenue Service in a short time has built up a fine and efficient record in this field.

Rational comprehensive modernization of agriculture is another thing right with the Alliance for Progress.

As in most underdeveloped countries in the world, agriculture is the backbone of the economy of Latin America. Yet, much as these countries depend on it, agriculture is at the root of much of Latin America's economic and social difficulties. It is either turning out too much of a few products such as coffee or it is producing too little of the desperately needed staples like wheat and corn. What is more, agriculture is highly inefficient, employing far too high a percentage of the population and thus unable to give those masses more than a few crumbs of the small pie they all have to share. So, naturally, it did not take much imagination when the charter of the Alliance was drawn up, to make agriculture a big chapter. Agrarian reform was the watchword. And it gave rise very quickly to the misconception that all that was wanted or needed was the splitting up of the large landed estates, which were owned by a few wealthy men who also played a decisive role in controlling the political destiny of their countries. But it is not this simple. The fact is that, in a number of cases where land was divided and given to individual farm families, production did not increase. Instead, it fell and, in some cases, drastically. Bolivia, which went through this experience beginning in 1952, is a case in point. So I prefer to speak rather in terms of modernizing agriculture. By that we do not mean

taking land away, dividing it up and redistributing it, but orderly reorganization, including possible changes in land tenure, supervised credit and extension services, and farm-to-market roads which make it possible to get a product to the places where it is needed. This is the rational way in which the Alliance is tackling the problem of agriculture. It is the right way. Under this kind of program, Venezuela, with relatively little help from us, has succeeded in resettling close to 60,000 farm families on land of their own since President Kennedy visited there just a little over a year ago. In Chile, Colombia, Bolivia, and many other places in the area, similar programs are getting into high gear. In these efforts, American land grant colleges, like the Universities of Wisconsin and Iowa, are playing a major role. Experts from these universities are in Latin America or are training Latin Americans in this country, thus making available the best knowledge that we have developed and put to use in this field.

Bringing other free world developed nations in to help provide the funds for modernization of Latin America in the joint interest of all free countries is another thing that is right with the Alliance.

The notion that the United States is footing the whole bill for the Alliance has been removed even further from the truth because of some recent developments in the consortium approach to aiding less-developed countries—a technique which the World Bank pioneered in India. After preliminary discussions on Colombia's development program, we now have the prospect of West European participation in Alliance efforts to bolster Latin American economies.

A consultative meeting in Washington was held under the sponsorship of the World Bank and yielded clear-cut indications of commitments from that organization and from European countries to join us and Colombia in financing the initial stage of Colombia's 10-year national development plan. This is the first case in which our efforts to spread the financial burden of Latin America's economic and social development to the other industrialized nations are bearing substantial fruit. There is reason to hope that in the case of Chile, a similar multination financing pattern can be worked out.

Under the leadership of my good friends and esteemed colleagues, Senators HUMPHREY and JAVITS, the Atlantic Community Development Group for Latin America, known as ADELA, is being formed to add its efforts in inducing the more developed countries to participate in the economic development of Latin America.

The promotion of a vitally increased role for private enterprise in the programs of the Alliance and the heartening response in recent months of some American firms are more things that are right with the Alliance.

Another important point that needs mention is the extensive program this administration is carrying on to attract more funds from American private investors into Latin America, as well as to create greater confidence and thus more productive investment from private sources within Latin America. U.S. loans to intermediate credit institutions in Latin America under the Alliance so far exceed $100 million. These loans are used for credit to farmers, small and medium size private businesses precisely to develop the kind of healthy, decentralized business activity which is so vital both to economic progress and to the development of social and political stability. For example, with the assistance of the United States, five private development banks have been formed or are in the process of formation in Colombia.

As for U.S. private investment, the Agency for International Development is carrying on a program of loans in local currency in the Latin American countries from funds generated from the sale of surplus U.S. food stocks; loans in dollars; sharing of the cost of investment surveys; and, most important, guarantees of new investments by U.S. firms against the triple risk of expropriation, inconvertibility, and war. This makes it clear that we are in full agreement with those who want the Alliance to make use of the resources and the know-how of private enterprise.

Vision, the largest circulation news magazine in Latin America, published in both Spanish and Portuguese, has recently issued a report pointing out that from U.S. private enterprise the net capital flow to Latin America, plus reinvested earnings, and expenditures for depletions, depreciations, amortizations, and other plant retirements, amounted to about $1 billion.

Those American firms which have shown faith in the future of Latin America and in the success of this program by making new investments in the region are to be congratulated.

The Alliance is fulfilling many of the goals and aspirations of the Charter of Punta del Este. The amount of accomplishments that have occurred in this relatively short period of time since the inception of the Alliance can be measured as follows: 140,000 new homes or family dwelling units have been constructed in Latin America; 8,200 new classrooms have been built, and more than 4 million textbooks have been printed and distributed in the drive for educational improvements; 160,000 agricultural loans have been made to Latin American farmers for the purchase of individually owned farms, for improved seeds and broodstock, for modern agricultural implements; 700 communities for the first time have sanitary water facilities, and 900 hospitals and health centers have been established in a part of the world where disease traditionally has snuffed out the lives of 85 children out of every thousand before the age of 5. This compares to a similar mortality rate of 28 per thousand in the United States.

Gentlemen, as you look at these figures, I believe that we are all struck with what seems to be quite a large accomplishment, but I venture to say that this represents only a dent in the great shield of poverty in Latin America. I am impressed on the one hand by the accomplishments that have occurred, and on the other hand by the immense task still confronting Latin America. I share with President Kennedy his views on the Alliance for Progress. As you remember, he said:

> We have a long, long way to go, and in fact in some ways the road seems longer than it was when the journey started.

Probably the greatest roadblock to the success of the Alliance for Progress has been the unwillingness of the Latin American Nations to mobilize their available resources at the pace demanded by the rising expectations of Latin America. However, thanks to the firmness of Teodoro Moscoso in insisting that reforms be a condition to assistance, we are seeing increasingly that the Latin Americans are beginning to realize that this is not just another aid program, but one requiring that they, themselves, make the principal efforts.

We have, as has been said quite often, only one minute to midnight in Latin America. And the clock continues to move. The Castro-Communist design of coercion in this hemisphere has been dealt with in considerable depth on many previous occasions in this chamber. It would be unnecessary for me to dwell on the subject, which I know is well understood by others of my colleagues. However, I must remind you that the Alliance for Progress is the only alternative to communism in this hemisphere.

If we consider the facts which are available to us, we will see that we have no choice but to support Latin America to the fullest. Historically, Latin America, and the United States have been bound tightly together. The United States and Latin America have enjoyed a mutually beneficial exchange of goods and services. Presently Latin America accounts for the purchase of 20 to 25 percent of total U.S. exports sold abroad. Likewise, the United States purchases 40 to 45 percent of Latin America's total exports. Without question, the pattern on economic interdependence has joined together the continents of North and South America, and unless we are willing to abrogate the existing trade and commercial ties between the United States and Latin America, we must continue to support the Alliance for Progress. For the Alliance is the only substantial deterrent to the influx of Castroism in this hemisphere. If it fails, the vast markets and storehouse of natural resources in Latin America will no longer be available to this country.

Therefore, it is quite apparent that, in addition to our security interests and the eleemosynary aspects of the Alliance, there is also economic justification for its continued support.

The contrary is also true. The Alliance for Progress has carried the brunt of the attack against the United States from Castro and his Communist cohorts. Their vehemence against the Alliance is the best evidence of their fear that through the Alliance for Progress their ambitions for conquering Latin America will be thwarted. All of us are concerned with the problems that are presented by this little island. However, what has happened in Cuba is of relatively small

consequence compared to similar successful subversions in the rest of Latin America.

It is estimated that the extraordinary costs of the United States during the Cuban missile crisis amounted to $200 million, and we are told that Russia is pouring $1 million a day into the small country of Cuba. In fact, Communists in Latin America are now pointing out with glee that, taking into consideration the House cuts on the Alliance, we are making no more available to all Latin America through our loans than Khrushchev is making available to Cuba.

We will shortly be faced with the consideration of the foreign aid authorization bill, in which is contained the authorization for funds for the Alliance for Progress and for the Social Progress Trust Fund. Therefore, the following words from Vision magazine, in speaking of the recent cut to the Alliance for Progress program by the House, should be of interest:

The program does not deserve such treatment. Slow and fumbling in getting off the ground, it is now beginning to show achievements. Almost every Latin American state has already or is in the process of overhauling its tax structure. Land reforms are moving ahead. Roads, schools, hospitals, sewage nets are being built. Small businessmen are receiving alliance loans for expansion. At the same time, other fortuitous signs of Latin American advancement are appearing—the regional economic integration movements and the slowly rising prices of major commodities.

Of course there is disappointment and grumbling—over the slowness of reform on the one hand, and the slowness of money on the other—but on the balance it is widely accepted that the program is providing a real stimulus to progress. The United States must remember that the $1 billion a year promised by Washington is not the Alliance for Progress, but only a small part of it. Its chief importance is to provide a catalyst which will set off a much larger and purely Latin American reaction. By trimming its commitment, Washington at a very minimum will do irreparable harm to a burgeoning Alliance spirit that only now is beginning to take hold.

The call on Alliance funds will be greater in the coming year than ever before. Peru and Argentina will be back in the program with their return to democratic rule. Major commitments to Chile and Colombia must be continued. If the dust settles in Brazil, new projects will rise again there. After setting rigidly high standards for development aid, Washington is hardly in a position to default once its demands have been met.

We have already seen indications from Latin America of the trauma felt there by our friends due to the recent cuts, and we have seen examples of the gloating by the Castro and Communist press over this cut, coming, as Mr. Moscoso has said, at the very time that Latin American governments are moving ahead and when they have placed themselves way out on thin political limbs.

We have but one road to follow, the road of support to the Alliance for Progress. Our failure to do so will result in consequences to our own national interest—and to the hopes of the Latin Americans themselves, for a hemisphere of countries, representative of their people, and responsive to the social and economic needs of the populace, which are too horrible to consider. We certainly cannot expect to be able to sit fatuously on our own front porch while our backyard is aflame.

PERSONAL STATEMENT BY SENATOR MORSE

Mr. MORSE. Mr. President, I understand that while I was out of the Chamber this afternoon, presiding as chairman of the Senate conferees on the higher education bill, the Senator from Illinois [Mr. DIRKSEN] discussed the motion of the senior Senator from Oregon to recommit the foreign aid bill to committee and, in the opinion of colleagues, paid his disrespects in sarcasm and ridicule to the senior Senator from Oregon.

I judge from what I have heard that the speech of the Senator from Illinois shows that he and I have nothing in common. I am glad, if that is true, that it does, because I would never want to be that common. I am delighted to know that I no longer belong to a political party so bankrupt in leadership that it is dependent upon the alleged leadership of the Senator from Illinois.

I understand that the speech was characterized by ill manners and bad taste. But I am accustomed to that from the Senator from Illinois.

I am very proud of the fact that I have never won his good will; because if I did, I would have to engage in some very long introspection. I am proud of the fact that there are some people who obviously are not enthusiastic friends of the Senator from Oregon. I am perfectly willing to leave the record as it is.

I am glad that none of my Democratic colleagues sought to answer him, although some said they thought they should, but decided they should not unless I were present. I take this as one of the normal courses of events that sometimes take place in the Senate, when Senators are so lacking in their facts that they have to resort to ridicule, personal sarcasm, and personal abuse as a substitute for logic, reason, and evidence.

Some Senators thought it was too bad that we could not have recorded in the RECORD the well-known inflections of the voices of the Senator from Montana and the Senator from Illinois; but I have requested that the RECORD remain unchanged, not edited—which is the right of the Senate. So let the RECORD now show that I have formally notified the Official Reporters that the RECORD of the speech of the Senator from Illinois is to remain unedited.

Mr. President, I have another brief comment to make: It would appear that a part of the burden of the arguments and public announcements of the majority leader [Mr. MANSFIELD], the chairman of the committee [Mr. FULBRIGHT], and the majority whip, the Senator from Minnesota [Mr. HUMPHREY] dealing with the position which those of us who are opposed to this bill have taken is, so it is reported, to charge that we are picking out instances of waste and mismanagement that always are bound to crop up in a program such as the foreign aid program, and that we are not dealing with the basic issues involved.

Mr. President, nothing could be more incorrect. On the contrary, we have not "nit-picked" at specific projects or items. What we have been doing, and what we will continue to do for some days, before the Senate votes on the Mansfield-Dirksen amendments, is to offer amendments to the committee amendment and to the Mansfield-Dirksen amendments. Thus we will put Senators in a position where they cannot say to their constituents, when they return home, "But we did not know." They may put themselves in a position where they will have to say, "We did not listen" or "we did not read," because it is obvious that many of them are not listening. But we will make the record; and it is obvious that their answer, on the basis of the record they make here—not on the basis of the record we make—will have to be just that.

So I say we have not "nit-picked" at specific projects—but we have shown the history of the AID in many places, and we have shown that it has not accomplished its purpose.

For example, Mr. President, consider the $300 million a year, for 10 years, that Turkey has received under the AID program; yet today Turkey is worse off than she was in 1947. If any persons are laboring under the illusion that Turkey has a constitutional, democratic form of government, they could not be more mistaken.

Or consider the $3.5 billion which Pakistan has received under the AID program. We have pointed out that aid in that amount to Pakistan cannot be justified. Today we find Pakistan playing "footsie" with the Red Chinese and entering into negotiated agreements with them. We point out that, as a matter of policy, that cannot be justified to the taxpayers of the United States.

We have been discussing the basic policy questions involved in the foreign aid bill; and we shall give all Senators an opportunity to vote on the question of whether they want billions of dollars of the funds of the taxpayers of the United States to continue to be sent to Pakistan, because we are going to move that that item be cut.

Or let Senators consider the $5.5 billion which Korea has received under our AID program, although South Korea would not last for more than a matter of days if it were not for the presence of our Armed Forces there. We point out that it is cheaper to put on the frontline a South Korean soldier or a Pakistan soldier or a Turkish soldier, rather than an American soldier; but the program now being operated makes no sense, because both American troops and the troops of the other countries are used; and not only are we paying the entire bill for the maintenance of foreign armies, but we are also placing in those countries—in uniform—American soldiers, sailors, and airmen; and they are the ones who provide protection to these countries—not the foreign aid program, at all.

Furthermore, let us not forget that the aid program does not include the cost of maintaining our forces abroad or the cost of a good many other things which add to these huge expenditures. Next week, we shall give a detailed accounting of the facts.

Let Senators also consider the sum, close to $1 billion, which Indonesia receives under the U.S. foreign aid pro-

gram. Can any Senator state exactly where Indonesia stands today among the nations of the world, or show which side she is on?

Or let Senators consider the $4,500 million which Taiwan has received under our foreign aid program. The United States has maintained a great social security program for Chiang Kai-shek's soldiers, and the United States pays the salaries of more generals in Chiang Kai-shek's army than the total number of generals in the entire U.S. Military Establishment. Is it any wonder that the American people are fed up with such a program.

Of course the proponents of the program want to rush this bill through the Senate, so that the facts, such as those I am bringing out, cannot be known by the American people. But the proponents will not be successful in that attempt; and the Senator from Illinois can weep his forensic tears until his shirt front is as wet as he may want it to be, but he will not shake me from my determination to have full debate in the Senate on this bill.

This afternoon I gave the Senate an opportunity to make use of the most proper forum for procedure in connection with this bill at this time; namely, to permit the Foreign Relations Committee to hear, behind the doors of the committee room, representatives of the administration. However, my motion was defeated. Nevertheless, Mr. President, the vote on my motion did not make the proponents of the bill at all happy, because now they know that many Senators will not join them in their opposition to the Senator from Florida [Mr. HOLLAND] to me, and to other Senators who have amendments to offer.

The Senator from Illinois made sport of the fact that I called the Mansfield amendments "powerhouse amendments"—which, in my judgment, they are, for they are designed, in my judgment, to seek, parliamentarywise, to prevent an onslaught on this bill by means of amendment after amendment; and their purpose—as the Presiding Officer has already pointed out—is to place the opponents of the bill in a position where, if we permitted the Mansfield-Dirksen amendments to be adopted before we first resorted to all the amendments which we wish to offer, we would find ourselves in a parliamentary position in which certain figures in the Mansfield-Dirksen amendments could not be changed, once those amendments were adopted. Mr. President, I have not served here for 19 years only to walk into that trap, even though it is laid by the majority leader and the minority leader.

There is no hurry about the bill. Any time they want to have it laid aside, they can succeed in having that done. Or if they want to have the Senate take up, one at a time, the various amendments to this bill, they will have my cooperation.

But I shall continue to be impervious to insults. I shall be sad if I offend any Senator who finds himself inconvenienced because he cannot go on a safari to Paris or Malaya, or on some other junket. But I have the old-fashioned idea that the place for U.S. Senators to be is in the U.S. Senate, in Washington, D.C., when a bill involving—to the degree this bill does—the security and the future of the United States is under debate. I am sorry if some Senators do not like that; but let them tell their constituents that they do not like it, because it is my judgment that the course of action which is being attempted by some Senators will be repudiated—as I said the other day—in the great citadel of freedom, the voting booth, when the voters of the United States have an opportunity to pass judgment on the foreign aid bill and their support of it.

Mr. President, I should like to ask my friend, the Senator from Ohio [Mr. YOUNG], if he would do me a great favor? I am sure I can count on him to do me a great favor, although I apologize because I cannot stay and hear his speech. However, I shall read it. I have an engagement that I must keep. The majority leader, assuming that the Senator from South Carolina [Mr. JOHNSTON] would be the last speaker, told me to move to recess the Senate until next Monday noon at 12 o'clock. He apparently did not know that the Senator from Ohio intended to speak. I wonder if I may plead with my friend from Ohio to take over that chore of mine and, when he finishes, move to recess until Monday at 12 o'clock.

Mr. YOUNG of Ohio. The distinguished Senator from Oregon need never plead with me. In fact, he need never plead with anyone. I find myself on his side in many things. I am flattered by his kind reference to me.

Mr. MORSE. I, myself had planned to deliver a speech, but a conference on higher education made it impossible for me to do so.

I should like very quickly to report that I am delighted that the House conferees and the Senate conferees reached an agreement today on the higher education bill. I shall make a report on that subject on Monday.

My speech on the foreign aid bill had already gone to the press gallery. I wish to explain to the members of the press gallery that I shall deliver that speech on Monday.

I thank my friend from Ohio very much.

Mr. YOUNG of Ohio. Mr. President, in the course of the debate on foreign assistance, I find myself alined with those of my colleagues who seek to cut unnecessary spending from this program.

As I have said before, and I repeat now, I am thankful that the present administration is honest with the American people and terms our foreign aid program "foreign assistance." While I supported all of the foreign assistance requests of President Eisenhower during the final 2 years of his administration, I alway felt that it was not honest to term foreign aid "mutual security," as was the case during that administration.

SHELTER BUILDING BOONDOGGLE

Mr. YOUNG of Ohio. Mr. President, at this time I desire to speak out against another series of expenditures that have been without justification.

A limited nuclear test ban treaty ratified by the Senate last month is of great significance not only because it ends the deadly pollution of the atmosphere, but more important for its symbolism as a possible first step toward permanent peace. For more than a month millions of words were uttered by witnesses and by Senators in the historic debate on ratification.

I consider the test ban treaty in the best interests of our country. I was very glad indeed to speak out for it on a number of occasions, and I am glad that my vote is recorded in favor of ratification of the treaty.

It is incongruous that as the Senate debated this treaty, which we hope may be a step toward permanent peace, the House of Representatives at the same time authorized $190 million for a fallout shelter program, obviously on the assumption that there will be no peace. The limited test ban treaty stands on the judgment that new weapons development would not significantly add to the deterrent power of our present nuclear arsenal. The administration rejected Dr. Edward Teller's advice on the treaty, but is enthusiastically following his advice in proposing to spend almost $200 million next year alone on the beginning of a fallout shelter building spree that could become the greatest boondoggle in American history.

It was indeed reassuring to see "sweet reason" return to the other body when the House Appropriations Committee subsequently refused to approve one cent for this proposal.

The authorization measure is presently awaiting action in the Senate Committee on Armed Services. It is my fervent hope that a convenient pigeonhole will be found for it, and as a member of that great committee I shall do my utmost to see to it that this bill remains in committee.

This $190 million authorization would be only the first step in a 5-year program of shelter building that the civil defense bureaucrats say will cost a total of $2.1 billion. It would provide Federal grants of up to $2.50 a square foot for the construction of shelters in State and municipal buildings, schools, hospitals, and welfare institutions in communities throughout the land.

I am reminded of a poem which recently appeared in a national magazine and read something like this:

> Oh, what a rumpus in the Nation
> On Federal aid to education
> But yet there's money found
> To bury children underground.

We would do far better to enact legislation to provide additional classrooms for children of this Nation than to spend money for useless fallout shelters in the basements of antiquated school buildings. It would be ironic if this Congress passes a subsidy for school construction underground while refusing assistance for wholesale school programs above ground. What must we think of our children to do such a thing?

Mr. President, over the past 12 years over $1,300 million of taxpayers

money has been foolishly wasted on silly civil defense schemes. Today, 18 years after Hiroshima, the United States has no civil defense worthy of the name. Most of what there is consists of absurd plans on paper and the rest is confusion. Simple arithmetic proves that any shelter program large enough to be meaningful—if such a thing is possible—will cost untold billions of dollars. However, civil defense officials follow the bureaucratic rule of keeping first estimates low enough to induce Congress into authorizing some colossal lunacy knowing they can always get more once a program is born.

Mr. President, those favoring a massive fallout shelter building program have estimated that it will cost anywhere from $20 billion to $200 billion. In their recent book "Strategy for Survival," Thomas L. Morton, dean of the College of Engineers of the University of Arizona, and Donald C. Latham, an electronics researcher, concluded that a national community shelter program would cost in excess of $37 billion. Herman Kahn, one of the foremost proponents of fallout shelters, has estimated that a reasonable program might involve a gradual buildup from about $1 billion annually to somewhere in the neighborhood of $5 billion annually. A recent estimate by Prof. John Ullman, chairman of the Department of Management at Hofstra College, would place the cost as high as $302 billion. Regardless of which of the expert opinions is cited, the price tag would be astronomical.

Even then, there is no guarantee that a shelter program will be at all effective. With extensive advances being made in rocket and nuclear technology, it would probably be obsolete before completion. One of the scientists now working on advanced weapons technology is reported to have said: "You ain't seen nothing yet," compared with what is coming into sight in the way of new weapons. Edward McDermott, Director of the Office of Emergency Planning was recently quoted as having said that most nuclear scientists now agree any underground facilities can be "dug out" if an enemy is willing to invest enough in the job, while others believe some protection is possible if one goes down far enough. He pointed out it would be "economically impractical" to dig such a shelter and subsequent nuclear advances might wipe out the investment once made.

There is also the possibility of more deadly types of warfare for which shelters offer no protection whatever—chemical and biological warfare. Any nation that would unleash a thermonuclear war would probably not hesitate to use other methods equally as terrifying and devastating.

Is the Congress prepared to embark on such a vast gamble and to spend perhaps $200 billion of taxpayers' money? Let us have no illusions. In reality, this is what the civil defense planners are asking us to do.

Anyone who has taken the trouble to look into the matter is aware of the fact that most building owners have ignored or refused requests to provide shelters, and that ordinary citizens have lost interest. During each crisis the get-rich-quick shelter salesmen appear. As soon as the crisis abates and public interest fades completely, they crawl back under the rocks from whence they came, or take up some other means of separating worthy people from their money.

Only recently the city of Portland, Oreg., voted to abolish its civil defense program which was costing $110,000 of local funds annually. The Los Angeles City Council slashed $209,000 from the civil defense budget request, reducing it to $30,000. The staff was reduced from 26 to 3. Officials of the city of Baltimore, Md., are considering taking similar action. The city comptroller has called for the outright elimination of the city's civil defense organization. Last weekend, Mayor Theodore McKeldin stated he would drastically reduce the budget request for civil defense purposes. Communities throughout the Nation are awakening to the fact that thousands of dollars of taxpayers' money has been spent on foolish programs with no tangible results except for the fact that in many instances livelihoods were provided for ex-politicians and city hall parasites. They are the types in my State of Ohio and elsewhere who for the most part are handling civil defense work—political hacks who have been defeated for office by the people and then seek soft public jobs and feed at the public trough, drawing high salaries and waiting for that bomb to fall while doing nothing constructive.

Mr. President, there is no shelter building program in Great Britain, France, or in any of the major Western powers. Reliable observers in the Soviet Union report that there is no fallout shelter program in all of Russia.

Henry Shapiro, dean of the American correspondents in Moscow, wrote:

> No foreigner here has seen any civil defense shelters. The average citizen is unaware of the existence of shelters.

Preston Grover of the Associated Press took a similar position when he stated:

> Attachés from embassies who have looked 'round the country for sign of shelters have found nothing. Foreigners live in many of the newest buildings put up in Moscow, and they have no bomb shelters.

In 1961, the New York Times published a report from Moscow by Harrison Salisbury which stated:

> About 12,000 miles of travel in the Soviet Union by this correspondent in the last 4 weeks failed to turn up evidence of a single Soviet bomb shelter.

Mr. Salisbury agreeing with Mr. Grover of the Associated Press said:

> Diplomats, foreign military attachés, and correspondents who have traveled widely in the Soviet Union report that there is no visible evidence of a widespread shelter program.

In the Soviet Union, civilians are being taught first aid procedures; they are being taught about street fighting and how to resist invasion from basement to basement and from street to street. There is no construction whatsoever of shelters in the ground for people to crawl into and cower in, like moles in holes waiting for the conquering paratroopers to come. That is what some of the civil defense bureaucrats advocate in this country. Yet, generals of our Armed Forces, Gen. Curtis LeMay and others, have testified that they would prefer, in the first place, to spend the money for offensive weapons rather than to dig useless holes in the ground.

Mr. President, it is interesting to note that through the uncertain years while this Nation and the Soviet Union were building up their nuclear capacities, no real interest could be stirred up among the general public or in the Congress for any form of civil defense. During that time it is true that over $1 billion was appropriated in piecemeal fashion but not for any really serious or effective plan of action. Actually, we were soothing our consciences "just in case" a nuclear war would come. Year after year we appropriated $75 or $100 or $80 million for civil defense purposes, always "just in case." Neither the Eisenhower administration nor the Kennedy administration nor the Congress over the past 12 years has really faced up to this issue. It was always easier to pretend that something was being done. It assuaged the fear of a possible future guilty conscience.

It is only human to grasp at straws when faced by an overwhelmingly difficult situation, and in appropriating these funds which gradually began to total a staggering sum; this is what was done. No one in his heart really believed that the civil defense fishnet would be of any protection in a surging sea of nuclear destruction. These appropriations were psychological pablum to soothe the anxieties and fears of a worried citizenry that wanted a solution to an insoluble problem—civil defense in the atomic age. In the city of Columbus, Ohio, for example, more than $600,000 was spent on special regulation of traffic lights on the assumption that in a time of emergency all traffic lights in that city would be green to enable people to flee in one direction. As if in a moment of terror during a nuclear attack people would be looking at traffic lights or would be guided by them. If they did that, there would be the greatest traffic jam known to history.

Now that there has been a lessening of tension, we are asked to approve a bill for the spending of an additional tremendous amount of taxpayers' money for protection against past dangers and to again soothe our consciences just in case.

Mr. President, our best and probably only civil defense in this nuclear age is a firm stand against aggression. This was evidenced a year ago last October when President Kennedy took firm, determined, resolute, and unyielding action against Khrushchev, and Khrushchev turned tail and withdrew his offensive missiles and airplanes from Cuba.

There is no workable defense against the hydrogen bomb except not to drop it in the first place. As Gen. Douglas McArthur has stated:

> War has become a Frankenstein to destroy both sides. No longer does it possess the chance of the winner of the duel. It contains, rather, the germs of double suicide.

Or, as Walter Lippmann put it:

There is no protection against nuclear war except to prevent it.

Certainly, holes in the ground or so-called fallout shelters are no deterrent to any possible aggressor. They in no way work to prevent war.

Mr. President, I fervently hope that the Senate will reject the bill passed by the other body authorizing $190 million for a beginning of a shelter building program. There are many more worthwhile places where taxpayers' money can be put to good use. When our country has so many unmet needs, when more than half the world is ill clothed, ill housed, and ill fed, is it appropriate to devote billions of dollars to burrow underground? Is it justifiable to spend millions to stock shelters with food when so many are hungry?

Mr. President, I again urge officials of this administration to review carefully present civil defense policy so that we in the Congress may be aware of the ultimate costs and so we may know where we are going in this area. I hope that the present proposal calling for Federal aid to States and communities to supply public buildings with shelters is going to receive a complete review in the Senate Armed Services Committee. Until that is done, not 1 cent more should be appropriated on a wasteful, directionless program that has already cost taxpayers well over $1 billion and threatens to cost hundreds of billions more.

I yield the floor.

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961

The Senate resumed the consideration of the bill (H.R. 7885) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

Mr. HUMPHREY. Mr. President, first I thank the Senator from Illinois [Mr. DOUGLAS] for his consideration and kindness in permitting me to speak at this time, because he has been waiting to make a speech. I wanted to make a statement in reference to one of the amendments before the Senate on the foreign aid bill; namely, the amendment that was offered to reduce the bill by $385 million.

Mr. President, we have recently seen evidence of a massive failure on the part of the Soviet Union—the failure of the Soviet agriculture system to provide sufficient food to feed the Russian people. The Communists are clearly having basic economic difficulties. Their system simply is not working efficiently. This not only may provide opportunities for us to make better use of our great economic system; it also means that the Communists do not have the economic power necessary to implement their political objectives. Among other things, they are having trouble with their foreign aid program.

While we should not minimize the threat of Communist subversion, it is quite clear that the Communists, at least at the present time, do not have the means necessary for the foreign aid program they have been conducting in recent years. This is a development of great significance for the United States and the free world. It means that we are gaining in our contest with the Communists on the economic front, and it provides the opening for moving into the vacuum created by Communist withdrawal.

It is paradoxical, at the very time we appear to be winning and the Communists appear to be pulling back, that we should also seem to have so many doubts about ourselves and our own foreign aid program. Doubts have been created about whether the responsible officials of this Government really believe what they profess and what they say about the foreign aid program. At the beginning of this year, before the Clay Committee made its report, we were told that a $4.9 billion program was essential to the Nation's security and prestige in the world. After the Clay Committee report, we were told that a $4.5 billion program was the bare minimum necessary if the Nation's security is not to be impaired. The Senate Foreign Relations Committee, after months of study, hearings, and markups, recommended an authorization of $4.2 billion as the absolute minimum. Now we learn that a smaller authorization bill, $3.8 billion can be justified.

The citizens' committees for the foreign aid program have been permitted more or less to dissipate or evaporate, rather than have the kind of organizational assistance required for a better understanding of our foreign aid objectives.

It is no wonder that the people are confused. My office and others in this city have received calls from numerous groups and organizations who were planning to launch programs to arouse public support for the foreign aid program. Now is it any wonder that they are confused and perplexed? They ask: Are the leaders of the executive and legislative branches willing to fight for the aid program which they repeatedly have claimed to be essential to our national security, or are they not? Is there any point in trying to arouse public support for the foreign aid program which the administration said was needed?

Mr. President, these are legitimate questions by citizens who are genuinely concerned. This is not the first time the aid program has been attacked—nor will it be the last.

It is the perennial whipping boy of anyone who has any sense of frustration on any subject, domestic or international.

But in view of the difficulties presently confronting the Soviet Union and the opportunity now available to us, it is most disturbing that we shrink from taking advantage of these opportunities.

Wars are not won by retreating when the enemy retreats, and the war which is being fought with all the tools in our foreign aid program is just as serious and as important as any of the shooting wars we have ever fought.

In fact, the foreign aid program is designed to win the struggle in the world without a shooting war.

Now is not the time to retreat. Now is the time for launching an offensive in those areas of the world that are of greatest importance to the United States. Now is the time for mobilizing all the resources at our command. Now is the time to get on with the job, rather than worrying about what others are doing, or dwelling on minor mistakes and shortcomings. Mistakes are bound to happen. Enough mistakes were made on D-day to convince any skeptic that the war was lost—if all he could see were the mistakes and the confusion. D-day was turned into a great victory for free men because we moved ahead without stopping or looking back.

As the Soviet Union cuts back on its commitment, we should move ahead. It should be noted that others are moving ahead to expand their influence, to take advantage of new opportunities. France is notable among them.

I may add, so is the Federal Republic of Germany.

The French Government is not cutting back its aid program. It is expanding it—even though its per capita aid is already twice as large as that of the United States.

I do not share many of the aims of French foreign policy, nor the objectives which their aid program in some cases may be designed to achieve. But I am impressed with the French Government's decisiveness in formulating its foreign aid policy, and its resoluteness in implementing it. There is nothing random, disjointed, or haphazard about its policy. Although the French aid program is certainly not a model program, particularly in regard to the terms of the aid offered, it has one characteristic which we should note carefully. It is concentrated in selected areas considered to be of highest priority to France. It is not scattered over 80 or 100 countries. It has a consistent direction. The French Government knows what it wants to do with its aid program—and is doing it.

One of the major weaknesses of our aid program is that of attempting to do too much, and thereby it loses its sense of direction. What is often lacking is a clear set of priorities for the program and a strong resolution to implement these priorities.

This is sometimes evident among those in the executive branch and in the Congress who are declared friends of the foreign aid program. In their espousal of the foreign aid program, they must have a clear grasp of what is most important and what is less important, what is top priority, and what is of secondary importance.

This set of priorities must always be kept in mind. If it appears that the Congress will not approve of the administration's total program, then the established set of priorities will naturally be followed in distributing any cuts.

We have recently been advised in the Senate that the Foreign Relations Committee's recommendations must be reduced.

I have shared the view, after sensing the temperament of the Congress, that some agreement to reduce the committee's figures might be necessary in order for the bill to be approved in the Senate. But what concerns me most is the absence of any clearly established priorities in distributing the cuts that have been proposed.

Many parts of this foreign aid bill are important, but which part is most import? Which part has top priority?

I believe that the Alliance for Progress program has top priority. I accept the President's statement that Latin America is the most critical area in the world as far as U.S. foreign policy is concerned. I accept this and believe we should act upon it. The executive branch should act upon it. The leaders of Congress should act upon it, and yet we are informed that some believe the Alliance for Progress item recommended by the Senate Foreign Relations Committee can be cut by $125 million. We hear that this is one of the categories best able to sustain a cut. And today we hear further that some officials in the executive branch are most concerned, not about obtaining the full request for the Alliance for Progress, but about restoring a large part of the military aid program—most of which goes to southeast Asia.

Mr. President, I claim no superior knowledge about strategy for obtaining the best possible foreign aid bill this year. I am quite willing to follow the advice of others on this question in many respects. But I am certain on one thing: I know that a cut of $125 million from the Alliance for Progress weakens it.

I know that that cut does not carry out what was the President's judgment on the importance of the Latin America area in the struggle in which we are now engaged with world communism.

I know that this conflicts with the policy stated by the President of the United States.

Mr. President, this week there opened in São Paulo, Brazil, the annual meeting of the OAS Inter-American Economic and Social Council. At this meeting, which will be attended by most of the key Alliance officials in the hemisphere, the future of the Alliance for Progress will be discussed. Proposals to modify its structure to achieve greater Latin participation will be discussed at this meeting. At the end of next week, Under Secretary Averell Harriman will go to São Paulo to head the U.S. delegation to the OAS meeting at the ministerial level.

This proposed reduction puts Secretary Harriman in a most difficult position. The U.S. Government has been exhorting Latin American governments to do better in mobilizing their own resources, to exact the taxes and enact the reforms called for in the charter of Punta del Este. We have repeatedly pleaded with Latin government officials to live up to their commitments under the Alliance. And yet now we indicate that the United States is to go back on its commitments. Most of the major Latin American newspapers, including those most friendly to the United States, did not fail to note that the House figure approved for the entire Latin American continent was only slightly above the total Soviet aid to Cuba alone. Our commitments under the Alliance, as well as those of our Latin American neighbors, must be honored. Nothing is more harmful to our prestige, to our national image, and to our foreign policy interests than the appearance of reneging on commitments made. The recent action of the House of Representatives in drastically reducing the Alliance for Progress funds requested by the administration is interpreted in every Latin American country as precisely that.

The Senate Foreign Relations Committee disagreed with the House action, and recognized the embarrassment this would cause the U.S. Government and restored the funds cut by the House. Now we are told that the Senate should follow the House's example and reverse the decision of the Senate Foreign Relations Committee.

I remind my colleagues that this is only the authorization. The appropriation is another matter. Everyone who has served in this body over the years knows that the appropriation figure usually is substantially less than the authorization figure.

This would mean that the Senate authorization figure for the Alliance would be $525 million. As everyone knows this figure could be reduced further by the House-Senate conference and reduced drastically by the House in the appropriations round. What we would likely have in the end is a figure approximating the $400 million which the Soviet Union now gives to one small country, Cuba. If the world's leading capitalist country cannot do any better than that, we do not have much of an argument with the Communists. Yet Latin America is the most critical area in the world, as we have been told by the leader of the greatest Nation on the face of the earth, the President of the United States.

What Mr. Harriman is likely to be asked in São Paulo, and quite rightly, what prompted us to go back on our commitment. When we committed our support to the Alliance at Punte del Este, we expressed support for a figure of $600 million per year for 4 years. The expectation, however, was that our aid would increase after the first year. Instead it is now proposed to be cut back from the $600 million level.

Mr. President, it is difficult to justify a cut of $125 million from the Alliance for Progress and add $125 million to the contingency fund when experience teaches that funds for this category have gone unused. Last year, out of $260 million appropriated for the contingency fund, $117 million went unspent.

Furthermore, if the President's contingency fund is increased by $125 million, we can rest assured that the little Alliance for Progress establishment will be pushed out of position in the grab for that money by more powerful forces in this country.

I repeat that I am not unaware of the necessity to make compromise to obtain an acceptable foreign aid bill this year. I can readily accept a cut in military assistance. It is long overdue. I can accept a modest cut even in the Development Loan Fund. However, if we are to wage the battle in Latin America that we ought to be fighting, so far as this part of the world is concerned, to prevent it from falling into chaos and revolution and Castroism and communism, we ought not to retreat from our obligations and our commitments.

What I insist upon is that these cuts must not fall on the highest priority program, the Alliance for Progress. I will continue to oppose any substantial cuts in this program.

I am not saying we must honor in full the administration's request for aid to 80 or 100 different countries. The sooner we cut that figure the better. The sooner we really learn to concentrate our aid program in selected high priority areas the better. We have been asking our allies to step up their aid program. But if we continue to have aid missions in 80 different countries where are our allies going to concentrate? And so I do not ask that we give the administration what it requests for 80 different countries.

I ask only that we provide what the Senate Foreign Relations Committee recommended as a prudent amount for the Alliance for Progress program in Latin America, the area having top priority under our foreign policy.

THE TAX BILL—THE NEED FOR TAX REFORM

GOOD FEATURES OF BILL

Mr. DOUGLAS. Mr. President, there are many good features in the present tax bill, H.R. 8363, with which we are dealing in the Finance Committee. Among these are first, the fact of tax reduction itself in order to stimulate demand, production and employment; second, the minimum standard deduction of $300 per taxpayer plus $100 for each family dependent; third, the shifting of the corporation tax collection period from the present delayed system to roughly the same basis as taxes are now collected from individuals; and fourth, the repeal of the 4-percent dividend credit against taxes actually owed; and certain other features as well.

I shall discuss these and other features of the bill in later brief discussions which I plan to make on the tax bill during this session of Congress at times which will not interfere with discussion and action upon pending business. My comments come at the end of a long day's session, and certainly do not interfere with any pending business before the Senate.

MILLIONAIRES ESCAPE TAXATION

But today I rise to state the urgent need for tax reform and to protest its slow and quiet strangulation.

There are, in the record of the current hearings of the Finance Committee on the pending tax bill, some shocking figures of which every American ought to be aware. The Secretary of the Treasury has furnished figures showing that in 1959 there were 20 persons in this country with incomes—adjusted gross incomes—of more than $500,000 who paid not a penny in Federal income taxes in 1959.

There were 15 persons having incomes of more than $1 million who paid not a cent of taxes.

There were five persons having gross incomes of more than $5 million a year who did not pay a single cent in taxes.

Adjusted gross income does not include interest on State and municipal bonds. It does not include write-offs for drilling and developmental costs in the oil and gas industry. It does not include one-half of capital gains. All these were in addition.

But with respect to the figures on adjusted gross incomes, there were, I repeat, five persons having incomes of more than $5 million who did not pay a single cent in taxes. Their real incomes were probably much in excess of this, to the degree that they owned State and municipal bonds, wrote off drilling and developmental costs, and had capital gains, only one-half of which goes into adjusted gross income.

AVERAGE FAMILY PAYS MORE TAXES

These figures are shocking when one considers that any worker with a wife and two children who is earning just $100 a week—$5,200 a year—an average American—would, under current tax rates, pay about $456 in Federal income taxes, at the same time that 5 persons having 1,000 times that worker's income can get away with paying no taxes whatever. The need for reform would seem to be clear.

Of course not every multimillionaire escapes wholly tax free, as these five managed to do. But the average multimillionaire comes surprisingly close to achieving just that. According to Treasury Department figures, for which I asked, and which are printed in part I of the hearings on the tax bill before the Committee on Finance, there were, in 1959, 37 people whose total incomes—including all the taxable part of their capital gains—came to more than $5 million and they paid, on the average, a little less than 25 percent of their total incomes in Federal income taxes. That is only somewhat higher than the first bracket rate of 20 percent.

We hear great complaints about the "confiscatory" top income tax rates of 90 and 91 percent. Those rates are too high—but the fact is that the bark about the tax rates is far, far worse than the bite. Theoretically, if all of the income of these multimillionaires were subject to the tax rate schedule currently in the law, they would be paying to the Government taxes at the rate of about 90 percent. The fact is, though, they are paying less than 25 percent of their total income in taxes or about the same proportions being paid by those with incomes of $20,000 to $50,000.

Mr. President, I shall ask unanimous consent that a table prepared by the Research Division of the Treasury Department be printed at the conclusion of my remarks.

Mr. President, this table also will be found in part I of the hearings on the tax bill before the Committee on Finance.

GLARING INEQUITIES

Clearly, Mr. President, there are glaring inequities in our tax system in urgent need of correction. In 1961, President Kennedy told the Congress that his administration was preparing a "comprehensive tax reform program" which would be "aimed at providing a broader and more uniform tax base" and at establishing "a more equitable tax structure and a simpler tax law." Originally, that program was to be presented to us in 1962. It was delayed until 1963. When it came, it was, in some respects ambitious, and in other respects timid. But it was an effort at tax reform. I give the administration credit for the original bill.

REFORMS THROWN OUT

But what did the House do with it after considering it for no less than 7 months. The rollcall is a sad one.

The administration asked that action be taken to close up the gaping loophole in the capital gains tax treatment that permits between $12 and $13 million—I repeat $12 to $13 billion—to escape tax entirely each year when property transfers at death. The House rejected that entirely. The administration offered a quid for that quo—namely, a reduction in the capital gains rate for taxation of certain capital gains held more than 2 years. The House took the quid, but gave no quo. It lowered the capital gains rate to a maximum of 21 percent on many types of assets held more than 2 years and reduced the proportion of capital gains to be included in taxable income from 50 to 40 percent, but threw out the tax on transfers at death.

The administration made a subsequent offer to deduct from the capital gains any inheritance tax paid. For example, if the capital gains amounted to $200,000, but the inheritance tax paid was $50,000, the capital gains tax would be paid only on $150,000.

Second, the administration offered to levy the capital gains tax only upon the actual sale of the properties and the actual realization on capital gains. These proposals were rejected.

The administration proposed four minor cutbacks in the oil depletion allowance, totaling $185 million. The House rejected three, and approved only one, for a revenue gain of only about $40 million—only a tiny fraction of the $3 billion the oil industry gets every year through depletion and the $2.5 billion it gets through the intangible drilling and development cost deductions.

The administration asked for a change in the capital gains on livestock. The House rejected this request.

The administration asked for a repeal of the unlimited charitable deduction—one of the features partially responsible for the multimillionaires paying no taxes. The House rejected this request.

In his testimony before the House Committee on Ways and Means, the Secretary of the Treasury cited the case of one man who was able to get a tax cut of approximately $21 million on property which had originally cost him less than $500,000.

Secretary Dillon told our committee of one tax-free insurance policy with a face value of $900,000. The administration proposed ruling out such a "jumbo policy." The House did place a restriction on such policies for working employees but wholly exempted retired employees. For them, the sky's the limit.

The administration recommended repealing the capital gains on coal royalties. Not only did the House reject that; it extended this favorable treatment to iron ore royalties.

These were all "reforms" which affect primarily the higher income taxpayers. They were rejected. But many of the so-called "reforms" affecting lower income taxpayers were approved, in whole or in part—for example, the taxation of a great deal of sick pay and of amounts paid out on certain State taxes. Apart from the repeal of the dividend credit, these in fact comprise the principal revenue-raising reforms approved by the House.

TREASURY HAS GIVEN UP ON REFORM

But now, Mr. President, the Treasury has given up on any efforts for the reforms rejected by the House. Supposedly in the interest of quick enactment of a tax cut, it has decided not to "renew" its request for any of the rejected reforms. The only change in the House bill asked by the administration is the elimination of the lower capital gains tax approved by the House on the sensible ground that since nothing was done about the taxation of capital gains at death, there is no justification for approving the other part of the "package." But, in effect, Secretary Dillon has invited the Congress again to give the quid without the quo, by telling our committee, in response to one of my questions, that even if Congress gives high income taxpayers the best of both possible worlds—doing nothing about closing the $12 billion gains-at-death gap, while at the same time easing the capital gains rate which goes almost wholly to the wealthy—he will not recommend a veto of the bill.

PROBABILITY OF NO ADDITIONAL REFORM AND NO BILL THIS YEAR

And since the Treasury, in my judgment, made no real fight to get the bill when it had that opportunity a month ago, when the bill came to us from the House, it is now in the position of probably getting no bill this year and no reform. As usual, it is getting the worst of both worlds.

And in view of the fact that, with 140 witnesses already scheduled to testify before the Finance Committee, and hearing these witnesses at the rate of 4 a day, 5 days a week, or 20 a week, there is virtually no chance to get the tax bill this year, the excuse of the Treasury Department for giving up on the reforms is not well founded.

In fact, if the Treasury would help both to publicize the loopholes and truckholes and to fight alongside with us for reforms, we could make improvements without either delaying or jeopardizing the bill.

But reforms are needed, not only because of the gross injustices in the tax system and the fact that those with very large incomes pay very low taxes.

NEED FOR FAIR OVERALL TAX SYSTEM

Reforms are needed also to keep our tax system, when taken as a whole, from becoming a regressive system in which

the low- and middle-income groups pay a higher proportion of their income in taxes than do high-income groups.

At the moment, the Federal income tax is progressive. But this is greatly diluted and partially offset by the fact that those with big incomes escape taxation and also that some $10 billion of Federal revenues are raised through the excise taxes which fall disproportionately on the poor and the weak.

STATE AND LOCAL TAXES REGRESSIVE

Furthermore, when we look at the total tax system, we note that, of the $54 billion which the State and local governments collected in 1961, some $18 billion was collected in property taxes, and another $12.5 billion in sales and gross receipts taxes, both of which categories are regressive and fall disproportionately on the low- and middle-income groups.

SINCE 1954, TAX CUTS TO BIG TAXPAYERS

Furthermore, the tax cuts passed since 1954 have gone almost entirely to the large taxpayers. Last year we gave to corporations and to their dividend recipients, about $2.5 billion in tax cuts by way of the investment credit—which I opposed—and the revision of the depreciation allowances—which I approved. That was a cut of approximately $2.5 billion a year. But, prior to that, about another $2.5 billion a year was given to the large taxpayers, by way of the accelerated depreciation schdeules enacted in 1954 and the dividend exclusion and credit passed at the same time. As a result, corporations, and the high income individuals who receive the bulk of corporation dividends have had a tax cut, since 1954, which amounts to about $5 billion annually.

In addition, special bills, such as the Du Pont bill and H.R. 10, whose benefits go largely to the wealthy and to upper middle income professional groups, have also been passed. But, the ordinary taxpayer whose income is received in salaries and wages, and who neither evades nor avoids almost any of his taxes, has had virtually no tax cut at all.

In this connection, I point out that there is virtually no evasion in the payment of taxes on wages and salaries. The taxes are withheld at the source. In the debate last year on the withholding of taxes on dividends and interest, we pointed out that approximately 11 percent of dividends did not pay taxes and approximately 25 percent of interest did not pay taxes.

OVERWHELMING ARGUMENTS FOR TAX REFORM

Thus, there are overwhelming arguments why tax reform is as important as tax reduction.

Reform is necessary in support of simple justice.

Reform is essential if the great mass of ordinary people in this country are not to rebel against a tax system which has in it such gross inequities and gross injustices.

Reform is necessary if we are to keep even a semblance of the progressive system of taxation when State, local, and Federal tax systems are viewed together.

Let us give equal weight to reform and to tax cuts, in order to support simple justice for the 90 percent of our taxpayers with incomes of less than $10,000 a year who now have no loopholes and truckholes by which to avoid paying their fair share of our taxes.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a table dealing with certain matters I have discussed. The table was prepared by the Office of Tax Analysis.

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

TABLE 1.—*Number of returns by effective tax rates, based on adjusted gross income by income classes (all returns with adjusted gross income of $500,000 or more, 1959)*

Adjusted gross income	Total	Effective tax rate (percent)									
		0	0.1 to 9.9	10.0 to 19.9	20.0 to 29.9	30.0 to 39.9	40.0 to 49.9	50.0 to 59.9	60.0 to 69.9	70.0 to 79.9	80.0 to 84.9
$500,000 to $749,999	529	3	4	6	34	90	241	73	47	27	4
$750,000 to $999,999	193	2	33	3	9	23	90	36	16	9	2
$1,000,000 to $1,999,999	197	8	1	1	8	22	93	34	17	12	1
$2,000,000 to $4,999,999	64	2			4	6	31	9	6	5	1
$5,000,000 and over	19	5				1	6	3	3	1	
All returns	1,002	20	8	10	55	142	461	155	89	54	8

Office of Tax Analysis, Office of the Secretary of the Treasury.

RECESS TO MONDAY

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate now take a recess to Monday, at noon.

The motion was agreed to; and (at 6 o'clock and 7 minutes p.m.) the Senate took a recess, under the order previously entered, to Monday, November 4, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 1 (legislative day of October 22), 1963:

UNITED NATIONS

Lt. Gen. Robert William Porter, Jr., O18048, Army of the United States (major general, U.S. Army), for appointment as senior U.S. Army member of the Military Staff Committee of the United Nations, under the provisions of title 10, United States Code, section 711.

IN THE MARINE CORPS

Having designated, in accordance with the provisions of title 10, United States Code, section 5232, Maj. Gen. Leonard F. Chapman, Jr., U.S. Marine Corps, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of lieuenant general while so serving.

Having designated, in accordance with the provisions of title 10, United States Code, section 5232, Maj. Gen. Victor H. Krulak, U.S. Marine Corps, for commands and other duties determined by the President to be within the contemplation of said section, I nominate him for appointment to the grade of lieutenant general while so serving.

IN THE NAVY

Rear Adm. Wallace M. Beakley, U.S. Navy, for appointment to the grade of vice admiral on the retired list pursuant to the provisions of title 10, United States Code, section 5233.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 1 (legislative day of October 22), 1963:

NATIONAL SCIENCE FOUNDATION

Dr. Robert S. Morison, of New York, to be a member of the National Science Board, National Science Foundation, for the remainder of the term expiring May 10, 1966.

NATIONAL LIBRARY OF MEDICINE

Dr. William Neill Hubbard, Jr., of Michigan, to be a member of the Board of Regents, National Library of Medicine, Public Health Service, for the term of 4 years expiring August 3, 1967.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

To be senior assistant sanitary engineers

Charles D. Larson
Francis M. McGowan
Donald W. Mantay

To be assistant sanitary engineer

Robert D. Shankland

To be senior assistant sanitarian

Gerald J. Lauer

To be senior assistant dental surgeon

John H. Holt

To be assistant sanitary engineer

Fred M. Reiff

To be senior nurse officer

Kathryn M. Fritz

To be sanitarian

Patrick A. Thibeau

To be senior assistant sanitary engineer

Thomas C. Tucker

To be assistant sanitary engineers

B. David Clark
Ira P. Leggett, Jr.
Joseph R. Tynsky

To be assistant pharmacist

Jackie L. Knight

To be senior assistant therapist

C. Douglas Billion