too, for it is right, but here our hearts are often silent.

I do not intend to speak at length on civil rights—enough is being said everywhere today. However, I think it is a fact that in this year of 1963, there is no more crucial problem in this country than the brotherhood of man. The leading elements of our party must continue to stay in the front of the drive for equality of opportunity for all Americans.

It will mean little to raise living standards and production when one out of 10 of our people is denied the right to fully participate. It serves us little to improve education, and tax all our people to pay for it, when large numbers of our children cannot share in the benefits only because they were born with different pigment in their skin.

The promise of America is the promise for all. As Democrats, in our heads and in our hearts, we must know this.

There is a place for philosophy in a political party. A party is not just to win elections. A party is to form issues, to teach, and to lead. The political party should be more important than the men and women in it.

It is true that in most areas we need attractive candidates to win elections, but I think it is fair to say that a political party based only on personality cannot survive for long. Men come and go, and they change. The sparkling crusader of yesterday may flounder in the bog of privilege or apathy tomorrow.

I hope, as Democrats, that we will continue to have the "heart" to know the right, and the "head" to make it so. If we believe in the basic reasonableness of man, we can give the voters a clear picture of the problems of our time. Further, we can give them humane and rational answers to those problems. We must say what we can do, and deliver.

As loyal party people, there is no greater service than this; as Americans, today, we cannot do less.

SENATE

TUESDAY, NOVEMBER 12, 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.

Rev. V. Allen Gaines, pastor, Chamberlayne Baptist Church, Richmond, Va., offered the following prayer:

Our Father, we acknowledge once more that in Thee we live and move and have our being, and that Thou art closer than breathing and nearer than hands and feet.

Lord, we are dependent on Thee, so come down and sit beside us, to give us courage in place of discouragement, and lift us up from the doom of despair and the doldrums of disappointment, to recognize Thy grace, mercy, and love. Lead us to make wise use of our time, so that as Thou wilt bless America, we may become stronger in Thee.

Bless here Thy servants, our Senators, O Lord, with good health, wisdom, and protection; and bless their families, too.

We wait upon Thee for continued answers, and make this our prayer in Jesus' name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, November 8, 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.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

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

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.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. FULBRIGHT, and by unanimous consent, the Subcommittee on Public Lands of the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

On request of Mr. MCCLELLAN, and by unanimous consent, the Permanent Subcommittee on Investigations of the Committee on Government Operations was authorized to meet during the session of the Senate this afternoon.

ADDITIONAL EXPENDITURES FOR COMMITTEE ON APPROPRIATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN, from the Committee on Appropriations, reported an original resolution (S. Res. 225); which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-eighth Congress, $10,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946, and S. Res. 128, agreed to May 9, 1963.

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BEALL, from the Committee on Commerce:

Philip Elman, of Maryland, to be a Federal Trade Commissioner.

BILLS INTRODUCED

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

By Mr. BOGGS:

S. 2299. A bill to establish a Commission on National Agricultural Policy; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. BOGGS when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 2300. A bill to strengthen the Motor Vehicle Safety Responsibility Act of the District of Columbia; and

S. 2301. A bill to amend the Fire and Casualty Act of the District of Columbia to provide for the financial protection of certain persons suffering injury as a result of the operation of a motor vehicle by uninsured motorists; to the Committee on the District of Columbia.

By Mr. BIBLE (by request):

S. 2302. A bill relating to the employment of minors in the District of Columbia; to the Committee on the District of Columbia.

RESOLUTION

ADDITIONAL EXPENDITURES FOR COMMITTEE ON APPROPRIATIONS

Mr. HAYDEN, from the Committee on Appropriations, reported an original resolution (S. Res. 225) authorizing additional expenditures by the Committee on Appropriations; which, under the rule, was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. HAYDEN, which appears under the heading "Report of a Committee.")

ESTABLISHMENT OF A COMMISSION ON NATIONAL AGRICULTURAL POLICY

Mr. BOGGS. Mr. President, I introduce, for appropriate reference, a bill to establish a Commission on National Agricultural Policy.

Harvesttime is over once again, and again American farms have produced huge amounts of food and fiber, more than we need for consumption and export. It is fitting we do mark the end of harvest by celebrating Thanksgiving Day. Yet this outpouring, as we all realize, is both a blessing and a problem.

Solving the problem of overproduction has occupied the attention of Secretaries of Agriculture and the Congress for the past 30 years, except for the war periods. I do not have to add that the problem is still with us, in some ways more baffling than ever.

The Senate has recently considered dairy legislation which its sponsors hope will ease the surplus problem. In the legislative background now are the problems, among others, of surplus wheat and surplus cotton. Instead of confining ourselves to these individual problems,

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however, we should consider the broad picture, the relation of all the parts which make up the agricultural whole. That is what my bill proposes.

It is ironic that in a world where more than half the population goes to bed at night hungry that our great Nation should be plagued with the problem of too much food. But that is the case.

Not only do we have more food than we need, but we also carry the burden of billions of dollars spent to keep down production and keep the farm economy healthy at the same time.

Farmers have taken advantage of research and increased their crop yields to the point where one American farmer feeds 26 of his fellow citizens. Without our high farm productivity and consequent low food cost, the rest of our economy would have grown much more slowly. To farmers we owe not only our good and inexpensive food, but to a large degree our opportunity for progress in business and industry.

But the farmer, unfortunately, has not been able to keep economic pace with his urban neighbor. As high productivity has reduced farm prices, the farmer has had to produce larger crops just to stay even. He does not control his market. His best hedge against lower prices and consequent lower income usually appears to be a bigger crop. As he and other farmers make these individual decisions, however, the resulting increase in production adds up to oversupply. Complicating the situation, no matter how well intentioned, are the artificial crop prices based on subsidies. The farmer looks more to the U.S. Department of Agriculture and congressional committees on agriculture than to the marketplace in planning his crop program.

The farm legislation we enact, I am afraid, is on a year-to-year basis with no firm expectation that it is leading to a long-range solution of our difficulties. There is an uneasy feeling among many Congressmen, I am sure, as farm legislation comes up and is passed or rejected. That uneasy feeling is based on a lack of an overall policy against which to measure the new proposal. It is like trying to fit pieces into a picture puzzle without having any idea of what the picture looks like.

This country desperately needs a broad and comprehensive policy for the good of farmers, for the good of consumers and taxpayers, and for the good of U.S. economic and political relations in international affairs. It is foolish to continue with the patchwork policy we now have. It is to costly in wasted food and money and effort.

The cost of trying to balance the farm economy with subsidy payments continues much too high. For the 20-year period between 1932 and 1951 the total cost of subsidies to stabilize farm production was $6.8 billion. As high as this figure is, however, it is dwarfed by what happened during the next 10 years. The cost to taxpayers from 1952–61 totaled $22.1 billion, or approximately $2.2 billion a year. This includes a cost of $5.2 billion for fiscal 1961 alone. And the total Department of Agriculture budget now up for consideration, I might add, is a little more than $6 billion.

This huge increase in cost comes at a time when the number of farms and farm population is dropping drastically. The number of American farm units hit an alltime peak of 6.8 million in 1935. Since then the number has declined to about 3.7 million and there are forecasts that in another decade or two the number will be only a little more than 1 million. When this Nation came into being, about 90 percent of its population lived on farms. Now the percentage is about 7 percent, and the percentage will surely go lower.

More than crop production is out of balance, however. Three percent of all the farms in the country produce more food and fibers than the bottom 78 percent combined. This diversity adds to the problem of devising a farm policy which will treat all segments of agriculture fairly.

Unless we do take a long and objective look at American agriculture, we face the continuing prospect of first one crop, then another, being considered in fragmentary fashion by the Congress. The relation between the crops will be ignored or overlooked and the huge drain on the Treasury will continue. If this piecemeal process had generally strengthened farming, even at great expense, that would be something in its favor. But it appears that the big farms get bigger, and the small farms get smaller, and in today's agriculture we can almost substitute "rich" for "big" and "poor" for "small."

It is commonplace today to say that we live in a time of revolution, but we do. And this revolution exists in agriculture. Not to recognize this sweeping change as a revolution, and to act accordingly, is foolhardy. Worse, it may be economically disastrous.

My proposal, as outlined in the finding and purpose of the bill I am introducing, is to provide "for the establishment of a Commission, composed of leaders from public and private life, to study, investigate, and evaluate the problems and trends of agriculture in the United States, with a view toward recommending an overall national policy for agriculture, a policy which will help agriculture prosper for the good of both farmer and consumer, and for the good of the Nation as a whole in domestic and international commerce."

I realize that this is a huge job, but I can think of no better way of approaching it than by the creation of a Hoover-type commission. This Commission will need a topflight staff, and because of the variety and complexity of its assignment, will probably have to break down its work into separate study areas.

In order to assure this survey being as complete and objective as possible my bill provides for a 12-member commission, with the President, the President of the Senate, and the Speaker of the House each appointing two members from Government and two from private life. In addition, not more than six members are to be from the same political party. Strengthening American agriculture is too important to the Nation to have the Commission's efforts founder on partisan politics.

There is a danger in appointing a commission and thereby assuming that the problem is half solved. I make no such assumption. Naming the members of the Commission is a necessary first step, but then will come months of hard work, culminating finally, I hope, in solid recommendations for legislative and administrative action. Unless this first step is taken, however, unless we get some overall policy by which we can gage the separate agricultural issues which come up, we will continue to stumble around in the dark.

Underscoring the need for action quickly is the fast-moving international situation. The wheat deal with Russia is one example. Our farmers have more or less been insulated against the ups and downs of world agricultural markets during the past quarter century by the U.S. Treasury and its subsidy payments. Maintaining this insulation will be increasingly difficult under the pressures of free trade and competition for markets.

Mr. President, I ask unanimous consent that the section of my bill dealing with the duties of the Commission be printed at this point in the RECORD.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the section of the bill referred to will be printed at this point in the RECORD.

The bill (S. 2299) to establish a Commission on National Agricultural Policy, introduced by Mr. BOGGS, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The section of the bill is as follows:

DUTIES OF THE COMMISSION

SEC. 4. (a) The Commission shall make a comprehensive study and investigation of any and all matters relating to the agricultural industry of this country with a view to formulating recommendations for a general agricultural policy for the future which will best serve the interests of farmer, consumer, and Nation. In formulating any agricultural policy pursuant to this Act, the Commission shall give special consideration to the following:

(1) How the Federal Government can best serve the interests of the Nation in the field of agriculture.

(2) How agricultural research may be more effectively utilized, particularly in regard to finding new and improved uses of agricultural products.

(3) How the United States can increase and expand its exports of agricultural products.

(4) How the problem of unemployed farmers and farmworkers can be solved in the wake of continued modernization and mechanization of farming.

(5) How agricultural education can be improved in light of the increasing complexity of farming.

(6) What services and functions of the Federal Government relating to agriculture, which are carried out under existing law, should be expanded, curtailed, modified, or eliminated.

(7) How agriculture is related, directly and indirectly, to the domestic economy, national defense, and international relations of the United States, and what adjustments might be made to improve these relationships.

(8) How the marketing of farm products can be improved to give a better return to the producer.

(9) How the Nation's land resources can be most effectively utilized in order to insure a continued abundance of food and fiber.

(b) The Commission shall, not later than June 30, 1965, submit to the President and to the Congress a final report setting forth the results of its study and investigation and its recommendations. The Commission may from time to time submit to the President such earlier reports as the President may request or as the Commission deems appropriate. The final report of the Commission may propose such legislative and administrative actions as in its judgment are necessary to carry out its recommendations.

RECONSIDERATION OF SENATE RESOLUTION 217, TO AUTHORIZE STUDY OF NATIONAL SYSTEM OF SCENIC HIGHWAYS

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the Senate reconsider the action it took last Friday in adopting Senate Resolution 217; and I ask that the resolution be referred to the Rules Committee, for consideration of the dollar amount contained in section 4.

I request this action so that the Rules Committee may have a chance to consider the moneys to be spent from the Senate contingent fund, a matter over which the Rules Committee has jurisdiction. I also ask that the other amendments agreed to by the Senate remain undisturbed.

The PRESIDENT pro tempore. Is there objection?

Mr. MORSE. Mr. President, will the Senator from Arkansas explain this item?

Mr. FULBRIGHT. The resolution was submitted by the Senator from Michigan [Mr. HART]; it has to do with a survey of the recreational needs of the country.

Section 4 reads as follows:

The expenses of the committee, under this resolution, which shall not exceed $20,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

It has been pointed out that the resolution has not been referred to the Committee on Rules and Administration, which has jurisdiction over the contingent fund.

Mr. MORSE. That is the only part of the resolution which would be referred to the Rules Committee, is it?

Mr. FULBRIGHT. Yes; and I have asked that the other parts of the resolution remain undisturbed.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Arkansas that the Senate reconsider its vote by which Senate Resolution 217 as amended, was adopted, and that the resolution be referred to the Committee on Rules and Administration, for its consideration of the dollar amount contained in section 4? Without objection, it is so ordered.

CAPITOL PAGES' RESIDENCE BILL—ADDITIONAL COSPONSOR

Mr. YARBOROUGH. I ask unanimous consent that the name of the distinguished senior Senator from South Carolina [Mr. JOHNSTON] be added as a sponsor of S. 1847, the Capitol pages' residence bill.

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

ADDITIONAL COSPONSOR OF RESOLUTION

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the name of the senior Senator from Pennsylvania [Mr. CLARK] be added as a cosponsor of my Senate Resolution 224, which is the resolution favoring the adoption by the leadership of the two Houses of a schedule looking to expeditious consideration of the business during the next session of Congress.

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

PROCUREMENT OF CERTAIN SERVICES FROM COMMERCIAL SUPPLIERS — ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of October 30, 1963, the names of Mr. CASE, Mr. COOPER, Mr. JAVITS, Mr. KEATING, Mr. MORTON, Mr. PROUTY, Mr. SALTONSTALL, and Mr. SCOTT were added as additional cosponsors of the bill (S. 2268) to amend section 7 of the act of May 21, 1920, to require the procurement of certain services from commercial suppliers when economy will result from such procurement, and for other purposes, introduced by Mr. KUCHEL on October 30, 1963.

NOTICE OF RECEIPT OF NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that on November 8 the Senate received the nomination of Dr. Herbert Scoville, Jr., of Connecticut, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency, and today the Senate received the nomination of Benson E. L. Timmons III, of Florida, to be Ambassador to Haiti.

In accordance with the committee rule, these pending nominations may not be considered prior to the expiration of 6 days of their receipt in the Senate.

THANKSGIVING AWARD BY CLARKE COLLEGE TO DR. WILLIAM B. WALSH

Mr. MANSFIELD. Mr. President, Sister Mary Benedict, B.V.M., president of Clarke College, has written to inform me that Dr. William B. Walsh, a director of Project Hope, will be the recipient of the first Thanksgiving Award conferred by Clarke College, in Dubuque, Iowa. This is one of the outstanding women's colleges in the Nation, and it has a long honorable and prestigious history.

I ask unanimous consent that the announcement of the award be printed at this point in the RECORD.

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

William B. Walsh, M.D., director of Project Hope, will receive the first Thanksgiving Award conferred by Clarke College to an American "whose service to the country and its citizens merits distinction."

Commemorating the centennial of the first national Thanksgiving proclamation by Abraham Lincoln, the award is a simple open figure, designed by the college art department and cast in bronze, symbolizing hope and gratitude.

The Honorable Win G. Knoch, judge of the U.S. Court of Appeals in Chicago, member of the Clarke lay advisory board and chairman of the Thanksgiving Award committee, observes that "the aim of the award is to refocus attention on the true meaning of Thanksgiving—faith and freedom in the New World—without abandoning the traditional trimmings of food and football."

Announcing Dr. Walsh as the first recipient of the award, Sister Mary Benedict, B.V.M., Clarke president, said that the presentation will be made at a special Thanksgiving convocation at the college, November 26. The tribute to "this man whose life reveals an awareness of the blessings of freedom, opportunity, and dignity insured by the Constitution of the United States," Sister Mary Benedict believes, will achieve in a special manner one of the aims of the women's college: "to alert students to their potential for influencing world situations and transmitting spiritual and esthetic values."

William Bertalan Walsh, born in Brooklyn, N.Y., 1920, is a graduate of St. John's University, N.Y., and Georgetown Medical School, Washington, D.C. Serving as a medical officer aboard a destroyer in the Pacific during World War II, Dr. Walsh observed the lack of medical facilities in the area.

When, in 1958, President Dwight D. Eisenhower invited Dr. Walsh to initiate a project aimed at international good will and understanding through personal contacts, Dr. Walsh submitted a plan for the world's first peacetime hospital ship. A reconverted 15,000-ton Navy hospital ship became the SS *Hope* (Health Opportunities for People Everywhere).

Privately outfitted at $3.5 million and equipped with 60 doctors, dentists, nurses, and technicians, the white hospital ship was invited to stop at 11 ports of call in 1961, all in the vicinity of South Vietnam and Indonesia. The ship's personnel performed 1,200 major operations, treated 36,000 patients, gave more than 100 lectures, and distributed 8,000 books and 86,000 pounds of medical supplies.

The SS *Hope* was stationed at Trujillo, Peru, from May 1962 to June 1963, and 25 of the personnel remained behind to assist the University of Trujillo Medical School in operating a new regional hospital.

In addition to his work as president of Project Hope and of the People-to-People Health Foundation, Dr. Walsh, an internist and heart specialist, is an Assistant Professor of Internal Medicine at Georgetown University. He is married and the father of three sons.

JOHN KRSUL, SHERIFF OF CASCADE COUNTY, MONT.

Mr. MANSFIELD. Mr. President, during the visit of the President to Montana, 100,000 people turned out to welcome him in Great Falls, Mont. The man in charge of the arrangements for President Kennedy's visit there is an old friend of mine, Sheriff John Krsul, sheriff of Cascade County. Sheriff Krsul did a magnificent job; it was obvious that his planning for this welcome was

thorough and complete since every detail went like clockwork. Sheriff Krsul is entitled to great credit.

I ask unanimous consent that an article in tribute to Sheriff Krsul, who is an American of Croatian descent, and who was responsible for the arrangements in connection with the visit of President Kennedy to Great Falls, Mont., be printed in the RECORD. The article was published in the English section of the Croatian Fraternal Union of America and was written by another old friend, Walt Valacich, of the Great Falls, Mont., Tribune.

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

CROATIAN SHERIFF IS PRAISED BY SECURITY GUARDS—PRESIDENT KENNEDY IN MONTANA

(By Walt Valacich)

GREAT FALLS, MONT.—During his recent visit to Montana, President Kennedy was greeted by over 100,000 enthusiastic people in Great Falls, Montana's largest city. Over 20,000 jammed into the high school stadium to hear his speech on conservation.

The President was greatly pleased to be so warmly welcomed. Federal security chiefs, charged with the responsibility of Presidential safety, were very happy that the whole affair was so well organized.

The majority leader of the U.S. Senate, MIKE MANSFIELD, of Great Falls, was loud in his praise of the man responsible for it all—Sheriff John Krsul, of Cascade County.

John Krsul, a Croatian and a CFU member, was in charge of the whole affair. He not only set up security measures along the 4-mile route the President was to travel, but also organized the reception at the stadium.

He was one of eight chosen to sit with the President on the speaker's platform. He was one of the first to be introduced to the President after his plane landed here.

STAR FOOTBALLER

Sheriff Krsul was born in Black Eagle, a suburb of Great Falls, in 1917. He attended local schools and was a star fullback on the high school team. He attended Portland University on a football scholarship.

At the outbreak of World War II he entered the Air Force, in which he served with distinction in the Pacific area. After his discharge from the service, he was engaged in various endeavors until 1946, when he was appointed deputy sheriff of Cascade County. He served in this capacity for 12 years.

Urged by friends, he ran for sheriff on the Democratic ticket and was elected in 1958 to a 4-year term. He was reelected to a second term in 1962 by a handsome majority.

During his first term as sheriff, he took leave to attend the FBI Academy in Washington, D.C., from which he was graduated. He is highly thought of in the State of Montana and is considered one of the most capable law enforcement officers ever to wear a badge in this area.

PROUD OF SOCIETY

He is married to the former Iris Cowen of this city and has two children—John Jr., a junior at Carrol College, Helena, Mont.; and Denise, a freshman at Catholic Central, Great Falls.

He is the son of Mr. and Mrs. John Krsul, Sr., of Black Eagle, who arrived here in the early 1900's from Bribir, Croatia.

Both are lifeling members of the Croatian Brotherhood and of the CFU. Mr. Krsul has been a very active member of the local lodge and served as its president for several years.

The senior Krsuls, along with all Croatians here, are rightfully proud of the honor bestowed upon their son and are extremely happy that they, too, were presented to the greatest President of them all, John F. Kennedy.

CONGRESSIONAL ACCOMPLISHMENTS AND SENATORIAL LEADERSHIP

Mr. AIKEN. Mr. President, whenever, because of negligence, opposition, unusual circumstances, or sheer incompetency, persons in high official positions fail to meet their responsibilities or carry out their plans, it frequently happens that regardless of the reason for the failure, their opportunistic friends seek to produce "fall guys" on which to place the blame.

The record of this Congress up to now appears to be unenviable. We have been in session a long time, with no respite in sight. Our accomplishments have been hardly discernible to the public.

We have, however, done little damage, unless to ourselves; and with the passage of time, we may get credit for doing much good.

It is my opinion that the record of this Congress will prove to be much better than that of the executive branch during this critical period.

Recently, some representatives of the news media and others who should know better have tried to put the blame for the slow pace of the Senate on the leadership.

It is said that the majority leader is not forceful enough to be a good leader; they intimate strongly that if he were more vigorous in forcing Members to vote against their own convictions, less charitable in dealing with his fellow Members, and craftier in his tactics, then the Senate would have a better record.

As for the minority leader, his cardinal sin appears to be his desire to cooperate with the majority leader in making sure that the Senate operates with fairness and efficiency and with such speed as may be possible and for the good of the country.

The Senate never had fairer, more capable, and more conscientious leadership than it has in Senator MANSFIELD and Senator DIRKSEN.

If we had the type of leadership which some of their critics think we should have, I would be fearful for the safety of the Nation during this period of world evolution.

As an indication of the efficiency of our leadership, I point out that, except for the pending business, we do not have over a couple days' work on the calendar, nor have we had since the start of the session, last January.

I wish that the appropriations bills for the fiscal year 1964 were out of the way; but the Senate cannot act on those bills until it gets them.

I wish that our committees could complete their hearings and make reports promptly, but I do not want them to accept the myriad recommendations of the executive branch blindly or without giving the people a chance to express themselves.

I hear little complaint—except from professional advocates or professionally inspired communicants—because this Congress has not enacted a lot of new legislation. In fact, the general public seems quite content to have us stay here the year around, so long as we do not upset the economic applecart with a lot of new laws.

While it is true that the fairness and consideration of the leadership have from time to time been imposed upon, the fact remains that if tyranny were substituted for tolerance, and punishment for understanding, the Senate would now be engulfed in chaos.

The Nation, as well as the Members of the Senate, owes a debt of gratitude to Senators MANSFIELD and DIRKSEN. Their home States may well be proud of them, and I hope that both of them remain as leaders of this body for a long time to come.

Mr. KUCHEL. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. KUCHEL. My comment in regard to the statement made by the distinguished Senator from Vermont is, "Well and truly said, Uncle GEORGE." We are proud of our Republican leader. And we have the fullest respect for our friend, the Democratic leader. These words could not be uttered by an abler or more respected Member of the Senate than the Senator from Vermont. They needed saying, and I congratulate him for standing on the floor of the Senate and uttering them as incisively and pointedly as he did.

Mr. AIKEN. I thank the Senator from California.

Mr. CARLSON. Mr. President, will the Senator from Vermont yield to me?

The PRESIDENT pro tempore. Under the morning-hour limitation, the time available to the Senator from Vermont has expired.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the Senator from Vermont may proceed for 2 additional minutes.

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

Mr. AIKEN. Very well; I yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, I wish to associate myself with the timely remarks of the distinguished Senator from Vermont.

In my opinion, there is outstanding leadership in the Senate, on both the majority side and the minority side.

If there is any complaint anywhere in the country in regard to the actions taken at this session of Congress, in my opinion, the reason is that there is no great pressure from the country. After all, the elected representatives of the people mirror or reflect the views of the people in their States or in their districts; and, as the distinguished Senator from Vermont has said, there is no great demand in the country for the New Frontier programs or for the great mass of proposed legislation.

I thank the Senator from Vermont for his excellent statement.

Mr. AIKEN. I thank the Senator from Kansas.

Mr. BOGGS. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. BOGGS. I thank the Senator from Vermont for yielding to me. I wish to associate myself with his very able remarks. Ever since I became a Member of the Senate, I have shared the feeling he has expressed. I am very happy that the distinguished senior Senator from Vermont has given expression to these thoughts.

Mr. CHURCH and Mr. FULBRIGHT addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Idaho, who has been seeking the floor in his own right. I shall yield to him, and then he can obtain the floor in his own right.

Mr. CHURCH. I thank the Senator. I wish to add my commendation to those which have already been made. I am grateful to the Senator from Vermont for pointing up the fact that the delays that have occurred during the present session of Congress are not attributable to the majority leader, who has kept his calendar exceedingly clear. It seems to me that, if there is any fault, it lies with the committees themselves, and perhaps with that encrusted practice which, owing to habit and not to constitutional mandate, causes appropriation bills to originate in the House. If that practice could be changed so that at least half the appropriation bills would originate in the Senate, I believe that 3 months' time could easily be saved out of every session every year. This is the kind of bad habit that has delayed Congress. I thank the Senator for having done so effective a job of pointing out wherein the difficulty lies.

Mr. AIKEN. Mr. President, I heard the remarks of the Senator from Idaho on television yesterday. He made an excellent statement.

Mr. CHURCH. I thank the Senator.

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

Mr. AIKEN. If I am permitted, I yield to the Senator from Arkansas.

Mr. FULBRIGHT. I merely wish to associate myself with what the Senator from Vermont has said. As long as I have been in the Senate, there have been periodic complaints about the leadership. As has already been suggested, many conflicting issues have come before the Senate this year. I point to the proposed legislation now before the Senate. At the end of July or the beginning of August, when we were within 24 to 48 hours of reporting the bill, the test ban treaty intervened and we were requested to give the test ban treaty priority. That event caused undue delay in regard to the pending bill. There was no difficulty in the committee. We were ready to report the bill at that time. We then considered the test ban treaty for nearly 2 months, for the treaty was considered to be of a more urgent nature.

Furthermore, I suggest that it is not merely the leadership which is responsible. The Senator from Kansas stated one reason.

The membership of the Senate bears a great deal of responsibility for what happens on the floor of the Senate. The leaders cannot push around Senators when there is a tendency on the part of the leadership to be too strong in their leadership. Sometimes the leadership is termed "arrogant." Then there is a great outcry on the other side. So I believe the criticism of the leadership is entirely misplaced. The leaders can only direct the operation. They cannot force a body such as the Senate to move or not to move. It is very much its own master. If there is any criticism due, it is certainly not due to the leadership; it is rather to Members of the Senate or the constituencies they represent.

Mr. AIKEN. I thank the Senator from Arkansas, and I thank the Senate for granting the extension of time so that I might yield to Senators.

Mr. HICKENLOOPER subsequently said: Mr. President, on last Wednesday, I believe, there were what I regard as an unfortunate and misdirected series of statements in regard to the majority leader, the senior Senator from Montana [Mr. MANSFIELD]. At that time I expected to say something about that matter; but other commitments required me to leave the floor, and I could not return until considerably later, when other business was being transacted.

Mr. President, at this time, as a member of the opposition and as one who with some frequency disagrees with the political position which from time to time the Senator from Montana takes on the floor—and he disagrees with the position I take—I wish to say that I have never known a Member of the Senate or an associate in public life for whom I have a higher personal respect or whose public record and private record of integrity, vigor, adherence to his principles, and adherence to his political philosophy—whether that philosophy always agrees with mine or not—is finer than that of the majority leader, the distinguished Senator from Montana [Mr. MANSFIELD].

I have known him for a great many years. The other day, I was saddened by the criticism and the connotation raised by it, although I understand that since then discussions have been had and certain apologies and retractions have been made in connection with it.

Nevertheless, word goes out; and once word of that kind is uttered, it is impossible to recapture all of it and return to the original perspective.

I knew the Senator from Montana for many years before he came to the Senate, and I have had very considerable associations with him. In my opinion, he has had, in the last year, a most unusual series of problems to deal with in his capacity as majority leader. He has met them courageously, vigorously, and with a high degree of intelligence and determination.

I have never known any Member of the Senate who is, first, more courteous, more honest and honorable, and more decent with his associates in the Senate—whether they be Republican or Democrat—than the Senator from Montana. I have never known anyone who is more consistent to the integrity of his own views and to the responsibilities he bears to his party and to the administration and its programs, when he agrees with them, than the Senator from Montana.

A moment ago I said I was grieved. I was grieved because of my personal affection for him, and I was grieved because I thought he was utterly undeserving of the criticism directed against him, even though later it was retracted and modified.

As one who, as I say, does not always agree with the Senator from Montana on his political voting record—and at the same time he does not agree with mine—I merely wish to testify again that I have the highest personal regard for him, and in my judgment he has made a magnificent record under most difficult circumstances.

The reason why this body has been delayed in its actions for as long as it has does not rest, in my opinion, in any degree with any failure or dereliction on the part of the majority leader. I think the reason comes from other places, rather than the Senate; and it comes from other places and other responsible sources, rather than from the Senator from Montana [Mr. MANSFIELD], the majority leader.

The Senator from Montana is a great and devoted American and a great Senator; and my affection for him is great, indeed.

Again I say I am sorry that criticism which I believe to be unwarranted, unjustified, and unmerited was directed at him, and, unfortunately, will be accepted by people who do not know the circumstances and are not aware of the background and the facts. As a Republican, I am sorry.

As the Senator from Montana knows, he has my great regard, my great affection, and, above all, my respect over a long series of years during which our association has been one above reproach, one about which I have no complaint, and one which I value highly, indeed.

VETERANS DAY

Mr. CHURCH. Mr. President, yesterday, November 11, 1963, there appeared in the Washington Post an article by Mr. Drew Pearson in which he pays his respects to Veterans Day in a manner which differs so much from the conventional treatment given the subject that I think it warrants the special attention of the Senate. For this reason, I ask unanimous consent that the text of 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:

PEACE BEING ERODED ONCE AGAIN

(By Drew Pearson)

This is the day when wives and mothers go to the cemeteries from Arlington in Virginia to the Presidio in San Francisco to deck the graves of fallen heroes. It's a day when we pause to pay tribute to those who fought in the Argonne, and at Chateau Thierry, and Guadalcanal; who stormed the beaches at Salerno and marched up the bloody hill at Cassino; who died in the land-

ing at Normandy, and shivered and froze in the tragic retreat from the Yalu River.

Today we will pause—a bit briefly perhaps. The President will lay a wreath on the Tomb of the Unknowns. Then most of us will go on about our work or enjoy a little extra time off, thanks to the dead whom we honor.

Those who do kneel at the white markers, those who do pause in memory, will not know that 6 days before—on last Tuesday during the holdup on the Berlin autobahn, the White House was on the Orange Alert. This is the alert just short of war.

One false move last Tuesday, one mistake by the young lieutenant in charge of the American convoy, a loss of temper by the Russian lieutenant colonel—and the button would have been pushed.

Once again the dead and the wounded would have littered the countryside—on two continents, perhaps most of the world—if that button had been pushed.

Only this time there would have been few, if any, civilians around to nurse the wounded, or bury the dead, or erect markers in memory of the dead—if that button had been pushed.

Woodrow Wilson talked about a war to end war. He failed. But last week it would have been a real war to end war—because there would have been few around to fight another war—if that button had been pushed.

THE EROSION OF PEACE

In the fall of 1959 after President Eisenhower received Nikita Khrushchev at Camp David, there was proclaimed a new attempt by the world's most powerful nations to clear away Soviet-American suspicion. Both men had suffered in war. Both had known what it was to send masses of other men into battle. Both wanted to avoid war in the future.

Both agreed that their countries would stop name-calling; that Khrushchev would go to Peiping to persuade the Chinese to quit threatening Formosa; that they would get together at an early summit conference.

Khrushchev did get to Peiping. He got rebuffed. Eisenhower took a trip halfway around the world, was welcomed by Communist children waving "I Like Ike" flags in Italy.

Then the erosion began. The summit conference was to be held in December. But the State Department said that was too soon. February was mentioned. More postponement. Under Secretary of State Douglas Dillon made a speech. It pulled part of the rug out from under the Camp David spirit. Chancellor Adenauer made speeches. The last thing he wanted was better understanding between the United States and the Soviet Union. Other of our allies burned up the cables. They were dependent on U.S. aid, and if there were no fear of Moscow by Washington they knew that aid would stop.

Secretary of State Christian Herter, influenced by these allies, made another speech. It had repercussions in Moscow. The hard-core Stalinists long before this had been needling the moderates. "You can't trust the Americans," they argued.

Came May 1960. The long-delayed summit conference was about to meet in Paris. Someone in Washington sent the U-2 spy plane over Russia. The Russian people boiled. The summit conference was off.

EROSION OF TEST BAN

Last summer the United States and Russia made a new start toward better understanding. A test ban treaty was signed. A telegraph line was installed between Moscow and Washington. It was agreed to keep armed satellites out of outer space. It looked as if a wheat deal would be negotiated.

Then the eroders of peace started to work.

Khrushchev has his enemies inside the Kremlin. Red army leaders haven't been enthusiastic over the reduced arms budget. Herr Ulbricht in East Germany has been needling him about Berlin. The Red Chinese have been calling him an appeaser. In Washington the Goldwaterites have been saying the same things of Mr. Kennedy.

Harry Truman, when President of the United States, said on October 4, 1952: "Why did we not have a clear right-of-way to Berlin? We should have had it. The arrangements were to be worked out by the military commanders in the field. Our commanding general (Eisenhower) was informed of his responsibility to work them out. He delegated this job to General Clay, and left Europe. General Clay met with the Russian military leaders and got only oral assurances, instead of a precise agreement in writing—General Clay in his book admits this was a mistake."

Regardless of whose mistake it was, there are thousands of men under white markers who must wonder whether they will be joined by other men under more white markers all because of an argument over lowering a tailgate or counting 42 men on the Berlin highway.

"We who lie here have nothing left to pray," wrote Alfred Noyes in 1916. "To all your praises we are deaf and blind. We may not even know if you betray our hope to make earth better for mankind."

Clemenceau at the Paris peace conference in 1919 said: "Listen, I can hear the soldiers of 1914 weeping." Today the soldiers of Guadalcanal and Salerno and the Yalu River must be wondering—and weeping.

PRICE COMPETITION REQUIRED IN QUALITY STABILIZATION BILL

Mr. PROXMIRE. Mr. President, there has been a spate of editorials, reports, and other criticisms of the so-called quality stabilization bill. The critics of the bill, of which I am honored to be a cosponsor, always make the same statement. They say that the bill would fix prices.

Mr. President, the bill would not fix prices. Certainly it would not fix prices in the sense that Congress fixes the prices of agricultural products or minimum wages, or the big steel companies fix the prices of steel. The critics of the bill should read the bill. They obviously have not done so. I call their attention to page 2, lines 12 to 18, which read, in part, as follows:

> If goods usable for the same general purpose are available to the public from sources other than the owner of such brand, name, or trademark, and are in free and open competition therewith, the right of any person to employ such brand, name, or trademark in effecting resale of goods so identified may be revoked by the owner of such brand, name, or trademark, subject to the provisions of paragraph 10.

The bill requires price competition as a condition for a manufacturer to have the power to establish his retail price, which power incidentally was confirmed as a right by the Supreme Court back in 1936. I hope that those who criticize the bill in the future will recognize that the bill does require price competition.

I ask unanimous consent that an excellent article on the bill by Ed Wimmer, who is a brilliant leader in the fight for the quality stabilization bill, published in the Cincinnati Enquirer, November 4, be printed at this point in the RECORD.

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

COMMITTEE FORMED TO DYNAMITE THE QUALITY STABILIZATION ACT; COULD EASILY FOOL BARGAIN-BLINDED CONSUMER

(By Ed Wimmer)

A photostatic copy of a letter to a well-known discounter, fell into our hands recently, the contents of which would indicate the early launching of the biggest attack upon truth in advertising and legitimate business practices the business world has ever experienced.

Written on a letterhead of the newly created Committee for Competitive Prices, and containing the names of officials of various chains and discount house operations, the letter was an appeal for a huge fund to "prevent passage of the Quality Stabilization Act," which the letter writer indicated was certain to pass—if it came to a vote of the House and Senate.

According to the letter, the purpose of the committee is to "educate the public" and point out to Congress the "evils" of price maintenance privileges which the act would grant manufacturers of name brand products, who are now witnessing the complete destruction of their reputations and distribution systems—built up at a cost of billions of dollars.

A high priced public relations agency was named in the letter as the directing force behind the proposed campaign, and prospective donors were asked for amounts ranging from "$100 to $6,000" to insure its success.

We cannot predict what all the agency will say to the misguided, bargain-crazed, bait-chasing, stamp-licking consumer, but we do know that opponents of the Quality Stabilization Act have learned how to get newspaper editors, radio and TV commentators to propagandize their lies, and they aren't going to say that nearly 200 business organizations and labor and farm leaders, have endorsed the Quality Stabilization Act.

Last month, Senator THRUSTON MORTON, Kentucky, complained about the high pressure tactics of the discounters and their followers, and in a vigorous defense of the Quality Stabilization Act he related how one big chain had brought near disaster to Ballard & Ballard Corp., which his family once owned.

At the same time, Senator HUBERT HUMPHREY, Minnesota, called the Quality Stabilization Act "must legislation" for this session of Congress, and he was supported by such outstanding adherents of fair practices as Senators LAUSCHE, PROXMIRE, SCOTT, MCCARTHY, and others too numerous to mention.

The discounters, and other bootleggers of name brand products as consistent loss-leaders, are presently engulfed with fear, for they realize that sentiment in the House is also favorable toward an end to deceptive practices. They know, too, that an increasing number of editors, labor and farm leaders are coming to realize that advertising money, fair returns for farm products and union dues, cannot come out of bankrupt businesses and profitless sales, and it is this growing realization that the Committee for Competitive Prices fears the most.

In weighing both sides of the argument for price maintenance, it might be well to consider that religious organizations are alarmed over the moral breakdown taking place in the American marketplace, and are issuing statements to the effect that economic institutions must "serve the whole man, body, and spirit" and must seek to influence "honorable practices and policies."

Justice Oliver Wendell Holmes once said that "no court can allow these knaves to disrupt the marketplace." The great Justice Brandeis called bait-merchandising of

known brands the "certain road to monopoly, and the undoing of the consumer by his own hand." It would seem that in this day when all the world is dependent upon the well-being of the only free enterprise nation in existence, that such words would carry more weight than those of the Committee for Competitive Prices.

VIEWS ON FOREIGN AID

Mr. McGOVERN. Mr. President, in a column for the November 8 issue of the Washington Star, Mr. Joseph Kraft contends that I helped provide the 2-vote margin which carried Senate amendment No. 303 to reduce the foreign aid bill.

Mr. Kraft, of course, did not intentionally misstate the facts, since he is a competent and thoughtful journalist. But we all make errors, and in this case, he very plainly erred. The fact is that I voted "no" rather than "aye" on Senate amendment No. 303. My vote against this amendment to reduce the Mansfield-Dirksen compromise is clearly recorded on page 21105 in the CONGRESSIONAL RECORD dated November 5, 1963.

I have always believed in a strong foreign aid program. My travel and experience as director of President Kennedy's food for peace office further convinced me of its necessity. The American people cannot grow economically, politically, or spiritually if we turn our backs on the sea of human misery which surrounds our prosperous island.

Nor is there any evidence that the American public wants Congress to stop foreign aid. Quite the contrary, public opinion polls demonstrate that foreign aid is strongly approved by an overwhelming majority of the people of the United States.

But this is not to say that the foreign aid bill or the foreign aid administration is beyond criticism.

I personally believe that much of our military foreign aid distorts and weakens the overall aid program. The burden of proof ought to be on those who advocate building up expensive military establishments in poverty stricken countries. Such countries should use their energy, resources, and outside assistance to strengthen the economy, the education, the health, and the food production of their people. These are the best safeguards against subversion and violence.

Military hardware and the officer caste we create abroad have often been used not to advance constructive purposes, but to dissipate valuable resources and to suppress needed reforms. In some instances such as the Dominican Republic, they have destroyed the very governments we are trying to bolster.

If we fear a Communist attack on an underdeveloped country whose security is related to ours, let us frankly recognize that it is U.S. military power that is the real defense.

I do not believe that Moscow is impressed by military systems which rest on foundations of poverty, illiteracy, hunger, and disease. The military deterrent to Soviet power is not in the underdeveloped world, but in U.S. strategic airpower, naval units, and mobile land forces.

The seedbed of communism is human misery. Consequently, the real bulwark against subversion in the underdeveloped world is rising standards of living, with improved education, health, agriculture, and resource development. These ought to be the objectives of U.S. aid.

I voted to recommit the foreign aid bill to the Senate Committee on Foreign Relations for two reasons:

First. Because the temper of the Senate made it clear that cuts were going to be made, and I felt those cuts would be made most carefully in the committee room. Senator FULBRIGHT is, in my judgment, the ablest chairman ever to serve the Foreign Relations Committee. He and his colleagues on the committee comprise some of the most brilliant men in the history of the Senate. The recommittal effort may not have been wise, but I supported it, not to demonstrate opposition to foreign aid, but to secure the wisest possible modification of the bill.

Second. I hoped that recommittal of the bill might produce a sharp cut in military aid funds while protecting if not increasing the economic aid portion.

Those of us who look with skeptical eyes on shipping arms into such areas as Latin America and Asia can be grateful for the Mansfield-Dirksen-Fulbright amendment as modified by the amendment of the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], and myself. That modified amendment was aimed largely at reducing military aid. It may strengthen the overall aid program.

On August 2 and again on September 24, I said on the floor of the Senate that military aid could and should be cut by half a billion dollars. We have largely accomplished that objective in this year's aid bill.

I only regret that the Senate did not extend the searching analysis to the military appropriations bill of more than $47 billion that it is now giving to a foreign aid bill of $4 billion, one-twelfth as large.

It is strange that this body, with its reputation for deliberation, should approve virtually without debate a gigantic arms appropriations comprising half of the entire Federal budget. That enormous expenditure slid through the Senate by a unanimous vote in one short afternoon.

A few of us made a lonely effort to effect modest reductions in arms spending or at the least to raise a few basic questions. But the Senate quickly voted down an amendment offered by Senator SALTONSTALL to reduce by 1 percent the $15 billion we are now spending for military procurement. My amendment to reduce military spending by 10 percent drew only two votes and two pairs.

Several months earlier the Senate extended for another 4 years the military draft which hangs over the head of every American boy. We took that step without a word of debate or even a rollcall vote.

Yet, after 2 weeks of intensive debate, we are still vigorously contesting and cutting and restricting a foreign aid bill one-twelfth the size of the arms budget.

Does all of this mean that the judgments of the Pentagon and the Armed Services Committee are considered beyond question, whereas the State Department, AID, and the Foreign Relations Committee are unreliable wastrels? Our foreign aid program needs to be exposed to searching criticism and reexamination, but is not the same analysis due in the field of national defense?

I frankly cannot understand Senators voting without apparent concern for over $47 billion in one military appropriations bill and then going through weeks of tortuous debate on a $4 billion foreign assistance program which seeks to promote the well-being of mankind.

Neither do I find it easy to comprehend the apparent effort made by some during the foreign aid debate to harden the lines of the cold war.

We must be vigilant, of course, but we should also be imaginative and flexible enough to capitalize on opportunities for relaxing cold war tensions and building more peaceful relations between East and West.

It is shortsighted and dangerous for us to pretend that every nation behind the Iron Curtain is hopelessly and totally committed to aggression or even to the international Communist conspiracy. It is dangerous and I believe false to assume that our ideological differences with the Communists mean that we must not trade with them, or negotiate, or cooperate in any fashion.

We ought to seize every reasonable opportunity to encourage the forces of peace and moderation in the Soviet bloc. The partial nuclear test ban was a step in that direction. The proposed wheat sales to Russia is a second step. Our food for peace, Public Law 480 agreements with Poland and Yugoslavia have been invaluable to us and to the millions of friendly people who live under the Communist regimes of these two countries. Millions of children in Poland and Yugoslavia have been fed American milk and bread through the services of CARE, Lutheran World Relief, the Jewish Joint Distribution Committee, and Church World Service.

Public Law 480 currency is helping to build a great hospital in Poland that will continue the long friendship between the people of our two countries.

Our present trade relations with Poland and Yugoslavia are modest, but they help keep open the windows of Eastern Europe to the West.

American travelers, books, newspapers, and broadcasts enter more freely into Poland and Yugoslavia and this, again, is in the interest of peace and freedom.

Mr. Khrushchev thinks he can bury us in the competition ahead. I see no reason to fear that competition, so long as we can avoid war and confine our rivalry to ideological, economic, and scientific areas.

I personally hope that the day will come when Russia and the United States will be able to cooperate on a broad scale, not only in outer space, but here on earth. I would like to see the Soviet Union and the West cooperate in providing joint assistance to countries in need.

I do not see foreign aid so much as a weapon of the cold war as a tool for improving life on this planet, where both Communists and non-Communists will live or die.

It is true that a few of us made a rather lonely effort to effect a modest reduction in arms spending, or at least to raise a few basic questions about it, but the Senate quickly voted down amendments to reduce that enormous budget even to a modest degree.

President Kennedy has again eloquently stated the case for international cooperation, including assistance to those in need. Speaking to the Protestant Council in New York City on Friday, November 8, the President said:

If the family of man cannot achieve greater unity and harmony, the very planet which serves as its home may find its future in peril.

Mr. Kennedy said further:

Dignity and liberty—these are the foundations of the foreign aid program. For the dignity and liberty of all freemen is essential to our own. And to weaken or water down the pending program, to confuse and confine its flexibility with rigid restrictions and rejections will not only harm our economy, it will hamper our security.

Mr. President, I ask unanimous consent to have printed in the RECORD this challenging address by President Kennedy.

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

TEXT OF THE PRESIDENT'S ADDRESS ON FOREIGN AID BEFORE PROTESTANT COUNCIL HERE

I am deeply moved by this award and by the generous spirit of New York City's Protestant leaders in selecting a member of another faith to receive it. I am also moved by our effort to mobilize this same spirit of idealism and interfaith cooperation in the form of a new community-service organization—the Society for the Family of Man. By aiding the homeless and the jobless, by caring for the very young and the very old, by counseling those in need of help or hope, this society can strengthen the family of man throughout the New York community.

But just as the family of man is not limited to a single race or religion, neither can it be limited to a single city or country. The family of man is more than 3 billion strong. It lives in more than 100 nations. Most of its members are not white. Most of them are not Christians. Most of them know nothing about free enterprise or due process or the Australian ballot.

If this society is to promote the family of man, let us examine the magnitude of your task. That is a sobering assignment. For the family of man in the world of today is not faring well.

FINDS NOTE OF CAUTION

The members of a family should be at peace with one another. But they are not. And the hostilities are not confined to the great powers of East and West. On the contrary, the United States and the Soviet Union, each fully aware of their mutually destructive powers and worldwide obligations, have sought to introduce a greater note of caution in their approach to areas of conflict.

Yet lasting peace between East and West would not bring peace to the family of man. Within the last month the world has witnessed active or threatened hostilities in a dozen or more disputes independent of the struggle between communism and free choice—disputes between Africans and Europeans in Angola, between north African neighbors in the Maghreb, between two Arab States over Yemen, between India and Pakistan, between Indonesia and Malaysia, Cambodia and Vietnam, Ethiopia, and Somalia, and a long list of others.

In each of these cases of conflict, neither party can afford to divert to these needless hostilities the precious resources their people require. In almost every case, the parties to these disputes have more in common ethnically and ideologically than do the Soviet Union and the United States—yet they often seem less able and even less willing to get together on negotiations.

In almost every case, their continuing conflict invites outside intervention and threatens worldwide escalation—yet the major powers are hard put to limit events in these areas.

A TASK FOR ALL NATIONS

As I said to the members of the U.N. even little wars are dangerous in this nuclear world. The long labor of peace is an undertaking for every nation, large and small, for every member of the family of man.

In this effort none of us can remain unalined. To this goal none can be uncommitted.

If the family of man cannot achieve greater unity and harmony, the very planet which serves as its home may find its future in peril.

But there are other troubles besetting the human family. Many of its members live in poverty and despair. More than 1 out of 3 according to the FAO, suffers from malnutrition or undernutrition or both—while more than 1 out of 10 lives "below the bread line."

Two out of every five adults on this planet, according to UNESCO, are illiterate. One out of eight suffers from trachoma or lives in an area where malaria is still a clear and present danger.

Ten million—nearly as many men, women, and children as inhabit this city and Los Angeles combined—still suffer from leprosy; and countless others suffer from yaws or tuberculosis or intestinal parasites.

For the blessings of life have not been distributed evenly among all the children of man's family. Life expectancy in this most fortunate of nations has reached the Biblical three score years and ten; but in the less developed nations of Africa, Asia, and Latin America, the overwhelming majority of infants cannot expect to live even two score years and five.

In those vast continents more than half the children of primary school age are not in school. More than half the families live in substandard dwellings. More than half the people live on less than $100 a year. Two out of three adults are illiterate.

The family of man can survive differences of race and religion. Contrary to the assertions of Mr. Khrushchev, it can accept differences of ideology, politics, and economics. But it cannot survive, in the form in which we know it, a nuclear war—and neither can it long endure this growing gulf between the rich and the poor.

The rich must help the poor. The industrialized nations must help the developing nations. And the United States, along with its major allies, must do better—not worse—by its foreign aid program.

Too often we advance the need of foreign aid only in terms of our own economic self-interest. To be sure, foreign aid is in our economic self-interest. It provides jobs for more than half a million workers located in every State. It finances a rising share of our exports and builds new and growing export markets.

It generates the purchase of military and civilian equipment by other governments in this country. It makes possible the stationing of 3.5 million allied troops along the Communist periphery at a price one-tenth that of maintaining a comparable number of American soldiers. And it helps to stave off the kind of chaos or Communist takeover or Communist attack that would surely demand our critical and costly attention. The Korean conflict alone, for example, cost four times as much as our total worldwide aid budget for the current year.

But foreign aid is not advanced only out of American economic self-interest. The gulf between rich and poor which divides the family of man is an invitation to agitators, aggressors, and subversives. It encourages the ambitions of those whose desire to dominate the world threatens the peace and freedom of us all. "Never has there been any question in my mind," President Eisenhower recently said, "as to the necessity of a program of economic and military aid to keep the free nations of the world from being overrun by the Communists. It is that simple."

This is not a partisan matter. For 17 years through three administrations, this program has been supported by the Presidents and leaders of both parties. It is being supported today in the Congress by those on both sides of the aisle who recognize the urgency of this program in the achievement of peace and freedom.

Yet there are still those who are unable or unwilling to accept these simple facts—who find it politically convenient to denounce foreign aid with one breath and the Communist menace with another.

I do not say there have been no mistakes in aid administration. I do not say it has purchased for us lasting popularity or servile satellites. I do not say that it is one essential instrument in the creation of a better, more peaceful world. I do say that it has substituted strength for weakness all over the globe, encouraging nations struggling to be free to stand on their own two feet.

DIFFICULT TO MEASURE

To those who say foreign aid is a failure, how can we measure its success—by the economic viability of 14 nations in Western Europe, Japan, Spain, and Lebanon, where our economic aid, having completed its task, has ended—by the refusal of a single one of the more than 50 new members of the United Nations to go the Communist route—by the reduction of malaria in India, for example, from 75 million cases to less than 2,000, in the course of less than a decade—by the 18,000 classrooms and 4 million textbooks bringing the light of learning to Latin America under the infant Alliance for Progress?

Nearly 2 years ago my wife and I visited Bogotá Colombia, where a vast Alliance for Progress housing project was just getting underway. Earlier this year I received a letter from the first resident of this 1,200-new-home development.

"Now," he wrote, "we have dignity and liberty."

Dignity and liberty—these words are the foundation of the foreign aid program. For the dignity and liberty of all freemen is essential to our own. And to weaken and water down the pending program, to confuse and confine its flexibility with rigid restrictions and rejections, will not only harm our economy, it will hamper our security.

It will waste our present investment. And it will, above all, forfeit our obligations to our fellow man—obligations that stem from our wealth and strength, from our devotion to freedom and from our membership in the family of man.

SAYS UNITED STATES CAN AFFORD IT

I think we can meet those obligations. I think we can afford to fulfill our commitments around the world when 90 percent of them are used for the purchase of our own goods and services—including, for example,

one-third of this Nation's total fertilizer exports, one-fourth of our iron and steel mill exports and one-third of our locomotive exports.

A cut of $1 billion in our total foreign aid program may save $100 million in our balance of payments—but it costs us $900 million in exports.

I think the American people are willing to shoulder this burden. Contrary to repeated warnings, in the 17 years since the Marshall plan began, I have never heard of a single politician who lost his office by supporting foreign aid. And the burden is less now than ever.

RATIO OF BUDGET LOSS

Despite the fact that this year's aid request is about $1 billion less than the average request of the last 15 years, many Members of Congress today complain that 4 percent of our budget is too much to devote to foreign aid—yet in 1951 that program amounted to nearly 20 percent of our budget.

They refuse today to vote more than $4 billion to this effort—yet in 1951 they voted some $8 billion in aid. They are fearful today of the effects of sending to other peoples seven-tenths of 1 percent of our gross national output—but in 1951 we devoted nearly four times that proportion to this purpose.

The Congress has already reduced this year's aid budget $600 million below the amount recommended by one of its most distinguished committees. Is this Nation stating that it cannot afford an additional $600 million to help the developing nations of the world become strong and free—an amount less than this country's annual outlay for lipstick, face cream and chewing gum?

NOTES SOVIET AID TO CUBA

Are we saying that we cannot help our 19 needy neighbors in Latin America with a greater effort than the Communist bloc is making in the single island of Cuba?

Some say they are tiring of this task, or tired of world problems, or tired of hearing those who receive our aid disagree with our diplomacy. But what kind of spirit is that? Are we tired of living in a free world? Do we expect to make it over in our own image? Are we going to quit now because there are problems not yet solved?

Surely the Americans of the 1960's can do half as well as the Americans of the 1950's. Surely we are not going to throw away our hopes and means for peaceful progress in an outburst of petty irritation and frustration.

My fellow Americans: Let us be guided by our interests, not our indignation. Let us heed the words of Paul the Apostle to the Galatians:

"Let us not be weary in well doing," he wrote, "for in due season we shall reap, if we faint not."

And let the word go forth—to all who are concerned about the future of the human family—that we will not be weary in well doing and we will faint not; and we shall, in due season, reap a harvest of peace and security for all members of the family of man.

U.S. FOREIGN POLICY SHOULD NOT BE DICTATED FROM BONN

Mr. McGOVERN. I was shocked by former Chancellor Adenauer's recommendation this past weekend that the United States should try to "starve" the Russian people into submission by withholding our grain. Mr. Adenauer has done nothing to prevent his German businessmen from turning our wheat into flour and selling it to the Russians at a neat profit. But he wants us to tell our farmers and merchants that Russian markets are off limits. He also wants us to maintain five American divisions in Germany to feed the German economy and bolster his security. But he shows little concern over the drain on our gold and the cost to the American taxpayer or the sacrifice of our soldiers and their families.

While doing millions of dollars worth of business with the Soviet bloc, he tells us not to sell them a bushel of our wheat unless they tear down the wall and submit to the West.

I think the American people resent this effort to dictate our foreign policy from Bonn. I think we can justifiably tell Mr. Adenauer that we will decide our own trade policy with the Soviets and that we have no intention of leaving our troops in Germany indefinitely.

American troops were sent to Germany until Western Europe had sufficiently recovered from World War II to establish its own defense. That time has arrived and we ought to begin pulling our soldiers out of Europe now.

Furthermore, we ought to expand our trade with the Soviet bloc as fast as we can in nonstrategic items.

It is far more important for us to end the drain on our gold, expand our trade, and ease the costly tensions of the cold war than for us to keep Chancellor Adenauer smiling.

ATTEMPTS TO TURN POST OFFICE DEPARTMENT INTO POLITICAL MACHINE FOR BENEFIT OF KENNEDY ADMINISTRATION

Mr. WILLIAMS of Delaware. Mr. President, in two recent articles written by Mr. Joseph Young, and appearing in the Washington Evening Star, our attention is called to the dangerous situation wherein an attempt is being made to turn the Post Office Department into a political machine to be operated for the benefit of the Kennedy administration.

In the first article, Mr. Young cites the action of Postmaster General Gronouski in calling on the postal employee unions to take an active interest in national political issues. In this article it is stated that the Postmaster General today is asking the postal employees to actively support the administration's current legislative battles on civil rights, Federal tax cuts, and so forth.

Such political activities would definitely be a violation of the law.

In the second article, appearing in the Washington Evening Star, of November 5, Mr. Young calls attention to the manner in which the Kennedy administration made certain promotions in the Dallas Post Office, although the promotions were so obviously politically motivated that when questions were asked, the Department resented that action.

I respectfully suggest that the Postmaster General and other administration officials read the Hatch Act before making any more such decisions.

I ask unanimous consent that the articles—the first one is entitled "Gronouski's Political Activity Advice Stirs Postal Unions," and the second is entitled "Rescinded Dallas Promotions Linked to White House, Justice"—be printed at this point in the RECORD.

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

[From the Washington (D.C.) Star]

GRONOUSKI'S POLITICAL ACTIVITY ADVICE STIRS POSTAL UNIONS

(By Joseph Young)

Postmaster General John Gronouski wants the powerful postal employee unions to "take an active interest" in national political issues.

Mr. Gronouski said that it is "equally important" for postal employee unions to take active part in "national political and economic" issues as it is for them to look after the welfare of their members and in fostering the efficiency of the postal service.

Specifically, Mr. Gronouski, who came here from Wisconsin with a reputation as a skilled politician, urges the unions to take an active part in the current legislative battles on civil rights and Federal tax cuts.

Mr. Gronouski called for support for the Kennedy administration's civil rights bill and its bill to reduce Federal income taxes. He said the tax cut bill should be enacted without any requirement that it be accompanied by drastic limitations in spending, as advocated by opponents of the bill in its present form.

The Postmaster General declared that postal employees are directly involved, "as citizens" in the legislative battles now going on over tax cuts and civil rights, since failure to enact them would be a blow to this country's economic and social progress.

Mr. Gronouski's statement made in a speech before the National Alliance of Postal Employees, has caused a considerable stir among postal employee union leaders. Postal unions are strongly organized, representing an estimated 95 percent of the 570,000 postal workers.

While some of the unions have contributed to political campaigns of their key friends in Congress, they have shied away from taking direct action on political and legislative issues before Congress which do not directly affect the benefits and working conditions of postal and Government employees.

Mr. Gronouski feels that outside of the right to strike, which is forbidden to postal and Government employee unions, "the role of a union of Government employees is identical to any other union" and consequently they can join other unions in fighting for general political and economic legislation not directly linked to their own particular benefits and service.

Some employee leaders are a little uneasy as to what to do. They are aware that some opponents of President Kennedy's executive order, which gave postal and Government employee unions official bargaining rights and the dues checkoff system, assert that the vast army of postal and Federal employees are being banded by the administration into one huge political organization.

Employee leaders deny this. But they want to avoid anything that would give further rise to this type of criticism and cause any disruption or curtailment of the President's labor-management program.

[From the Washington (D.C.) Star, Nov. 5, 1963]

RESCINDED DALLAS PROMOTIONS LINKED TO WHITE HOUSE, JUSTICE

(By Joseph Young)

White House and Justice Department intervention led the Post Office Department to rescind the controversial promotions of three Negroes to supervisory jobs in the Dallas post office, according to reports reaching

Capitol Hill. The Negroes had been promoted over 53 white employees ahead of them on the promotion register.

The House Civil Service Manpower Subcommittee has called Post Office Department officials to testify before it tomorrow and explain the department's about-face on the issue.

Giving credence to the reports that the Kennedy administration ordered the rescinding of the promotions is the fact that Post Office officials had previously strongly defended their action in making the promotions.

New Postmaster General Gronouski, at his first press conference, was emphatic in defending the action which occurred under his predecessor, J. Edward Day. Also strongly defending the action was Assistant Postmaster General for Personnel Richard Murphy and Civil Service Commission Chairman John Macy.

Then, suddenly last week, the Post Office Department announced the promotions were being rescinded because of possible procedural defects.

Some high sources have disclosed that the White House and Justice Department asked that the promotions be rescinded because of the widespread adverse publicity in the case and the feeling that it would hurt the Democratic Party politically.

According to these reports, the feeling was that the publicity about discrimination in reverse—promoting and appointing Negroes ahead of better qualified white employees—could hurt the Democrats in next year's elections not only in the South but in the North as well.

Also, Justice Department officials were reported concerned over the suit brought by 10 of the white employees bypassed in the promotions. They reportedly felt that the employees had a good chance of winning their case in Federal court and that this, too, could be disastrous for the administration.

Asked about these reports, Post Office Department officials insisted that the Department was the one which decided to rescind the promotions. They would not discuss what part the Justice Department headed by Attorney General Kennedy, played in the matter.

Another top administration official, asked about the report that the White House and Justice Department ordered the rescinding of the promotions, acknowledged, "talks on the situation were held at all levels."

THE OREGON TRAIL

Mr. McGEE. Mr. President, one of the great epics of mankind is certainly the westward movement of the pioneers in the United States during the 19th century. This history of this movement is, of course, well known to every school boy and one of the real enchantments of the State of Wyoming is the evidence that remains there of this great migration.

Recently the Kemmerer (Wyo.) Gazette carried an interesting article on the plan to mark the route of the old Oregon Trail through the Bridger National Forest with suitable permanent monuments and signs. This is a most worthwhile project and one that should contribute in the years to come to a better understanding of the great migration that settled a Nation and made it among the world's great.

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

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

LANDER CUTOFF THROUGH BRIDGER FOREST—FOREST SERVICE TO MARK OREGON TRAIL

You can still see the deep, wagon-wheel ruts of the old Oregon Trail in many places in Bridger National Forest.

But each year, a little bit more of the old trail is obliterated by the wind, the rain, and the building of new roads near the trail.

Now the U.S. Forest Service is taking steps to mark the exact route of the Oregon Trail in Bridger National Forest so that it may always be accurately identified.

The Forest Service will install concrete posts along the trail.

The posts and signs are being constructed at the Forest Service warehouse in Kemmerer with money allocated to Bridger National Forest under the accelerated public works program.

In addition to the concrete posts at quarter-mile intervals over the countryside, informational signs will be located at road crossings, major trail crossings, and other locations where such signs would be of interest to the public.

The historical significance of the trail is this:

In 1856, due to the increasing need for a shorter route to Oregon and California, the U.S. Congress appropriated funds to construct the first Federal military road west of the Mississippi River.

Surveyed and constructed in 1857–58 under the direction of Col. Frederick W. Lander, an engineer for the Topographic Corps of the Interior Department, this portion of the trail extended from South Pass, Wyo., to City Rocks, Idaho.

It was then known as the Fort Kearney-South Pass-Honey Lake Wagon Road.

The Lander Cutoff Trail not only provided a shorter route to Oregon and California, but it also avoided the drier and more hazardous route over the Sublette Trail.

Approximately 13,000 emigrants passed over this route in 1859. In addition to western-moving emigrants, large trail bands of sheep and herds of cattle were moved to eastern markets over the trail during the period between 1870 and 1890. Emigrant use of the trail continued as late as 1912.

Portions of the original trail locations are now obliterated by the Middle Fork-South Piney Creek Road and the Greys River-La Barge Creek Road. In some areas, the trail lies immediately adjacent to those roads. In other areas, it lies as much as 1½ to 2 miles from the road. In most areas where the trail has not been obliterated by roads, it is readily identifiable by wagon-wheel ruts.

Six pioneer graves have been located and marked along the trail to date. Other graves are undoubtedly located along the route and will be identified and marked. In several locations, there are carvings on Aspen trees and rocks dating back to the mid and late 1800's.

The site of Fort Piney lies immediately adjacent to the Lander Cut-Off of the Oregon Trail in Snider Basin on State land. The fort, which consisted of a large log building, corrals, and a blacksmith shop, was constructed in 1857 by Mr. B. F. Burch and managed by a Mr. James Snider.

From 1858 to 1900 Fort Piney was a favorite resting area for the emigrant trains using the trail. In 1861 a theatrical group presented a show at Fort Piney which, to our knowledge, was the first such performance given in what is now the State of Wyoming.

The trail will be permanently marked and posted. Two types of metal markers will be used—4-inch lightweight metal markers to be nailed to posts or information signs and 4-inch bronze markers to be set in concrete (pumice) posts or monuments.

RECREATIONAL AREAS—SOIL CONSERVATION

Mr. McGEE. Mr. President, there are many people in this Nation who see nothing amiss in the practice of condemning the Federal Government on one hand and accepting the assistance of that Government in the improvement of their daily lives on the other. In many cases the public is not adequately informed as to the many valuable services they receive for their tax dollar.

Mr. President, recently the Wyoming press carried two articles which helped to explain just what we are getting for our money in the realm of Federal services. One article, in the Buffalo, Wyo., Bulletin describes the work being done under an accelerated public works project in the Big Horn National Forest to improve recreation facilities and the potential of this beautiful area. The other article, in the Laramie Daily Boomerang, describes the work done by the Soil Conservation Service to help Wyoming farmers and ranchers improve their land.

Mr. President, I ask unanimous consent that these two articles be printed in the RECORD.

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

[From the Buffalo (Wyo.) Bulletin, Oct. 31, 1963]

WORK PROGRESSING ON $100,000 APW PROJECT IN MOUNTAINS NEAR BUFFALO

The $100,000 project of improvements on the Buffalo district of the Big Horn National Forest is well underway, and much more is to come during the next few weeks.

One of the important parts of the project which has been decided is a new picnic and recreational area designed for use primarily by the residents of the Buffalo area.

In recent years the number of tourists camping on the campgrounds of the national forest has greatly increased to the point where local people often have a hard time finding a spot for a picnic.

Norman Striplin, assistant district ranger who has been in charge of the project under Federal accelerated public works funds, said plans call for construction of the "Buffalo Community Picnic and Recreation Area" on the ridge just south of the Middle Fork of Clear Creek.

The complete plans for the area include swings and other facilities, but part of the work will probably not be done under the present project.

The APW funds must be used by January 31, 1964, according to the Federal law under which they were appropriated.

Striplin said that at the present time there are about 24 people employed under the APW program. The largest number of these men are working to destroy trees in the Duck Creek burn area which are infested with dwarf mistletoe, a parasite growth which does great damage to the trees.

According to Striplin the pine trees in that area which survived the fire are all infested with dwarf mistletoe, and by cutting them down they can keep it from spreading to the new growth.

Four three-man teams made up of one chain saw operator and two brush stackers are cutting the infested trees down at the rate of about 400 per day. The spruce

trees in the area are not being removed because they are not affected by the parasite.

There are about 700 acres of residual timber stand in the burn area which is to be removed in the project. The crews will be able to work until the end of the program.

Also nearly completed is the repainting of the buildings at Hunter Ranger Station. A crew of six painters are applying paint to both the outside and inside of all the buildings. The recent mild weather has helped this project progress well.

A contract has been let for the installation of two new garage doors at Hunter Ranger Station, and Ed Karlinsey was the successful bidder.

Another contract awarded recently was to James Delapp for the construction of 2 miles of range fence between Clear Creek and Sour Dough allotments in the burn area.

Striplin said the Forest Service also has contracts pending for a water system for middle fork campground and the construction of crew quarters for eight men at Hunter Ranger Station. The water system contract is to be let in the near future, and the specifications and final plans for the crew quarters are expected to be given approval in 30 to 45 days.

Other work to be done under the project as now planned will include work at Crazy Woman, South Fork, Middle Fork and North Fork of Clear Creek campgrounds.

[From the Laramie (Wyo.) Daily Boomerang, Oct. 20, 1963]

SCS WORK COVERS MANY AREAS IN COUNTRY

(By Vern Shelton)

Snow surveys, reservoir engineering, rangeland inspections, irrigation improvements, land leveling and coffee breaks with ranchers are all part of a day's work for technicians from the Laramie Rivers Soil Conservation Service office.

Affiliated with the U.S. Department of Agriculture, the conservation service is responsible for developing and carrying out a national program of conservation for land and water resources.

To accomplish its goal, the SCS brings together scientists and technologists from many fields to help diagnose land problems and prescribe successful treatment. Soil scientists, engineers, geologists, hydrologists, and economists all play a role.

Located on Ivinson north of the courthouse, the pink and white SCS office is the starting point for technicians working in Albany County. From there the workers and their projects go out into all parts of the county. Some results of the work are immediate. Others are long ranged. All will be felt for years to come.

Technicians working in the Albany County district are Tom Finnerty, work unit conservationist; Don Heyne, conservation technician; Cecil Crowe, agricultural engineer; Jerry Richards, soil scientist; and George Davis, range specialist.

Their summer projects included engineering for two reservoirs capable of storing 230 acre feet of water, installation of structures along the Laramie and Little Laramie Rivers to control irrigation water, land leveling and meadow renovation, development of springs, ditch construction, and assistance with plans for widespread range development.

This winter, when much of the outdoor work is curtailed, some SCS workers will swap their engineer's levels for snowshoes and ride track-driven vehicles into the mountains to check snowfall to predict spring moisture runoffs. Other technicians will return to the drawing board to catch up on the backlog of work and plan for the next season.

Services of the SCS office range from providing detailed soil- and land-capability maps of a farm or ranch to acquiring specific information about the safe uses and adapted crops for each type of local soil; from offering information about conservation practices suited to soil types to providing a consultation service by professional conservationists to put basic plans into effect.

The services are there for the asking. They're not forced on the landowners. When a farmer or rancher with a problem goes to the SCS for help, several solutions may be suggested and help seekers can pick the one best suited to his needs. When the choice is made, the technicians develop detailed plans to carry it out.

Individual soil and water conservation plans are the backbone of assistance in the district. Acting on the belief that nearly all farms or ranches need planned conservation programs, the SCS attempts to show why planning is necessary, how the more difficult jobs can be carried out, and to inspire landowners to action.

A good conservation plan gives the landowner a true picture of his soil and water resources and of his land's needs and management problems; enables him to make needed changes in an orderly, step-by-step manner; insures only needed practices will be used; provides for the most efficient use of time, labor, money, and equipment; allows for the fullest safe use of each acre; forms an acceptable base for loan applications; and establishes a sound foundation for the landowner's and the public's conservation investment.

Through winter snow surveys conducted on a regular schedule, the SCS office is able to predict spring and summer water supplies to fit in with the overall conservation plans. The information gathered by a parka-clad surveyor in January is essential to the work of a shirt sleeve clad technician in July.

Soil surveys, farm woodland work, range and wildlife checks, geological surveys, plant research and radiological monitoring projects are equally important.

Money to finance the SCS activities comes from Federal coffers. Landowners aren't charged for the services of the office. The payoff locally comes from increased hay yields and from improved conservation techniques.

The work of the office is ever expanding. As improved techniques are developed and put into practice, new areas of work are opened up when land that was once low producing is improved, research is started to increase the yield even more.

CAN WE STOP THE RUSSIAN ARMADA?

Mr. BARTLETT. Mr. President, the question above was used by Lowell Wakefield the other day as the title of his illuminating speech on the Alaska fishery made before the Alaska State Chamber of Commerce at Juneau. Mr. Wakefield is president of Wakefield Fisheries. He is a pioneer in the development of the king crab fishery, and the marketing of this fine product. He is ruled by knowledge, and commonsense.

The king crab fishery, which has been expanded greatly by Alaska industry and Alaska fishermen in the last few years, is threatened. The threat is not prospective; it is with us now. Soviet fishermen have moved into the waters off Kodiak Island, on the Continental Shelf. They have been taking crab by methods not permitted Alaska fishermen, and which are not only considered to be but are known to be contrary to proper conservation practices. There has been some like fishing—but little by way of comparison with what the Russians have done—by Japanese vessels and fishermen. To make matters the worse, there has been wanton destruction of fixed gear owned by Alaskans by Russian trawlers which has resulted in a formal protest by our State Department—as yet unanswered.

To this scene, its present and to the future, Mr. Wakefield turned his expert attention when he spoke before chamber of commerce on October 19. While he used slides to illustrate some of his points, I shall not seek, in asking unanimous consent that the text of his speech be printed following my remarks, to edit out the references to these visual aids. With or without them, Mr. Wakefield makes his point. From it we can derive no comfort at all. The fishery immediately off our coasts—from Alaska all the way around to the New England shore—is threatened by vast fleets which sweep all before them. The peril is great; it is immediate. Mr. Wakefield points it up.

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

CAN WE STOP THE RUSSIAN ARMADA?

We Alaskans are justly conscious and proud of the vastness of our great State; its richness, its variety.

Few are as conscious of the vastness of our Alaskan seas. The coastal land masses shallowly covered by 600 feet or less of water—the Continental Shelf—extend offshore from the coasts of Washington, Oregon, and California, for example, 5, 10, 20 miles. Here in Alaska, the shelf runs out 50 miles in the gulf, hundreds of miles in the Bering Sea. Our coastline of 34,000 miles, our submerged lands available or potentially available for fishery, mineral, and other exploitation, approach the combined total of all the other American coastal States.

The patrol of Alaska's active fishing grounds by our Coast Guard and the U.S. Fish and Wildlife Service involves coverage of more than a million square miles of ocean.

We know less about the earth's oceans than we know about the moon. Certainly, we know all too little about the nature and extent of marine resources along Alaska's coast. We have, of course, a good deal of information about the populations of salmon, and of other developed fisheries like halibut, herring, and king crab. But these are only parts of the total picture, and in a soon-to-be-published book, Lee Alverson and other scientists of the Bureau of Commercial Fisheries, stick out their necks with educated guesses concerning the lesser known species and areas. Their estimate for the standing crop of bottom fish—soles and flounders and cod and rockfishes and so forth—for the coasts of Oregon, Washington, British Columbia, and Alaska, totals out 18,898 million pounds of fish. And almost 90 percent of these are in Alaskan waters.

To guess what the sustainable harvest of these fishes might be is even more difficult. Until very recently, this was an almost untouched resource, with perhaps a hundred million pounds a year harvested primarily in Oregon, Washington, and British Columbia waters. Alverson suggests a possible available harvest of as much as 3 billion pounds a year. To give some idea of the magnitude of this possibility, this is roughly a billion pounds more than the current total annual consumption of all types of fish and seafoods in the United States of America.

I hope that many of you had a chance to look through the magnificent eight-page feature section on world fishing in last week's Time magazine. I think that it did a very good job of throwing into perspective

our Alaska fish problems, and those of the rest of the world. (Incidentally, three of the four Alaska fishing color photos with that article were taken at our little Port Wakefield village.)

World population increased last year by some 61 million persons, some 250 times the population of Alaska. More than a billion persons already on this globe are seriously short of food, and all the rest of us seem engaged in a campaign to upgrade our diets. This tremendous demand for more and more food, for better quality food, particularly for high protein foods, can hardly be met by agriculture, particularly considering the backward nature of agriculture in many parts of the world, and the relative lack of success in the Soviet Union, in China, and in India with the solving of agricultural production problems. The result has been enormous pressure on the protein resources of the sea, with production nearly doubling in the past 10 years.

Can it be any surprise that the last few years have seen the entry of some 900 fishing vessels of a size and efficiency beyond the ken of the average American, even the average American fisherman, invade our Alaskan waters? Unfortunately, however, they have not been content to confine themselves solely to resources we have not been unwilling or unable to develop, but give every indication of being anxious and willing to also scoop up the resources which we have used, cultivated and protected for years, and which form the backbone of Alaska's No. 1 industry. I refer primarily, of course, to salmon, but also to halibut and to king crab.

Week before last in Tokyo, as some 20 of us struggled with the problem of negotiating a new treaty with Japan and Canada, which we hope will continue and improve protections we feel we must have for Alaska's fisheries, a group of hostile Japanese newsmen attempted to badger Senator BARTLETT with the usual line about the alleged unfairness of our insistence upon the abstention principle for salmon and halibut, creating a monopoly for ourselves, and our claim to king crab as a resource of the shelf under the Law of the Sea Convention. BOB told them that from where he stood, they were doing right well, that Japan's catch in Alaskan waters had in the past 10 years gone from nothing to 1,100 million pounds, whereas the total American catch of fish on the west coast—Washington, California, and Oregon, as well as Alaska—had remained constant at about 800 million pounds. The Russians do not furnish us with catch statistics, but we assume, from the amount of fishing effort involved, that the Russian take is somewhat similar in magnitude to the Japanese.

Now, if someone will dim the house lights, I would like to show you a few pictures indicating how this has been accomplished, and the sort of competition we are up against.

First, let us orient ourselves. Here are the fishing areas we are talking about—the Gulf of Alaska, the Aleutians, the eastern Bering Sea, the Pacific coast.

Here is a giant stern trawler. This one happens to be the *Akebono Maru,* but the Russians have more of them, and bigger. These ships are in many respects the most modern fishing machines in the world. They can travel anywhere, fish and process the catch on board, are completely self-contained units. The ships are upwards of 250 feet long, over 2,000 gross tons, and carry a crew of 100-plus men and women. A quick look at the boats here in Juneau or any other Alaskan port will show how our fleet compares. Even southern California's beautiful new million-dollar tuna seiners look pretty puny alongside these rigs.

These next shots are of the more conventional side trawlers which make up the bulk of the Russian fleet and, with the freezer ships to which they deliver their catch and various other support vessels, account for the bulk of Russian activity in Alaskan waters. New England has a few vessels approximating these, but Alaska, none. In July, U.S. patrols counted some 180 of these in the Kodiak area alone.

In the wintertime, the bulk of this fleet operates in Bering Sea, finding protection from storms by operating in the ice floes, as we see here, harvesting primarily yellow tail flounder and other flat fishes. In the summer months they congregate along the edge of the Continental Shelf in the Gulf of Alaska, harvesting mainly red fish, with an incidental catch of some $20,000 worth of our American crab pots this summer.

The chart you see here indicates the growth rate of the Soviet trawl fishery.

In the last few weeks, one small Russian fleet, some seven trawlers, turned real nasty and went deliberately after both crab pots and crabs around the southern end of Kodiak Island.

This slide shows a handsome Japanese trawl fleet mother ship.

This is a Russian king crab mother ship, the *Andrei Zakharov.* She is new, ocean liner size, carries a crew of over 600, is possibly the world's finest floating cannery. She carries her fishing boats in davits port and starboard, launches them each morning to harvest miles of tangle nets. There were three of these in Alaskan waters this year, and for the first time two of them moved out of the eastern Bering Sea early this summer to set their gear off Chirikof Island between Kodiak and Sand Point. Our Government protested promptly and vigorously, and the Soviets shortly thereafter withdrew. However, they have made no formal response to our protests, and what they will do next year is anyone's guess.

The Japanese crab operations are similar to the Soviets, and here are three pictures of the *Tokei Maru* and her fishing boats.

These are Soviet whalers. Some 40 killer boats and 4 factory ships range from Attu to southeastern Alaska during the course of the year, and on several occasions have violated the narrow 3-mile band which is unfortunately all we claim as territorial waters. On the plus side, these violations contributed substantially to rapid passage by the Senate recently of BOB BARTLETT'S bill putting teeth into our protection of these territorial waters.

I think these pictures may help us arrive at the obvious answer to the question posed here. We cannot stop the Russian fishing armada, or the similar one from Japan. They are big. They are self-sufficient. They operate outside our jurisdiction, in international waters. Though I am sure that in the next few years, the United States will change its traditional views and adopt some fishery jurisdictional limit such as 12 miles, using the straight base line principle, even this would not block the major areas of operation for these fleets. It is completely unrealistic to expect the United States to go beyond a 9- or 12-mile limit in the foreseeable future. For one thing, America's two most lucrative fishing enterprises—the shrimp fleets of the Gulf of Mexico and the tuna fleets of southern California—would be put out of business by coastal State jurisdiction of that breadth.

I'm not at all sure that even if we could stop them we would want to. With billions of pounds of good food going to waste along our coastline, and with millions of our fellow human beings undernourished, could we in all conscience object to this harvest?

Foreign fishing activity in Alaska waters, at or even above present levels, is something we will have to learn to live with. The enormously complex problem we now face is how to permit the harvest of unutilized fishery resources without damaging those which are already fully utilized by ourselves (or by ourselves together with the Canadians) or to which we have special rights, such as, specifically, salmon, halibut, and king crab.

Species intermingle. It is difficult to trawl anywhere on our shelf without catching some halibut. Once on deck, many of these fish are dead, or not in good enough shape to survive if returned to the sea.

How, then, can there be a major trawl fishery without endangering our valuable halibut resource, even if the prosecuting country foreswears deliberately fishing for halibut?

Gear conflicts will intensify. I need only remind you of the fishtrap controversy here in Alaska to illustrate how intense this sort of conflict can become, even between compatriots.

But when groups of fishermen as different in backgrounds and loyalties as the Japanese, Russians, and Americans—with a language problem to boot—are involved, all hell can break loose.

We harvest crab (and this is the proper way to harvest crab) with fixed gear, with crab pots. Bottom fish are properly harvested by the Russians with moving gear, with otter trawls. But you can't operate fixed gear and mobile gear on the same grounds, at the same time, without irreconcilable conflict.

The Russians and Japanese use fixed gear for crabs, too—tangle nets. Off the Siberian coast, and also in the Eastern Bering Sea, the gear conflict is resolved by declaring the crab grounds off limits to the trawlers.

I hope this problem does not prove as difficult to settle as Berlin, but solve it we must if our crab fishery is to continue to prosper.

With regard to species we don't currently exploit there are real problems, also. To utilize some Bering Sea flounders is one thing. But to wipe them out, as may well be occurring, is quite another.

To find solutions for the many problems facing the Alaska fishing industry will take a great deal of effort on our own part and substantial outside help.

As I have said, our knowledge of the ocean resources around us, of their interrelationship, of how to manage them, is woefully inadequate. We need much more money from Congress than we've been able to get in the past for vastly expanded research programs.

We need a great deal more accomplishment at the international conference table than we have yet been able to achieve. We need clear, workable treaty protection, such as we temporarily now have in large measure for salmon and halibut, continued for those fishes, and extended to crab. And we need better arrangements for conservation regulations for all species, and applying to all countries. This means, for one thing, international fishery agreements for the North Pacific in the near future which will include the U.S.S.R.

Further, this entirely new situation off our coast requires that we improve and revitalize our Alaskan fishing industry if it is to remain an important segment of the State's economy. We must become more efficient, more competitive, put out an improved product and market it more aggressively. Most of this is industry's own job, and I for one have confidence that it can and will be done.

The State of Alaska, and the fact we are a State, has helped us tremendously. Governor Egan and the department of fish and game work hard and well at progress for Alaska's fisheries. We hope for even more of this aid in the future including a thorough review of traditional methods of fishery regulation which force inefficiency in the name of conservation. And finally, the Federal Government should at least permit us to buy the tools of our trade at fair, competitive prices. I would personally prefer that this be done by enabling us to buy equipment freely on

the world market, as any other industry in the United States can do. Senators BARTLETT and MAGNUSON have taken the other approach, however, and I am every happy to say, have succeeded in getting their fishing vessel subsidy bill through the Senate.

American fishing in these waters goes back to 1865, and the first Alaskan fish boat departed Wrangell for the cod banks in 1879. With continued, sympathetic support from the State chamber, and we hope from all of you, as individuals of influence, we hope to keep fishing Alaska's first industry, in every respect.

It has been a pleasure to come here this morning, and if my remarks have generated any questions in your minds, I shall be happy to try to answer them.

EUROPEAN-AMERICAN TRADE RELATIONS

Mr. HUMPHREY. Mr. President, it was my privilege to be invited to participate in an international symposium on the subject of European-American trade relations. This significant international conference took place in Amsterdam, the Netherlands, from November 11 to 15. I was invited to deliver one of the opening addresses at the symposium on November 11. Due to the business of the Senate, and in particular the debate on the foreign aid bill, I was unable to attend this symposium. I had prepared my address and it was delivered for me by Mr. Richard Reuter, Director of the foor-for-peace program. I am indebted to Mr. Reuter for his cooperation and assistance.

The symposium was attended by approximately 500 representatives from 15 countries of Europe and the United States. It afforded an opportunity for a friendly and constructive exchange of ideas on particular problems of food, agriculture, and agricultural trade which are of growing importance to the progress and well-being of Europe and the United States.

Participating in the symposium were leaders and spokesmen from both sides of the Atlantic representing interests of industry, labor, consumers, science, economics, government and agriculture.

Discussion topics included:

First. The place of liberal trade in the policies of the West.

Second. The technological revolution in world agriculture.

Third. Emerging agricultural trade problems and opportunities.

Fourth. Science and the development of food standards and regulation for international trade.

Fifth. Consumer-labor interests in food and agricultural trade.

Sixth. Business interests in food and agricultural trade.

Seventh. Problems of farm income in relation to trade.

Eighth. Relating national agricultural policies to expanding trade.

I ask unanimous consent to have printed in the RECORD my address entitled "The Place of Liberal Trade in the Policies of the West"; a press release of the U.S. Department of Agriculture dated August 27, announcing the European-American symposium on agricultural trade; the announcement of the symposium speakers; also a press release dated October 28 from the Department of Agriculture; and a letter that I received from Secretary Freeman inviting me to participate, dated October 17.

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

THE PLACE OF LIBERAL TRADE IN THE POLICIES OF THE WEST

(An address by the Honorable HUBERT H. HUMPHREY, U.S. Senator, before the European-American symposium on agricultural trade, in Amsterdam, the Netherlands, November 11, 1963)

I am deeply grateful for this opportunity to meet with you and to take part in this European-American symposium on agricultural trade. This meeting which is devoted to the strengthening and expansion of trade relations is of great significance. I know I will benefit from the exchange of viewpoints. I hope we will all come away with a greater recognition of the political and economic forces of our time. Let us not suffer from the intrusion of obsolete ideas that are mere prejudiced echoes of a vanished age.

The announcement of this symposium stated that the keynote from the American viewpoint will be sounded by U.S. Senator HUBERT H. HUMPHREY, and from the European standpoint by Mr. V. G. M. Marijnen, Prime Minister of the Netherlands.

As I have reflected upon the keynote of this meeting I have come to the conclusion that fundamentally it could be expressed in a few words—the rising tide of interdependence.

Much of man's progress has been measured in terms of trade. It was trade, primarily, which sent Marco Polo, Columbus, Magellan, Drake, and other explorers on voyages which broadened the horizons of the world. Trade over the ages has provided contacts enriching our knowledge and culture. Today, trade is a vital component in the prosperity of Western Europe and the United States—a source of strength to all nations of the Atlantic Community. If trade means progress—and it does—anything that hampers trade is detrimental to progress.

I want to discuss with you the desirability—the absolute necessity—of liberalizing trade to the maximum extent possible. Specifically, I want to show you how liberal trade ties in with the overall policies of the Western World.

What are the policies of the Western World?

There are many, of course, but they fall into a few broad categories.

We want to be free, within the framework of democratic governments—and are willing to fight, if necessary, to preserve our freedoms.

We desire peace.

We seek the high standards of living—of health and comfort—which this age of science and technology is making possible.

We are prepared to help the less developed countries of the world move forward with us.

The United States and Western Europe are cooperating in approaches to these common policies. We are working through such international agencies as the United Nations, the North Atlantic Treaty Organization, the International Monetary Fund, the Food and Agriculture Organization, and the Organizations for Economic Cooperation and Development. In trade matters, our principal contacts are through the General Agreement on Tariffs and Trade. But in all these fields, we have many other contacts—diplomatic, business, financial, cultural. This symposium is in itself an example of a special effort to focus attention on trade and the need for liberalizing it further in the interests of the Atlantic Community.

It was just a few weeks ago that I flew to the Federal Republic of Germany to attend the unveiling of a memorial to a great American general and statesman, Gen. George C. Marshall. I reflected on the success of one of the boldest and most productive ventures in all history—the Marshall plan for European economic recovery. The fact that we are meeting here today is a tribute to the vision of General Marshall.

Most of you will recall that the threat of Comunist subversion and domination hung heavily over Europe. Many Eastern nations had lost their independent status and were Soviet satellites. The Central and Western countries were suffering from war exhaustion, poverty, and economic collapse. It was at that stage that the United States recognized a fundamental fact of the postwar period—the economic and military strength of the free world depends on the community of interest, the cooperative action of the United States and Western Europe. The economic and the military powers of the West were restored. Now we see the result of this cooperative venture in the re-establishment of Western Europe as one of the vital and significant power centers of the world.

No man could have foreseen all the consequences of that action. However, it was at that very moment, whether we recognized it or not, that we proclaimed our own declaration of interdependence.

My mind then turned to the greatness of the late Robert Schuman, a man who combined vision with realism. He was a friend of freemen everywhere. He was one of a mere handful of great Europeans who wrought a miracle of the new Western Europe. It was about 13 years ago that he startled the world by launching a most novel and ambitious venture in international cooperation known as the Schuman plan. Out of this was created the European Coal and Steel Community which has since blossomed into the European Economic Community, and eventually may provide the foundation for a United States of Europe. He was a practical visionary.

No meeting such as this should proceed without paying credit to that warm, gallant, and modest friend of all freemen, Jean Monnet. To an admiring world this almost legendary figure has become known as Mr. Europe. Mr. Monnet will go down in history because he saw with crystal clarity the nature of the great tidal economic and social forces that work in the world. He set his course to pursuing the most relevant purposes of all—bending men's effort toward a nobler future. To transient disappointments he immunized himself in the great hope, which I am sure will be fulfilled, that the immunization also will become part of all of the body politic of Western Europe. At times of crisis and disappointment, he is apt to say, "The important point is for us not to be deflected, not to lose momentum; we must go forward. We may alter our tactics but never our main objectives." Jean Monnet is an optimist. He is an optimist because he is a practical man with a passionate desire to get things done, and they are being done. To him also we should pay tribute at this meeting.

There are a few essential ingredients in the men I have mentioned—Marshall, Schuman, and Monnet. There are others to whom I should like to pay tribute—but time does not permit. Each of them recognized that defense is indivisible—economic life is interdependent, and that the major political decisions of our time must of necessity be taken in concert if the full strength of the free world is to be fully mobilized.

The world in which we live is growing increasingly interdependent. The United States must depend on many other countries for several of the critical materials and even some of the amenities of life. The statistics show that Western Europe imports considerably more than we do. The United States

is one of the factors—but only one—in the determination of world prices and terms of trade. Shifts in production and buying of other nations can have serious effect on the well-being of our farmers and even on our balance of payments. In this nuclear age, certainly our survival—yes our fate—is linked with that of the nations represented here today. Therefore, as one of the foundation stones of free world viability, in addition to military and political factors, there must be a community of economic interest, too.

The nations of Western Europe have recognized this basic fact in their strong efforts to remove existing trade barriers. On this side of the Atlantic Ocean nations long divided by bitter feuds are joining together seeking to find strength in unity. In these efforts, the American people have looked on with hope and admiration. We regard a united Europe as a partner—not a rival. We regard a united Europe as a partner to join with us and others in reducing trade barriers; as a partner to develop coordinated economic policies, and as a partner capable of playing an even greater role in our common defense. We look forward to a full and working Atlantic partnership.

We await the day eagerly when we will stop talking of sixes and sevens, but of one. This one Western European community will not be built overnight, but with the best of will and a generosity of spirit, it will be constructed. And, it will be constructive to a still better future.

From the standpoint of the American farmer, Western Europe can be regarded as a great and growing market for the high quality food, fiber and other agricultural commodities. He sees in this part of the globe the fastest growing advanced economic area in the free world. Employment is high, industrial production up, diets improving, and the entire standard of living on the upgrade. He sees that consumer demand for food and other goods will continue to rise.

This improvement in overall living conditions in Western Europe has deep economic import to our farm families who are geared to production and the export market as never before in history.

Out of our $5 billion agricultural export market, commercial exports amounted to approximately $3.5 billion, with Western Europe accounting for about half. I must be quick to add that not only every American, but actually everyone who loves freedom, has a vital interest in these exports for dollars. They are one of the major earners of foreign exchange. As you know, our balance of trade has been what the economists call favorable, but our balance of payments has not been. Defense commitments and economic assistance have resulted in our international expenditures exceeding our receipts.

We are in a long struggle which does not offer us much opportunity to reduce these expenditures unless we lighten our share of the obligation. We feel it is much better if we expand our export earnings and carry our load as before. Obviously, agricultural exports are one means—an important one—to do so.

I wish to make this additional fundamental point. Unlike some of the in-and-out, sporadic import sources to which Western Europe has been witness in recent years, the United States is a continuing high quality and rich source of food and fiber. You can draw on this to feed and clothe your population better than ever.

As its industry expands, Western Europe must be able to withstand the pressures of inflationary forces which would drive upward the price line on the industrial exports which are basic to its prosperity.

The American farmer needs these expanded markets, and Europe needs our farm products. Obviously, there exist enormous potentialities in this exchange on both sides of the Atlantic.

As an elected public official, I realize some of the political problems. I recognize that there is a delicate problem of timing such forward steps. However, these are steps which will benefit all of us, and when taken, will increase our political stature. We have it within our power to say to our respective constituents, you have benefited—mankind has benefited.

Unquestionably, our economic strength is vital to our free way of life. Defense is becoming to a greater and greater extent an effort involving whole populations—not only fighting men, but also the men and women who produce in the factories and on the farms. National strength is to be calculated by gross national product as well as missiles, planes, ships, and guns. Countries with great capacities to produce are respected and feared by would-be aggressors. The productive capacity of the Western World, backed up by enormous scientific and technological capability, is as great a deterrent to aggression as our weapons.

Trade—commerce between nations—can help us work for the peace that we all desire. Trade walls can be barriers to more than the flow of goods; trade walls can also shut out many valuable contacts between nations. Trade contacts, like cultural exchanges, can promote understanding and the easing of tensions. This is true of trade not only with friendly nations, but also with less friendly countries.

Western Europe, by and large, has maintained more trade contacts with the Communist countries than has the United States. But the U.S. policy is changing, as I think you know. The United States has expressed its willingness to sell wheat and other farm products to the Soviet Union and other Eastern European countries to meet emergency needs. For a long time I have advocated broader trade with the Communist countries as a major step in the direction of improved international relations.

But in broadening our trade with the Soviet Union, we should have a unified policy which will govern the actions of both Europe and the United States. I support the resolution approved by the NATO Parliamentarians' Conference last week in Paris calling for the establishment of a NATO code to govern East-West trade. This proposal could do much to harmonize the trade policies of the Atlantic Community nations on such questions as credit terms, patents and copyrights, and arbitration of disputes. Increased East-West trade can be an avenue to greater international harmony. But disunity and cutthroat competition on trade matters between Europe and the United States can only weaken and disrupt the Western Alliance, can only aid the cause of the Soviet bloc.

We also must bear in mind, in seeking this broader trade, that the Communist camps, both Sino and Soviet, have not abandoned their determination to impose communism on the entire world. They are pushing toward that objective with every means they feel they can safely employ. Secretary of State Dean Rusk said just the other day in Frankfurt that the limited agreements we have reached with the Soviet Union do not constitute a detente.

We do not want to help the Communists bury us. Many items—such as certain types of scientific instruments, machine tools, and strategic heavy equipment—should stay off the trade list. But many other products—food and other consumer goods—could well be traded. I can't believe that helping the Soviet Union meet a temporary shortage of grain is going to help that country conquer the world. Looking at the matter another way, I can't believe that withholding the grain would have toppled Communist regimes.

How the Communist countries feel about permanently enlarged trade, I don't know. The Soviet Union doesn't seem to believe in trade for trade's sake. Certainly, some economic problems are involved. Trade presupposes an exchange of goods. The Communist countries have been paying for grain imports with gold, and that's a commodity that the United States could use to good advantage. The Communist countries also have been supplying the West with some oil, lumber, caviar, and furs. But the Communist camp does not appear to have many products that would support a broadly based two-way trade policy.

As the world's largest food producer, the United States has taken the lead in distributing food to needy nations. In the past few years, the United States has made available to the less developed countries almost $13 billion worth of food. About half of this total was sold to dollar-short countries for foreign currencies, of which about half were loaned and granted back to the less developed countries. Other commodities were bartered, or sold on long-term credit arrangements, or donated outright.

But food is doing more than relieving hunger, important as that is. Food also is promoting economic development. The local currencies loaned or granted back to the recipient countries are being diverted by less developed countries to economic growth projects, such as roads, dams, irrigation canals, reclamation, food storage facilities, and the like. Food also is promoting economic growth by preventing food price inflation, which would mean the diversion of scarce funds into wages instead of into needed equipment, supplies, and materials, many of which must be imported.

But food has been only part of the total aid going abroad. All countries of the Western World have made contributions of money, equipment, technical assistance, and other services. U.S. aid programs have been worldwide. The Western European countries have tended to concentrate their aid in countries which were former colonies. All have contributed substantially to international organizations, including the United Nations, the Food and Agricultural Organization, the Colombo plan, and others.

The bread we have cast upon the waters is being returned to us in other ways. The contributions we have made are stimulating economic growth. For example, per capita gross national product increased 5 percent between 1959 and 1962 in Nigeria; 7 percent in Egypt; and 8 percent in India and Brazil.

The less developed countries are eager to become commercial traders. And the industrialized countries of the Western World are eager for them to realize their wish. Trade, not aid, is their objective, and ours.

What I have tried to say up to now is this: the Atlantic Community is better off because it has developed a substantial trade volume. The less developed countries are better off because they are on their way to economic development and commercial trade. But should we rest on our past achievements? Shouldn't we explore additional ways of expanding the flow of goods in the world?

I am indebted to Arnold Toynbee, the distinguished British historian who will address us, for one of the most illuminating critiques of our efforts to help our less fortunate friends. Mr. Toynbee said: "Our age will be well remembered, not for its horrifying crimes nor its astonishing inventions, but because it is the first generation since the dawn of history in which mankind dared to believe it practical to make the benefits of civilization available to the whole human race."

Mr. Toynbee is right. We have it within our means to banish hunger, to conquer disease, to educate the illiterate, and to lift the standard of living for all mankind. We

can accomplish these worthy objectives, however, only if we promote economic development through capital investment, foreign aid, and international trade.

The philosophy of liberal trade is firmly established in the United States and backed up by 30 years of history.

The Reciprocal Trade Agreement Act of 1934 is a monument to two great Americans—Franklin D. Roosevelt and Cordell Hull. Time has not dimmed its luster. It brought a new concept to the American people and to world trade.

Today the United States has new and more liberal trade legislation—the Trade Expansion Act of 1962. This legislation is even broader in its vision and in its potential for human good than the act it replaces.

Through this legislation—which we are seeking to implement—a new road has been opened toward the goal of increased free world prosperity and strength, through expanded international trade. In preparing to move along this road, we are preparing for the biggest and most comprehensive trade negotiations in the world's history.

The bargaining authority of the President of the United States is very substantial—and firmly rooted in American foreign policy. For the Trade Expansion Act rests primarily on two basic elements of U.S. policy—first, that trade liberalization is an essential step toward the closer integration of the free world economy. Second, that liberalization of trade restrictions on all sides will bring a better allocation of world resources, and will stimulate economic efficiency, innovation, and enterprise. These are the two legs on which U.S. foreign trade policy stands—a commitment to an economic philosophy of freedom and to a political philosophy of interdependence. In addition, this legislation is based upon the belief that, through export expansion, the United States can achieve equilibrium in its balance of payments without resorting to restrictive policies affecting the movement of goods, services, and capital and without weakening its commitment for defense and economic aid to less developed countries.

Moreover, we have every reason to believe that our trading partners share these views. This is what we discovered through many meetings during the early months of this year. Yet this does not mean that the process of trade liberalization will be a quick and easy one. On the contrary, we all recognize that the road ahead is long and extremely difficult. It requires careful preparation at home and internationally. What we have to contend with is a very wide gamut of trade matters going far beyond tariffs alone. We recognize the difficult political problems which agricultural policy raises for each of the participating countries. We have our own political problems as well. But, as proof of the seriousness of our own intention to tackle these problems on a worldwide scale, we have declared our willingness to discuss our own agricultural system at the bargaining table.

I feel that fundamentally there exists in the Atlantic Community a will to truly liberalize trade on a mutually beneficial basis. I am confident that this symposium will write an important and honorable chapter in the history of the free world's progress toward even more fruitful and deeper interdependence.

It may seem like a long way from Amsterdam to Minnesota—out in the central heartland of the United States. Yet the people of my State are vitally concerned about the things you will be saying and doing here. The people of Western Europe also will be concerned. We have a tremendous opportunity in this informal forum to create the kind of climate which will carry over to the actual negotiations which begin next May under auspices of the General Agreement on Tariffs and Trade.

During the dark days of World War II, when Franklin D. Roosevelt enunciated his four freedoms, he called for freedom from want and defined it as "economic understanding which will secure to every nation a healthy peacetime life for its inhabitants—everywhere in the world."

The 22 years that have passed since those words rang around the world have seen us draw gradually nearer that goal, despite the many detours and distractions of a troubled age. Freedom from want is becoming an attainable goal.

Nearly four centuries ago, Shakespeare gave a name to one of mankind's oldest dreams. He called it the brave new world.

If we of the West can have the vision to match our technical skills, we have it in our power to lead all of mankind across the threshold of that world.

EUROPEAN-AMERICAN SYMPOSIUM ON AGRICULTURAL TRADE ANNOUNCED

A European-American symposium on agricultural trade will be held November 11–15 in Amsterdam, the Netherlands, under sponsorship of the U.S. Department of Agriculture and cooperating U.S. food and agricultural industries, Secretary of Agriculture Orville L. Freeman announced today (September 3).

Recognized professional leaders from Western Europe and the United States, representing such areas of interest as industry, labor, consumers, science, education, government, and agriculture, will be invited to participate, the Secretary said. The symposium will be held in the Glass Hall of the RAI Exhibition Building, Amsterdam. Approximately 500 participants are expected.

The symposium will be held concurrently with the U.S. Food and Agriculture Exhibition for Western Europe, November 7–24, also in the RAI Exhibition Building. This exhibition will be the largest such oversea event presented by the Department during its 8 years of international trade fair activity.

"The symposium, in contrast to international negotiating sessions where trade relations are discussed formally at high government levels, will be an informal conference primarily for business, professional, consumer, and agricultural leaders," Secretary Freeman said. "It will give European and American citizens an opportunity to exchange ideas constructively on the various means that could be employed to strengthen agricultural trade."

The keynote of the Amsterdam symposium, Secretary Freeman said, will be the promise and the problems of the 20th century food and agricultural revolution which most notably is taking place in Europe and North America.

"We are all affected by this food and agricultural revolution, Europeans and North Americans alike," Secretary Freeman said.

"Yet, on neither side of the Atlantic do we sufficiently recognize what is happening nor do we fully comprehend the implications and opportunities, both in our individual countries and in our relations with one another.

"By getting together for a free and frank exchange of facts, we will contribute to one another's knowledge and understanding, and I am sure we will help to clarify a number of issues of mutual concern."

The symposium will consist of eight half-day sessions, each of which will be devoted to discussion of a major topic. As a general pattern, one European and one American will speak on each major topic, each speaker to be a recognized leader in his field. Discussions will follow the speeches, with Europeans and Americans participating.

Major topics will include: The technological revolution in world agriculture; science and the development of food standards and regulations for international trade; consumer-labor interests in food and agricultural trade; business interests in food and agricultural trade; farm income in relation to trade; national agricultural policies in relation to trade; emerging agricultural trade problems and opportunities; and the place of liberal trade in the policies of the West.

The Amsterdam symposium will be limited to invited guests but the exhibition will be open to the general public and heavy attendance from both the Netherlands and other Western European countries is expected.

U.S. firms and organizations wishing information about participation should write to International Trade Fairs Division, Foreign Agricultural Service, U.S. Department of Agriculture, Washington, D.C. 20250.

In Europe, inquiries may be addressed to the Food and Agriculture Information Center for European-American Trade, care of RAI Exhibition Building, Amsterdam, the Netherlands.

SYMPOSIUM SPEAKERS

1. Monday afternoon, November 11: "The Place of Liberal Trade in the Policies of the West": European, Prime Minister Marijnen of the Netherlands; American, HUBERT H. HUMPHREY, U.S. Senator.

2. Tuesday morning, November 12: "The Technological Revolution in World Agriculture": European, Rev. H. De Farcy, Institute of Social Studies Uanves (Seine) France; American, Dr. Brooks James, dean, School of Agriculture, North Carolina State College.

3. Tuesday afternoon, November 12: "Emerging Agricultural Trade Problems and Opportunities": European, Dr. George Allen, (United Kingdom) professor, agricultural economics, Oxford University; American, Dr. L. W. Witt, professor, agricultural economics, Michigan State University.

4. Wednesday morning, November 13: "Science and the Development of Food Standards and Regulations for International Trade": European, Dr. Jean-Pierre Latteur (Belgium), Chairman, EEC Committee on Food Standards; American, Dr. Emil Mrak, chancellor, University of California, Davis.

5. Wednesday afternoon, November 13: "Consumer-Labor Interests in Food and Agricultural Trade": European, Mr. Juul Poulsen (Denmark), Secretary General, International Union of Food and Allied Workers; American, Mr. Bert Seidman, European economic representative, AFL–CIO.

6. Thursday morning, November 14: "Business Interests in Food and Agricultural Trade": European, Dr. Fritz Berg, German industrialist (Cologne); American, Mr. Jesse Tapp, Bank of America.

7. Thursday afternoon, November 14: "Problems of Farm Income in Relation to Trade": European, Dr. J. Horring (Netherlands), professor of agricultural economics, Wageningen; American, Dr. George Brandow, professor, agricultural economics, Pennsylvania State University.

8. Friday, final session, November 15: "Gearing National Agricultural Policies to Expanding Trade": European, Sicco L. Mansholt (Netherlands), Vice President, EEC, Christopher Soame (United Kingdom), Minister of Agriculture; American, Secretary Freeman.

USDA ANNOUNCES PROGRAM FOR EUROPEAN-AMERICAN AGRICULTURAL TRADE SYMPOSIUM

Several hundred outstanding opinion leaders of Western Europe and the United States will exchange ideas on food, agriculture and agricultural trade at the European-American symposium on agricultural trade in Amsterdam, the Netherlands, November 11–15, the U.S. Department of Agriculture said today in announcing the program for the event.

The symposium will run concurrently with the 18-day U.S. food and agriculture exhibi-

tion, to be opened by Vice President LYNDON B. JOHNSON, November 7, in Amsterdam's RAI exhibition building.

Keynote for the symposium will be sounded at the opening session Monday afternoon, November 11, when V. G. M. Marijnen, Prime Minister of the Netherlands, and U.S. Senator HUBERT H. HUMPHREY present European and American views on "The Place of Liberal Trade in the Policies of the West." At the opening banquet that evening, the principal speaker will be Arnold J. Toynbee, the British historian.

At the final session, Friday morning, November 15, representatives of three of the major international trading entities in the West will exchange views on "Relating National Agricultural Policies to Expanding Trade." In this discussion, Secretary of Agriculture Orville L. Freeman will represent the United States; Sicco L. Mansholt of the Netherlands will represent the European Economic Community (Common Market), in which he is Vice President of the Commission; and Minister of Agriculture Christopher Soames will represent the United Kingdom.

Between the opening and closing programs, there will be 6 half-day sessions, each devoted to the discussion of a major topic. Generally, two speeches will be made on each topic, one by a leading European and the other by an American. These major speeches will then be the subjects of short talks by three or four discussants—some American but predominantly European—after which there will be general discussion.

The program for these sessions is as follows:

Tuesday morning, November 12: "The Technological Revolution in World Agriculture." Chairman: George Philippopoulos, Deputy Director General, Ministry of Agriculture, Greece. Speakers: The Reverend H. De Farcy, director, College of Agriculture, Angers, France; and Brooks James, dean, School of Agriculture, North Carolina State College.

Discussants: Hans-August Luecker, German representative to Agriculture Committee, Council of Europe; Mario Bondini, president, National Institute of Agrarian Economy, Rome; Dale Hathaway, professor of agricultural economics, Michigan State University.

Tuesday afternoon, November 12: "Emerging Agricultural Trade Problems and Opportunities." Chairman: J. Buchler, Secretary General, Ministry of Agriculture, Luxembourg. Speakers: George Allen, professor of agricultural economics, Oxford University, England; and L. W. Witt, professor of agricultural economics, Michigan State University.

Discussants: Jorgen Pedersen, Danish economist and lecturer; Sven Holmstrom, president of the Institute for Agricultural Research, Stockholm, Sweden; Andre Deheerfer-Ozanne, chief, Agricultural Markets Division, O.E.C.D., Paris, France; and Elmer Learn, head, department of agricultural economics, Institute of Agriculture, University of Minnesota.

Wednesday morning, November 13: "Science and the Development of Food Standards and Regulations for International Trade." Chairman: Sven Dalgaard-Mikkelsen, professor, the Royal Veterinary and Agricultural College, Denmark. Speakers: Jean-Pierre Latteur, Chairman of Common Market Committee on Food Standards, Brussels, Belgium; and Emil Mrak, Chancellor, School of Agriculture, University of California.

Discussants: A. Kekwiek, Department of Medicine, Middlesex Hospital, London, England; Leopold Schmid, University of Vienna, Austira; and M. R. Clarkson, Agricultural Research Service, U.S. Department of Agriculture.

Wednesday afternoon, November 13: "Consumer-Labor Interests in Food and Agricultural Trade." Chairman: Charles McCarthy, president, Irish Congress of Trade Unions, Dublin. Speakers: Juul E. Poulsen, Denmark, secretary general, International Union of Food and Allied Workers; Bert Seidman, European economic representative, AFL-CIO European office, Paris.

Discussants: H. G. Buiter, Luxembourg, secretary, Trade Union Coordinating Committee for the Six Common Market Countries; and Miss Edna Poyner, American Home Economics Association, Washington, D.C.

Thursday morning, November 14: "Business Interest in Food and Agricultural Trade." Chairman: W. E. Zesiger, food importer and distributor, Berne, Switzerland. Speakers: Fritz Berg, president, National Association of German Industires, Cologne; and Jesse Tapp, Bank of America, Los Angeles, Calif.

Discussants: Don Alvaro Ortiz de Zarate, director, SPAR, Madrid, Spain; and J. B. Hutson, president, Tobacco Associates, Inc., Washington, D.C.

Thursday afternoon, November 14: "Problems of Farm Income in Relation to Trade." Chairman: Hans Borgen, chairman of Federation of Agricultural Cooperatives, Oslo, Norway. Speakers: J. Horring, professor of agricultural economics, Agricultural University, Wageningen, the Netherlands; and George Brandow, professor of agricultural economics, Pennsylvania State University.

Discussants: A. U. Juhl, chairman, Federation of Agricultural Employees, Ronders, Denmark; and Kenneth Naden, executive vice president, National Council of Farmer Cooperatives, Washington, D.C.

The honorary chairman of the symposium will be B. W. Biesheuvel, Minister of Agriculture of the Netherlands. The secretary general will be John S. Rice, U.S. Ambassador to the Netherlands.

Sessions will be in the Glass Hall of the R. A. I. Building. Simultaneous interpretation will be provided in French, German, Dutch, and English. All symposium papers will be made available for public dissemination.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., October 17, 1963.

Hon. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR HUBERT: I have the honor to invite you to participate, as a distinguished American representative, in an international symposium on the subject of European-American trade relations. This event will take place in Amsterdam from November 11 to 15, 1963.

During the past year or so, many leaders on both sides of the Atlantic have been striving to bring about a better understanding between European and American people on agricultural issues affecting international trade. While continuous trade negotiations at the Government level are carried on between the United States and European nations, leaders in Europe and America have increasingly recognized the need for supporting these governmental discussions with informal, constructive, nonofficial discussions which will help to clarify the issues for the public.

I know you agree that the continued progress of healthy trading relationships throughout the world depends upon the development of forward-looking agricultural trade policies which are in keeping with the general objective of liberalized international trade. This is a problem with ramifications which extend beyond the particular agricultural commodities involved, ultimately affecting living costs, wage scales, industrial production costs and the international balance of payments for nations as a whole. In short, it is a problem that affects all sectors of national economies as well as the relationships between nations.

This is the background which has prompted the U.S. Department of Agriculture and cooperating U.S. food and agricultural industries to sponsor a European-American symposium on food and agricultural trade devoted to a public exploration of the promise and problems of Atlantic trade relationships. Recognized European and American leaders representing industry, labor, consumers, science, economics, government, and agriculture are being invited to participate.

The symposium will be held in Amsterdam concurrently with the U.S. Food and Agriculture exhibition for Western Europe, the largest U.S. exhibition to be staged overseas in 1963. Included in the exhibition will be a display of representative European industrial and agricultural products that are exported to the United States.

It is my privilege to invite you to deliver one of the opening addresses at the symposium. Your address would be scheduled for 2 p.m. on Monday, November 11. This session will be devoted to a discussion of the importance of international trade to the future of the Atlantic Community and will serve as an introduction to all symposium sessions. The topic to be discussed will be "The Place of Liberal Trade in the Policies of the West." We will be pleased to give whatever assistance you may desire in drafting appropriate remarks.

You will note from the enclosed summary of information that the symposium is structured so that each major topic is discussed by a leading European representative and a leading American representative, each presenting the viewpoint of his respective trade area. As cospeaker with you, we have invited Prime Minister Marijnen, of the Netherlands who has tentatively accepted.

Invited to attend this session and also to participate in floor discussion will be opinion leaders from the United States and 17 countries of Europe: The Netherlands, Belgium, Great Britain, Ireland, France, Spain, Portugal, Greece, Italy, Switzerland, Luxembourg, Germany, Austria, Denmark, Sweden, Norway, and Finland.

I know that your presentation at the symposium would be a valuable contribution. I am sure also that you would find your participation highly rewarding, and I am looking forward to hearing from you.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

The PRESIDING OFFICER (Mr. WALTERS in the chair). Is there further morning business? If not, morning business is closed.

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. MORSE. Mr. President, a parliamentary inqury.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Which amendment is now pending?

The PRESIDING OFFICER. The amendment now pending is No. 306, offered by the Senator from Oregon [Mr. MORSE], to the committee substitute amendment, as a substitute for section (i) on page 47, to prohibit assistance to certain economically developed nations.

Mr. MORSE. I propose to make a speech in support of the amendment, but I desire to follow the leadership's wishes in regard to speeches they may wish to

make upon it. I do not know whether the chairman of the committee wishes to speak on the amendment first.

Mr. FULBRIGHT. I am oppossed to it. I thought the Senator from Oregon perhaps would wish to speak first. I have some remarks I wish to make about it. Does the Senator from Oregon wish to suggest the absence of a quorum?

Mr. MORSE. Yes, that is my intention.

Mr. DIRKSEN. Mr. President, when the Senate concluded its business on Friday I rather broadly hinted that I might offer a motion to table certain amendments, if offered. Of course, that is in the procedural domain, and I am not unaware of the fact that it is a sumptuary motion which would cut off all debate. If I were to pursue a consistent course, I would have to do the same thing in the case of all amendments, which I am always reluctant to do.

I had hoped that perhaps action on the bill could be expedited. I have had a discussion with the distinguished Senator from Oregon. He shows a similar disposition not to take too long on the amendments. Perhaps a substantial number of them will not be offered. So, under the circumstances, I do not propose to make a motion to table.

The PRESIDING OFFICER. The amendment is debatable.

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

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

Mr. MORSE. Mr. President, I rise to discuss amendment No. 306; but before I do so, there are some other matters I wish to discuss briefly.

I was delightfully surprised and greatly pleased to read in the Washington Sunday Star the lead editorial, "Tired of It All."

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

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

TIRED OF IT ALL

President Kennedy, in accepting a distinguished service award from a Protestant group, got in the following plug for his foreign aid program:

"I think the American people are willing to shoulder this burden. Some say they are tiring of this task, or tired of world problems, or tired of hearing those who receive our aid disagree with our diplomacy. But what kind of spirit is that? Are we tired of living in a free world? Do we expect to make it over in our own image? Are we going to quit now because there are problems not yet solved?"

The implication here is that the American people (who have been lugging the foreign aid load for 17 years) are ready, willing, and happy to keep on lugging it. Some other President, 17 years in the future, may be saying pretty much the same thing. But we dissent.

It is our belief that the American people, or most of them, are sick and tired of foreign aid. They are fed up with doling out billions in American tax dollars to people who couldn't care less about what we in this country like to speak of as the American way of life. They are bored to tears with the threadbare argument that the Communists will take over the world unless we pay the bills for countries which don't know or care which team they are playing on, assuming that they are willing to play on any team. Mr. Khrushchev can't even feed his own people. Why not let him try this foreign aid load for size?

To sum up, we think the American people, as far as foreign aid is concerned, have just about had it. And we haven't the slightest doubt that it is this more than anything else which underlies the attitude of Congress—an attitude which the President either can't or won't understand.

This Congress, of course, will pass a foreign aid bill. But the appropriation will be sharply cut back. And it should be. The 88th Congress will go down in history (with applause) if it begins the quick phasing out of foreign aid. And we do not believe that the rest of the world, without the Yankee dollar, will go either to pot or to the Communists.

Mr. MORSE. Mr. President, I wish to read a part of the editorial to the Senate and comment on it. The editorial states:

President Kennedy, in accepting a distinguished service award from a Protestant group, got in the following plug for his foreign aid program:

"I think the American people are willing to shoulder this burden. Some say they are tiring of this task, or tired of world problems, or tired of hearing those who receive our aid disagree with our diplomacy. But what kind of spirit is that? Are we tired of living in a free world? Do we expect to make it over in our own image? Are we going to quit now because there are problems not yet solved?"

The Star editorial penetratingly and cogently proceeded with these comments:

The implication here is that the American people (who have been lugging the foreign aid load for 17 years) are ready, willing, and happy to keep on lugging it. Some other President, 17 years in the future, may be saying pretty much the same thing. But we dissent.

It is our belief that the American people, or most of them, are sick and tired of foreign aid.

Those of us who have been urging a drastic revision of the foreign aid program have been saying that for months. I started saying it months ago when I started almost daily speeches in the Senate urging the administration to give some revisionary consideration to its foreign aid program. I have said in this debate, as have many other Senators, that if this program went to a referendum vote of the American people it would take a walloping and shellacking.

The people are entitled to have their will carried out. That is one of the strange things about the administration's position on the foreign aid bill. Apparently, it is the administration's position that, irrespective of what public opinion may be, it, nevertheless, should urge passage of the foreign aid bill. I dissociate myself from that attitude. It is not right. It is not in keeping with our system of representative government.

I am glad the editor of the Washington Star stated the case thusly when he said the people are sick and tired of foreign aid—sick and tired of foreign aid as it exists, as it is being administered, and in respect to the millions that go to a good many recipient countries that should not be getting a dollar. The editor of the Washington Star went on to write:

They are fed up with doling out billions in American tax dollars to people who couldn't care less about what we in this country like to speak of as the American way of life. They are bored to tears with the threadbare argument that the Communists will take over the world unless we pay the bills for countries which don't know or care which team they are playing on, assuming that they are willing to play on any team. Mr. Khrushchev can't even feed his own people. Why not let him try this foreign aid load for size?

I started uttering these warnings 5 years ago on the floor of the Senate. I supported foreign aid during those 5 years, up to last year, on the theory that if certain amendments could be adopted if I could successfully urge amendments to the bill—and some of them were adopted, but they were not too important—I would go along with the program.

Last year when I was a candidate for reelection, I thought the people were entitled to know my stand on last year's bill unequivocally. I opposed it in committee. I opposed it on the floor of the Senate. And I opposed it in connection with the conference report. The people of my State should have a choice, if it was thought this was such a key issue, as many would have us believe, and wanted to defeat me because I was opposed to the foreign aid program as it has been operating, and that they were entitled to know that and vote accordingly. They voted, and I increased my percentage vote over what it was in 1956. It is not the only issue that elected me. I cannot say that issue elected me in part, but my business is to take political soundings. There is no doubt, from what time I was allowed to campaign—which was not very long—that in my State the overwhelming majority of the people agreed with me. And there is no doubt about it now, because I go home on an average of once a month. I have talked foreign aid for months in the past in my State, because questions have been raised in regard to my position.

I agree with the editor of the Washington Star, that public opinion is against the Kennedy administration in respect to its position on foreign aid; and the President is going to find it out if he does not already know it. I am surprised, with all the pollsters he is using, that they have not done a better job of briefing him on foreign aid.

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

Mr. MORSE. I yield.

Mr. MILLER. I should like to ask the distinguished Senator from Oregon if he has a list of the countries now receiving foreign aid which would be affected by the Morse amendment.

Mr. MORSE. Yes. When I come to discuss my amendment, I shall list them, but I have not started my discussion of the amendment.

Mr. MILLER. Will the Senator put that list in the RECORD?

Mr. MORSE. Yes. I am going to discuss some of them, also.

Returning to the Washington Star editorial, the editor further stated:

> To sum up, we think the American people, as far as foreign aid is concerned, have just about had it. And we haven't the slightest doubt that it is this more than anything else which underlies the attitude of Congress—an attitude which the President either can't or won't understand.
>
> This Congress, of course, will pass a foreign aid bill. But the appropriation will be sharply cut back. And it should be. The 88th Congress will go down in history (with applause) if it begins the quick phasing out of foreign aid. And we do not believe that the rest of the world, without the Yankee dollar, will go either to pot or to the Communists.

Congratulations are in order for the writer of that editorial, because in a few paragraphs he wrote a devastating answer to the President's speech of last Friday night, although I propose to discuss that speech shortly from the standpoint of certain other angles. Mr. President, there is the answer to foreign aid.

This administration, in my judgment, has a salvage job to do. It ought to get on with the work of doing it. I communicated with the administration, through proper channels, in response to the inquiry from the administration as to what I am thinking about today. I will tell the administration what I am thinking about, if it wants to use that language.

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

Mr. MORSE. I yield.

Mr. JOHNSTON. Does not the Senator think the general public has a false impression of what foreign aid is? Is it not true that foreign aid goes to various governments, and they distribute that money?

Mr. MORSE. That is true in many instances; it is not entirely true.

Mr. JOHNSTON. It is true as to most of it.

Mr. MORSE. As to most of it.

Mr. JOHNSTON. Many people think it goes directly to the aid of people that are in need. Is that true?

Mr. MORSE. That is true.

Mr. JOHNSTON. It is not true that the money is given to the people who are absolutely in need.

Mr. MORSE. No; not at all. The amendment I shall discuss today seeks to bring to an end the aid to self-sufficient countries.

Mr. JOHNSTON. Is it not true that our aid money has been used to build up industries that are in competition with industries in America?

Mr. MORSE. Yes; and there is a time element involved that many persons are overlooking. I read a blistering account of the Senator from Oregon over the weekend, as to how consistent a fellow I am supposed to be, because I supported the Truman doctrine and the Marshall plan. Of course I did; and I would again. We had a clear moral duty and we had a natural self-interest duty to help rehabilitate Europe. Those countries were allies in a war against a common enemy. We lived up to that obligation. As a result, many of them are more prosperous today, as the record will show, than we are.

Yet it is proposed to continue to pour millions of dollars into them. We cannot justify it. I wish to give the Senate an opportunity to stop it. That is the purpose of the amendment.

Because I supported the Marshall plan and the Truman doctrine, at a time when the aid was needed, and because I now ask for a cutback, I am supposed to be some kind of demogog, or an inconsistent political maneuverer, to use the language of the article.

I am accustomed to that kind of name-calling. I say to the administration: "Meet me on the basis of the facts. Meet the American people on the facts."

In my judgment, the President of the United States did not do that last Friday night in New York.

Therefore, I turn now to a discussion of my amendment, by first making some comments upon the issues raised by the Secretary of State last week and by the President of the United States.

As might have been expected, the reassertion by Congress of its authority over the foreign aid program has brought charges from the administration, and from many parts of the press, that Congress has no business in this field, or that foreign aid of any kind is good in itself, or a combination of these two contentions. I feel it is time for a little historical analysis that will restore the proper prospective to both allegations.

Last Friday, I responded in some detail to the statements made by the Secretary of State in his press conference. I shall not reiterate what was said Friday, except to comment on one point made by the Secretary. He said that whatever Congress does in this area, it is the President who gets the blame when things go wrong in foreign policy.

I am sorry that so perceptive a man as our Secretary of State should have put the issue in those terms. Who gets the blame or praise for a given action should be the least of our concerns. Of far greater importance are the facts that Congress, not the executive branch, has the authority to spend money and, second, the record of the foreign aid program, since it began some 16 years ago, demonstrates that it is in vital need of reform. If the only concern of the executive branch is one of getting the blame when things go wrong, then let me point out that when the United States has a foreign aid program in which our people have confidence, then it will get some credit for that, even if the changes were brought by Congress alone, without help from our friends downtown.

I tried to make that clear in the conversation I had with the administration spokesman this morning when he wanted to know what I was up to today.

I said to him, "When are you people downtown going to face the prospect that when Congress gets through this year with appropriations for foreign aid, you will be lucky if you get $3 billion?"

It is my judgment that when we come to vote on the final appropriation for foreign aid this year, the amount will not reach $3 billion. The record shows that thus far the bill has been reduced by $460 million from the amount in the bill as it came to us from the Foreign Relations Committee.

I said to the administration spokesman this morning: "I am going to do the best I can to save at least another $40 million. I may not succeed, but I will try. Here is a suggestion. You ought to look at all the pending amendments and give consideration to making some suggestions as to where you think you can best cut $40 million. I will be glad to hear about it. If you do not want to cut it by $40 million, then we shall have to try to do it the hard way, by offering amendment after amendment."

If we do that, we may succeed in cutting more than $40 million. I am uncertain that we should not try that anyway, because I am satisfied that it could be cut down to the House figure, resulting in a stronger foreign aid bill.

Even if we cut the bill by another $40 million, I shall not vote for it, even if it is cut to $3,500 million. There is no chance of bringing about the policy changes made in the foreign aid that are needed. Money is important, but policy changes are even more important. The American people are entitled to a rewriting of policy now. The Foreign Relations Committee report suggests to the administration that it ought to do it on its own next year. It will not do it. It never has. Policy changes will not be made downtown. If we are to have policy changes in American foreign aid, we must initiate the changes on the two floors of Congress. That is the only place where it will be done. In the terrific bureaucracy which has developed in the administration of foreign aid, there will always be one escape hatch after another to avoid policy changes that the public interest call for.

Therefore I am not going to vote for the bill even if it is cut to $3.5 billion, because of the policies it will perpetuate.

That does not prevent us from doing what we can to reduce it to at least $3,700 million. That leaves us an area for negotiation with the House between $3.5 billion and $3.7 billion. However, before we are through with the debate, my amendment, which is printed and which I intend to offer, proposes to take the House figure. I say to the administration, "If you can take the House figure, you ought to take it and run, because I do not believe a conference will be very helpful to you."

The conference will keep the wounds bleeding, and that blood flow will be very noticeable. Therefore I am going to give the Senate an opportunity to vote on the House figure before the debate is closed. It is only fair that I say this to the Senate at this time, especially to Senators who want to know my position today and tomorrow and the next day. I have been asked, "Do you intend to offer all the amendments that are printed?" Of course not. Many of them are duplicate amendments. Apparently many have lap. However, we shall offer many

amendments. Apparently many have not read the amendments. If they will go through the pile of amendments, they will find that duplication will eliminate a good many of them. However, we shall offer a number of amendments that we feel are necessary to strengthen the bill. We shall offer them without any unanimous-consent agreement to limit the debate. The Senate is perfectly capable of working its will under the rules in any way it wishes to work its will, but it should never overlook the parliamentary rights of those of us who are opposed to the bill, if there is any attempt to deny us reasonable time for full debate on the amendments.

Returning to my comments about the President's speech of last Friday, if the only concern of the executive branch is that of getting the blame when things go wrong, let me point out that when the United States has a foreign aid program in which our people have confidence, the executive branch will get some of the credit for it, even if the changes are brought about by Congress alone, without help from our friends in the executive branch.

POSTWAR TREND TOWARD EXECUTIVE FREEDOM TO SPEND ABROAD

But the ultimate truth is that foreign aid is not one of the areas of foreign policy over which the Chief Executive and his deputies have exclusive jurisdiction. That was implied in the Secretary of State's news conference the other day. He could not be more wrong. Foreign aid requires authorization legislation by Congress. An authorization bill is a bill in which an administration asks for authority to spend money for the specific purposes set forth in the bill. It is not only the right but also the clear duty of Congress to review the purposes for which any administration asks for money. When Congress says, "We do not like this purpose, and we are not going to give you the authority to spend for that purpose," that is a congressional right. That is no interference with any authority of the President over foreign policy.

Our forefathers wisely established this system of checks. Our constitutional fathers made it perfectly clear in the Constitution that this was the authority and the duty of Congress. Contrary to the implications of the Secretary of State last Friday, the Constitution requires that "no money shall be drawn from the Treasury but in consequence of appropriations made by law."

That means that Congress bears the primary responsibility for the sound or unsound expenditure of public funds, including foreign aid.

I say to the Secretary of State, "Copy that clause out of the Constitution. Put it on a plaque. Hang it on the wall in front of your desk, so that you can look at it all the time before you have your next news conference. Then admit to the news conference that you have learned it; or that, if you recalled it, you had only overlooked it at your news conference last Friday."

Mr. President, that constitutional provision has meaning. I am at a loss to understand how, frequently in the Senate, debate proceeds without any reference to the constitutional foundations for proposals. As Senators, our approach to legislation should be constitutionally grounded. All that the opponents of the bill in its present form are saying is, "We do not propose to authorize the expenditure of money for some other purposes for which the President is asking it in the bill; therefore, we propose to amend the bill—and we have been doing it." The amendments thus far adopted are in keeping with the constitutional authority of Congress. Nevertheless, some newspapers are accepting the same line that the President stood for in his speech of last Friday night. The opponents of that philosophy are those who, in my judgment, are performing the best service for the President. We intend to hold firm to the constitutional right of Congress with respect to our authority in the passage of a foreign aid bill.

Whenever it is intended to spend money in pursuit of an element of foreign policy, then Congress has been brought into the picture; the Executive who so proposes has gone beyond that exclusive authority over foreign policy which is inherently his. The basic authority and responsibility become those of Congress.

Suppose we had no foreign aid program. Suppose Congress, acting well within its rights, terminated it altogether. No President could say that was an intrusion into his constitutional powers. What Congress has given, Congress can take away, or it can impose those restrictions and guidelines upon the administrators it chooses to impose.

After all, we had 150 years of this Republic without foreign aid, and I do not recall any President complaining that its absence infringed upon his executive powers.

Certainly it is true that a large faction inside Government and in the press has come to equate foreign aid with foreign policy. Members who have served in Congress since World War II have seen that concept develop. To a great extent it is our own fault, because we have acquiesced in it.

In 1945, I was a new Member of this body when the first postwar foreign aid measure was proposed. It was the proposal that we lend Great Britain $3¾ billion. The proposal came through the executive branch. But it was the responsibility of Congress to make the money available or not to make the money available.

We studied the facts. We reviewed Britain's economic condition. We looked at her needs, and we looked at what she was doing to help herself. It will be recalled that a Labor government had been elected. It was embarking on a series of economic belt-tightening measures that came to be called austerity.

Congress was satisfied that it would be a sound expenditure, and so the loan was made by joint resolution. It was not President Truman's loan; he could have vetoed it, but he could not have enacted it.

One of my problems with the executive branch during the last administration and during this administration has been my feeling that many agency directors seem to think that the executive branch ought to have legislative power delegated to it. They want legislation to be drafted in such a way that by their exercise of discretion, as unchecked as they can keep it, they will be able to make policy decisions that ought to be made by Congress.

That philosophy runs through the entire foreign aid program. It ought to be checked. I recently referred to what I considered to be a continuing misuse of the contingency fund by the Presidency. Many millions of dollars have been taken out of the contingency fund by Presidents for purposes that the American people would never approve of if they knew about it. For a long time Congress did not know about it. The contingency fund should be limited to a U.S. national emergency, not some monetary emergency in Argentina, Brazil, Indonesia, or Iran, or anywhere else in the world. If the President wants to make money available to Argentina, to Brazil, or to Indonesia for budget support, he ought to come before Congress and ask for it. He should not dip into his contingent fund for money to give to them. That is why, before the debate is over, opponents to the bill will give the Senate an opportunity to vote for an amendment that will seek to put some limitations on the use of the contingency fund.

Interfere with the President's direction of foreign aid? That is not what would be changed. It would be another manifestation of the constitutional right of Congress to tell the President the purposes for which he may spend money and for which he may not spend money. That is the check that our constitutional fathers wisely gave to the three coequal, coordinated branches of government, which we call our system of representative government.

In the succeeding years since the British loan, we have seen the world move from a shooting war into a prolonged cold war. In the name of national security, Congress has delegated to the executive branch its duties and responsibilities in connection with the expenditure of funds, until Presidents and countless of their deputies have come to regard those expenditures as their inherent right.

There has come into public life a whole generation of men who emerged from World War II with the concept that anything done in the name of international affairs was the exclusive property of executive agencies. They have moved on through 18 years of cold war, only to become hardened in this assumption; and I fear that that assumption was shown by implication in the press conference, last Friday, of the Secretary of State.

Many of these people have believed it their right to roam the world high, wide, and handsome, spending the money of the U.S. Government as they went, never considering that there was any limitation whatever, or any consideration other than their own personal judgment of what was in the best interest of the

United States. Many of these people are in defense and intelligence agencies. But many more are in the State Department and the Agency for International Development. To them, the words "in consequence of appropriations made by law" are but a half-remembered anachronism.

The free hand has been theirs so long that they do not realize that it was ever any other way, or that it was intended to be any other way.

GREEK-TURKISH AID

I have already recalled for Senators the British loan. I take them back also to the Greek-Turkish aid program known as the Truman doctrine. It was recommended by President Truman in 1947 as an 18-month program, to be undertaken because Greece was threatened by internal communism and Turkey by the Russian threat aimed at the Dardenelles. This was just a year after the Soviet Union had virtually occupied a part of Iran and was evicted only by the firm stance of both the United States and the United Nations. But it appeared that Soviet expansionism might move next toward a centuries old objective of Russia—a gateway from the Black Sea to the Mediterranean.

So President Truman made the proposal. I was perhaps the first in Congress to declare my support. At least, the record will show that I was the first Member of the Senate to do so. And I do not doubt that Harry Truman will be remembered by history for the program that we believe saved Turkey and Greece from aggression. No doubt Harry Truman will have the credit, for the program bore his name; and I think he should have the credit.

But what of the intervening years? What of the Turkish aid program, about which I have said much this year, that has no relationship to the Truman doctrine? Who is responsible for an aid program to Turkey that has endured, not for 18 months, but for 16 years, that has seen us pour into that one country $300 million every year for the last 10 years? Much has been said on this floor against supporting Socialist economies with U.S. dollars. But we have done that very thing in Turkey year in and year out. The wastefulness and inefficiency of socialized enterprises were never more evident than in Turkey, and we have to a large extent made it possible with our aid funds.

Whose responsibility is it that our $3 billion has been so wastefully spent that last spring a European-American economic development committee reported that Turkey is no better off now than it was 10 years ago.

If the President thinks AID is working such economic wonders, let him answer the report made last spring, in regard to Turkey, by the European-American Development Committee. Is anyone going to say it is the fault of Harry Truman, or Dwight Eisenhower, or of the half dozen Secretaries of State, or of the numberless aid administrators who have come and gone in those years?

No. To be frank, it is the fault of Congress. Congress started the program, but failed to exercise sufficient control over it.

These days, we hear much about the necessity for reforms in Congress; and surely they are needed. One great need is for the development of staffs, committee by committee, sufficient in size and in expertness to enable us to follow through on the use made of the funds we vote. We are very derelict about that matter. One of the great reforms needed is for Congress—in keeping with our authority, given us by the constitutional fathers, to check on the executive branch of the Government—to implement that check by the adoption of committee budgets and committee staff budgets sufficient in size so that the executive agencies will know that at all times we keep a watchdog eye over them in connection with the expenditure of the funds Congress votes. If we had done that a long time ago, there would have been some changes in the Turkish aid program.

People report to me the common view of the Turkish people that the Menderes government of Turkey was overthrown in 1960 because of the American aid program, which was so loosely administered by the Americans and forced so much money upon Turkish officials that corruption could not help but flourish. Is anyone going to hold President Eisenhower responsible for that, and blame him for the coup that occurred in 1960? Of course not; and no one should do so. To the extent that the U.S. aid program was involved, it was the fault of Congress.

ALLIANCE FOR PROGRESS

I refer Senators to the Alliance for Progress. In 1961, an expert in Latin American affairs wrote in the Foreign Service Journal that the Alliance for Progress is one of the few international programs that has been originated by Congress. The writer mentioned the reports made by Senator AIKEN, of Vermont, and by me after our respective trips to South America and Central America in 1959. It was out of those reports, which were supplements to the special studies by the Latin American Affairs Subcommittee, that the Alliance for Progress was born. The then Senator from Massachusetts, now the President of the United States, was a member of that subcommittee. It was given its name by administrators, but it was originated by Congress. Yet there are men downtown, now working in the Alliance program, who regard it as their own private property, and consider any change in their estimates of cost or any guidelines added by Congress as unwarranted interference in their domain.

I have pending three amendments that vitally affect the Alliance. All are intended to make it a more effective means of thwarting Communist inroads in Latin America. All impose guidelines upon administrators in the expenditure of money.

Without a doubt, all will be opposed in position papers from the State Department as instrusions upon executive prerogatives and as alleged interferences with the renowned flexibility which every employee of a Federal agency insists he must have.

Their purpose is to make the Alliance more effective by curtailing aid to the military factions which has encouraged resistance to the objectives of the Alliance, and to close loopholes through which countries obtain funds from us without going through the procedures of the Alliance.

The President has expressed to me concern that my so-called juntas amendment would interfere with his right to extend diplomatic recognition to a given government. I explained to him that he was quite wrong in his assumption. But it is interesting to see how close has become the connection between the extending of recognition and the extending of foreign aid. To a great many people downtown, the two have become synonymous. We know that Congress could not, even if it wanted to, tie the hands of the President in the matter of recognition of a foreign government, and I would not think of attempting to do so. Even if that were in my amendment, it would have no effect upon the Chief Executive. I will fight as hard to protect the rights of the Presidency under the separation-of-powers doctrine as I will to preserve the congressional rights and to insist that they be respected by the Secretary of State and others in the executive agency and be preserved. The amendments we are offering to the foreign aid bill seek to carry out the checking authority of Congress in connection with its authorizations of the expenditure of funds for specific purposes requested by the administration.

Therefore, my amendment dealing with juntas would not cover the constitutional right of the President to recognize governments; it only seeks to restrict his power to spend money on military juntas. It would be meaningless verbiage, because that area is outside the jurisdiction of Congress and what we may say about it, even in legislation, cannot carry the force of law.

Congress might pass all the legislation we desired about recognizing a government. However, the President has the constitutional right to recognize a government if he thinks it should be recognized.

ULTIMATE RESPONSIBILITY RESTS WITH CONGRESS

But when it comes to the spending of money, that can only be done in pursuance of law. It becomes the responsibility of Congress. I remind Members, and the administrators in the agencies downtown that are engaged in international affairs, that the Alliance for Progress is a long-term program. It will still be going on after this adminstration has come and gone, and after countless AID officials have gone on to other pursuits.

If, after 10 years, and the expenditure of what will probably amount to more than $10 billion, the Alliance is a failure, that is going to be the responsibility of Congress. To the degree that it is a success or a failure, it will be so because Congress either succeeded or failed in laying down the proper conditions for its management.

If the Secretary of State is so worried that the President receive the blame if things go wrong, I remind him that the current President will no longer be in office when the results come in on the

Alliance for Progress. More than likely, his successor will also have left office.

Foreign aid is no longer a policy tool used by a given executive for a given objective in a given country. It has become a vast machinery of the executive branch, which one President inherits from his predecessor and which he seems determined to pass on to his successor in a bigger form than when he took over. It almost takes on the characteristics of passing on the baton in a relay race. It has come to serve as a source of jobs, perhaps more than any other agency of Government.

After the 5 years of the Truman administration, 8 years of the Eisenhower administration, and 2 years of the Kennedy administration, foreign aid has become "locked in" the executive branch, almost as though it were part of the Armed Forces. Through those three administrations, there has been less use of aid as a tool of foreign policy, and more use of it as one more program which the executive branch has the right to run as it pleases as it does the foreign policy and defense agencies.

If there is to be a consistent purpose and specific objective to foreign aid, it is going to have to be supplied by Congress. The people know that. The people of Oregon know that it is WAYNE MORSE and MAURINE NEUBERGER and four Oregon men and women in the other body, who have been responsible for the continuation of an endless and almost shapeless foreign aid program.

They know that the Constitution gives to us the responsibility for Federal expenditures. They know that the Constitution did not set up the Senate just so 100 men and women could go down to the White House and have their pictures taken with the President.

In the years that I have served in Congress, I have helped initiate the British loan, the Marshall plan, Greek-Turkish aid, and the Alliance for Progress, in addition to foreign aid as such. But I cannot now turn over the responsibility for all those programs to men downtown, many of who were graduating from college, or even high school, when the programs were begun.

I am worried about how some of these programs are going. Some of them are not accomplishing what they were supposed to accomplish. Most important, it appears that the general foreign aid program has become self-perpetuating. The people who hold the thousands of jobs administering it intend that it be self-perpetuating. That is why I say that unless Congress takes a firm hand, there will never be any genuine revision of the foreign aid program.

PRESIDENT'S SPEECH

President Kennedy's speech of Friday night demonstrates how self-perpetuating foreign aid has become. It was couched in the generalities and homilies that have been used to justify foreign aid ever since 1945. His speech could have been made by any of the last three Presidents, and if things continue without change, Members of Congress will be hearing the same speech from the next three Presidents.

The obvious question raised by his speech is: Why is it that if all the progress cited has been made, this administration still came in with an original foreign aid request of nearly $5 billion, the largest since the peak of the Marshall plan? The answer is that the reasons advanced for it by the President account for only a very small fraction of the foreign aid program.

Every advocate of foreign aid likes to talk about malaria eradication. Malaria and other diseases are emphasized in foreign aid debates until one would think that we are spending $3 to $4 billion every year for it. Education is another favorite talking point. But foreign aid expenditures for health and education are only a drop in the bucket of this foreign aid bill.

The President's speech deals, too, with the well-known gulf between the rich nations and the poor nations, a gulf that was strikingly brought home to Americans at the close of World War II. But what has foreign aid done to bridge the gulf, and indeed—and that is even more important—what can foreign aid do to bridge the gulf? Those are the questions that every foreign aid advocate ignores and which must be answered by Congress.

We know that our huge outpouring of money into Turkey over the longest period of any foreign aid program has had virtually no appreciable economic results. The gulf in Turkey has not been bridged by the more than $3 billion we have poured in.

South Korea is another example. That nation has cost the United States $5½ billion, in addition to the tens of thousands of troops of our own we have kept there. Yet in 1963 we are told that the economy of North Korea is doing better than South Korea. If the infusion of American capital on that scale has so little result in a small country, what can be said for the chances of bridging the worldwide gulf between rich and poor with American money? To those who say that South Korea is an exception because she exists under the gun of Communist China, I point out that we have provided our own military forces for her defense.

The argument that it is cheaper to keep a South Korean, a Pakistani, a Turk, or a soldier from some other country in uniform and pay for his maintenance than it is to keep an American boy in uniform is one of the greatest "sleeper" arguments being used for years by the advocates of foreign aid. It seems to be plausible, it is catching, but it is unsound.

I will tell Senators what protects South Korea.

It is not the large numbers of South Korean soldiers whose upkeep we pay, but the more than 50,000 American boys in uniform whom we keep in South Korea; the 7th Fleet in Pacific waters; the American air armada. These forces protect South Korea.

The President's argument Friday night with regard to aid, is in my judgment, thoroughly unsound. That is why I am taking the time to reply to his speech, because I wish to dissociate myself from it.

Latin America is still another example. When I went down to the inauguration of a new President of Peru last spring, a primary issue was whether American aid would begin to flow. Much of the development plans of the new Peruvian administration hinged on the availability of American aid. Those of us representing the United States were too polite to ask what Peru had done with the $500 million we had already extended.

My point is simply that American capital cannot bridge the gulf between rich and poor. There is not enough wealth in the United States to bridge the great gulf between the rich and the poor. It makes fine rhetoric for the President to talk about bridging the gulf between the rich and the poor, but it must be pointed out that those countries, where the poor exist by the millions, must help themselves. We can only be of assistance, but we can be of some assistance. We can help them with technology, with training, and with loans for some projects; but the President of the United States knows we do not have the wealth with which to bridge the great chasms that now exist between the rich and the poor in the underdeveloped areas of the world.

Hence we must continue to insist that they help themselves. We will join with them as partners in that program.

After we read the newspapers this morning, it is somewhat hard to reconcile the position of Brazil in São Paulo with the President's speech. Brazil, according to press reports this morning, does not know whether it should apply for aid at all.

One thing is perfectly obvious. Brazil does not want to submit to any effective checks that would protect the American taxpayer in respect to aid. Brazil has done fairly well in getting money out of the President's contingency fund, to the tune of a good many millions of dollars, to shore up her monetary policy. But Brazil has promised and promised that if we will only pour in a few more million dollars to stabilize her economy, Brazil will do something for herself. She has not kept her promise. Brazil's promises on the record have not been worth the paper they were written on. It is about time we provided some checks on the expenditure of the American taxpayers' money in Brazil.

That is why I shall continue to fight for some amendments dealing with aid to Latin America.

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

Mr. MORSE. I am glad to yield.

Mr. LAUSCHE. The Senator from Oregon has mentioned our relationship with Brazil. Five years ago their President came to our country. A luncheon was given in his honor by the Foreign Relations Committee. There was discussion concerning the constantly disintegrating status of their cruzeiro.

I said to the President of Brazil, "You are suffering from a very marked depreciation of your cruzeiro."

The President replied, "No; it is not so bad."

I said, "It fell 50 percent last year."

He sort of shook, and asked his economic adviser about my statement. The economic adviser said, "It was only 25 percent."

I then asked the President, "Do you have any bonded indebtedness to your own citizens, as distinguished from your indebtedness to the United States and other nations of the world?"

The President replied, "We have none."

I asked "How do you finance Brasilia and the other things?"

His answer was that they print money.

Yet at the same time they were seeking aid from the International Monetary Fund to stabilize their currency, and aid was given to them. The International Monetary Fund has a rule that, as a prerequisite to the right to obtain aid, a country must put into effect and commit itself to execute programs that will stabilize its currency.

I fully concur with what the Senator from Oregon has said. I note that on two occasions they made promises, and never kept them. Today, Brazil has an indebtedness to its own people—I believe it is 20 million—but the indebtedness by way of cruzeiros to the nations of the world runs into trillions. It is unbelievable.

I thank the Senator from Oregon for yielding to me.

Mr. MORSE. If the Senator from Ohio will "lend me his ears," I should like to take a moment, in view of his intervention, to let the RECORD show the position that the Senator from Ohio has taken time and time again on this economic issue, as a member of the Foreign Relations Committee. The voice of the Senator from Ohio has been raised in our deliberations and raised in the public hearings, too, but I am speaking about executive meetings. The public hearings of the Foreign Relations Committee are made public but not its executive meetings.

The voice of the Senator from Ohio has often been raised as he has pleaded with the committee to adopt some checks to protect the American dollar against the inflationary policies of countries like Brazil. We have the same problem with Argentina, as well.

Mr. LAUSCHE. Yes.

Mr. MORSE. Those are not the only two countries, but they are probably the two most notorious.

The Senator has made eloquent pleas. I believe they are unanswerable. The sad thing is, we have not prevailed. We did not prevail in the committee. I hope we can prevail in the Senate. The American people are crying out for the checks for which the Senator from Ohio has been battling in the Foreign Relations Committee. The American people know it is right.

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

Mr. MORSE. I am glad to yield.

Mr. LAUSCHE. Last Friday night I made mention of the fact that until 2 years ago, when lending American dollars, in the agreement to repay we allowed the stipulation that repayment could be made either in the currency of the borrowing nation or in dollars, the specific type to be determined by the borrower.

So we loaned money to one nation American dollars which at that time, 8 years ago, had an exchange value of 350 to 1. For $1 we would receive 350 pieces of paper of the other government. The depreciated value is 800 to 1. Yet they are paying off the debt which they owe us not on the basis of 350 to 1, but on the basis of 800 to 1. It is unbelievable that such loose practices could have been followed.

Mr. MORSE. I do not think I violate any confidence when I say the Senator from Ohio discussed our policies toward Italy.

Mr. LAUSCHE. And toward Brazil.

Mr. MORSE. And toward Brazil, too. The Senator cross-examined the spokesman for the administration with respect to Italy, and I think the cross-examination was devastating.

I wish to make it very clear that my point on this phase of the issue is that American capital cannot bridge the gulf between the rich and the poor in the underdeveloped areas.

Commenting on what the Senator from Ohio just said, one of the reasons we do not have a self-help program, and one of the reasons why there are not outstanding bonds of some governments owned by the people, which constitute a relationship of faith between the government and the people, is that the wealthy of those countries export their money and put it in New York and Swiss banks.

I say most respectfully to my President, "You cannot justify sending millions of dollars into Latin America until the oligarchs of Latin America are willing to invest their money in Latin America, and not put it in New York and Swiss banks."

Unless they have a self-help program, unless they have faith in their own country, why should we vote to pour millions of dollars into underdeveloped countries because the gulf between the rich and the poor is so great, as pointed out by the President of the United States in New York City last Friday night? What makes him think that pouring millions of American dollars into Latin America would bridge the gulf? The sad economic reality is that too frequently pouring American aid money into such underdeveloped countries makes the oligarchs richer and the poor poorer, and the oligarchs export the profits that they make out of American foreign aid investments.

It is an ugly fact. I know just how ugly that fact is. But it is true. It is about time that the President of the United States faced it. The American people are coming to know it is true, and the American people want some checks written into the foreign aid bill whereby we say to the oligarchs of Brazil, the Argentine, and other Latin American countries, "Do not forget that the Act of Bogotá and the Act of Punta del Este contain a pledge by your governments that you would participate in a cooperative self-help program with the United States in return for our cooperation for such aid as the Alliance for Progress offers."

That is the arrangement. To me, it is an offer of an international contract. One Latin American country after another has not lived up to the contractual offerings made when it put its signature to the Act of Bogotá. Only eight Latin American countries have come forward to date with a plan to implement the Alliance for Progress program. But do not jump to the conclusion that those eight plans are necessarily good, for most of them need great improvement if they are to keep their commitments.

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

Mr. MORSE. I yield.

Mr. GRUENING. I wonder whether the distinguished senior Senator from Oregon noticed the front page story in the New York Times this morning headed, "Brazil Questions Alliance's Value to Latin Economy."

Mr. MORSE. I have already commented on it, but I should be delighted to have one of the most knowledgeable men on Latin American affairs, the Senator from Alaska [Mr. GRUENING], comment on it.

Mr. GRUENING. The statement of President Goulart seems to me to show a great lack of appreciation of the effort the United States has made to help Brazil. Here is a country into which we have poured a great amount of money, which has repeatedly failed to live up to its promises of fiscal reform. We have poured money into it in the form of budget support, to bail it out of its financial difficulties—unknown to most of the American people. Now the President of that country makes a speech attacking the Alliance for Progress and never even mentions the United States. It is not wholly surprising—we have provided the kind of situation in which that would follow. We have gone into many countries almost insisting that they take our money. We have seldom if ever taken the proper and sound position, which is to say, "We would like to help you. We do not ask you to take our money, but if you do we expect you to adopt a few reforms which will make that aid effective. We expect you to adopt an austerity program, and stop inflation, waste, and corruption." We have never taken that position or if we have stated it, we have never insisted upon its fulfillment. We have taken the position that we must thrust the money on them, regardless of whether they agree to the quid pro quo. Now the chickens are coming home to roost.

Last year I urged that we stop giving aid to both Brazil and Argentina. There is no stability in either. Much has been made recently of the fact that there has been an election in the Argentina. It was an election dictated by the military who deposed the previous President and permitted the new one to be elected. I thought we should at least wait a year to see whether the new Argentina was democratically inclined, responsible, stable, and whether it was going to carry out the declared objectives of the Alianza

para Progreso as subscribed to at the Punta del Este conference and repeatedly enunciated by President Kennedy.

I wonder if the Senator from Oregon also saw the column by Mr. Arthur Krock in this morning's New York Times.

Mr. MORSE. No; I did not see it.

Mr. GRUENING. It is very pertinent. I should like to read from it, because it displays a real understanding of the fact that those of us who are critical of the bill before us are trying to improve the foreign aid program. We are not trying to wreck foreign aid; on the contrary we are trying to save foreign aid by making it efficient, by making it a program which carries out the purposes enunciated by President Kennedy at various times.

This is what Mr. Krock says:

> The Secretary of State, who is a man mild of manner and speech but—as they say in his native State of Georgia—"sot in his ways," last week supplied one of the two reasons for Congress' sharp reduction in the foreign aid budget when he said he doesn't "understand it."

The article continues:

> Merely by reading the Senate speeches of the self-named liberals——

I do not think they are self-named—

> who are leading the fight for the budget cuts the Secretary could readily discover the first reason. It is, that the Executive proposes to give President Nasser of Egypt the aid which pays for the military force he is using to back his refusal to withdraw his troops from Yemen; and to continue to provide aid to President Sukarno of Indonesia, who has sworn to destroy the new state of Malaysia, and to Brazil, where President Goulart is dissipating the aid by failing to control inflation. The second reason is that the only effective means Congress has to show disapproval of Executive policies it disapproves is through the appropriating powers that the Constitution reserves exclusively to Congress, foreign policy not excluded.

That is the very point the Senator from Oregon has made on the floor of the Senate again and again, and which I have also made—that since the beginning of our foreign aid some 18 years ago, with the Marshall plan, an entirely new aspect has entered the conduct of foreign policy. Up to that time use of large sums of money as an instrument of foreign policy was unknown. The function of the Senate up to that time was merely to advise and consent to treaties and to confirm Presidential appointments in the Foreign Service. That was all.

When the United States started pouring in tens of millions and then hundreds of millions, and then billions of dollars into foreign aid, it became the duty of the Senate—and indeed of the House—to be vigilant with respect to how these moneys were spent. Why is great surprise now expressed and criticism voiced when Senators wish to stop an inexcusable subsidizing of aggression, which we have done in the case of Sukarno, who started with threats and mobilization in regard to New Guinea—when we yielded, I thought unjustifiably—and now threatens to overthrow the new Republic of Malaysia? In a column printed this morning, written by Warren Unna, action to stop the subsidization of aggression is referred to as a crippling amendment. The amendment should never have been made necessary. The State Department and the AID administration should long since have acted.

I notice that in the President's address on foreign aid before the Protestant Council in New York last Friday night, he quite properly deplored wars that were going on in various parts of the world, and he listed them as "disputes between Africans and Europeans in Angola, between North African neighbors in the Maghreb, between two Arab States over Yemen, between India and Pakistan, between Indonesia and Malaysia, Cambodia and Vietnam, Ethiopia and Somalia," and he added that there was "a long list of others."

Now, I submit that while there are these wars, they are dissimilar in their origins and this presentation by the President does not emphasize what seems to me so pertinent—and that is that several of these were not so much wars between the countries mentioned but acts of aggression by one of them against the other. For instance, I do not share the President's view that there is a war between two Arab States over Yemen. Having made a careful study of this situation when I was in the Middle East, I learned that Nasser was ready almost simultaneously with the revolt of one regime against the other in Yemen to send an army there of 28,000 men, sent them in Russian planes, and has kept them there ever since. It is true that for a time the Saudi Arabians helped the regime that Nasser was fighting with money, but that is scarcely comparable as an act of aggression. The revolt in Yemen would never have succeeded without the Nasser invasion and would collapse the minute his troops were withdrawn.

Similarly, I would not consider that saying there was a war between Indonesia and Malaysia would tell the whole story, since Malaysia was a peaceably newborn nation with no designs on any other nation and was threatened both before its birth and immediately after with invasion by Sukarno.

It is these acts of aggression, not acted upon effectively by the State Department, that led inevitably to action by the Senate, and I am confident that our action in this matter is completely justifiable.

The way for these rulers to reestablish themselves is to cease their aggression—for Nasser, for instance, to pull all his troops out of Yemen, to stop the military buildup which is clearly designed to commit aggression against his neighbors, Israel and Jordan, to pull his troops out of Algeria, where he is fighting with the Algerians against Morocco, and to cease his inflammatory broadcasts which preach assassination of officials of neighboring countries. Nasser has kept his troops in Yemen for 15 months at a cost of about $185 million. While he has been spending $185 million on war, we have been pouring in $185 million and more through Public Law 480 and other aid designed to raise the economy of the Egyptian people.

In short, the Senate has finally moved to stop the aid if the President finds there is aggression—and it is difficult to see how he can fail to find it. In the cases of the rulers of Indonesia and Egypt there have been both the declarations of aggressive purpose and the acts of aggression. It was expected that Nasser would pull his troops out of Yemen as soon as Saudi Arabia ceased helping the Imam with money. Nasser had promised to do so, but did not keep his promise. Helping with money, moreover, is not comparable to helping with troops and planes. Sending money does not make a war. Sending in troops and planes which kill is making war.

In the case of Brazil, we have another type of failure to carry out promises. And we hear President Goulart, who has been taking our generous assistance, questioning the value of the Alliance for Progress.

I hope we shall have the wisdom and the sense of propriety to reply, "We have tried to help you. We have given your country $2½ billion. What is there to show for it? Why have you done nothing to stop inflation? What other steps have you taken to justify our continuing aid?" Unfortunately, there have been none.

The same thing is approximately true with respect to Argentina. I am not prepared to pass on the merits of the oil pact, but it seems that when we are trying to encourage private investment, which would certainly be helpful to the government down there, and when we find that nation trying to confiscate that investment, we ought to go slow about pouring any more money into that country without some certainty as to what its policies will be. The news reports indicate that Secretary Harriman's pleas on the subject were rebuffed.

There was a good deal of indignation when the Kuchel-Engle amendment was adopted. The Kuchel-Engle amendment provided that if the Governments of Ecuador and Peru insist on grabbing our vessels in international waters, arresting their crews, taking them to the mainland, putting them in jail, and fining them heavily, we would withhold foreign aid from these countries.

The opposition said that this should be done by negotiation. In the RECORD was included a letter from the Under Secretary of the Department of the Interior, Mr. James Carr, who reported that negotiations had been continuing, without any result and suggested some other course of action might be desirable. How long must we be supine, and be a doormat for those governments that refuse to settle by negotiation?

The fact that the amendment was adopted—although I know that in conference every effort will be made to take it out of the bill—will I am convinced hasten negotiations and bring a better result. When a nation engages in acts of violence against our citizens, and at the same time is the recipient of our aid to the extent of millions of dollars through our foreign assistance programs, it is unthinkable that we should continue to tolerate such a condition.

Mr. President, I ask unanimous consent that the article by Arthur Krock, appearing in this morning's New York Times, and the article referring to Bra-

zil, as well as the two articles from the New York Times of September 11 and 12, dealing with the Argentine situation, be printed in the RECORD at this point, with the permission of the Senator from Oregon.

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

[From the New York Times, Nov. 12, 1963]

THE CONSTITUTION KEEPS GETTING IN THE WAY

(By Arthur Krock)

WASHINGTON, November 11.—The Secretary of State, who is a man mi'd of manner and speech but—as they say in his native State of Georgia—"sot in his ways," last week supplied one of the two reasons for Congress' sharp reduction in the foreign aid budget when he said he doesn't "understand it."

Merely by reading the Senate speeches of the self-named liberals who are leading the fight for the budget cuts the Secretary could readily discover the first reason. It is, that the Executive proposes to give President Nasser of Egypt the aid which pays for the military force he is using to back his refusal to withdraw his troops from Yemen; and to continue to provide aid to President Sukarno of Indonesia, who is sworn to destroy the new state of Malaysia, and to Brazil, where President Goulart is dissipating the aid by failing to control inflation. The second reason is that the only effective means Congress has to show disapproval of Executive policies it disapproves is through the appropriating powers that the Constitution reserves exclusively to Congress, foreign policy not excluded.

The Senate, led by the Members who have been the staunchest supporters of foreign aid, simply has turned to the use of this means to impose on the Executive budget for the next fiscal year the revision and rationalization of the foreign aid program that long has been overdue. Rusk's statement to his November 8 news conference that he disapproved of this "tendency to legislate foreign policy" is not at all surprising. What is surprising is his other statement that he doesn't "understand" the why and wherefore; and seems not to realize that with this assertion he was furnishing the general explanation of the situation he "does not understand."

Until and unless the President and the Secretary of State comprehend, if they really do not, what is so clear, the part of Rusk's news conference that states a sound principle of government will not have the desired beneficial effect on Congress. This principle the Secretary phrased as follows:

"I am very much concerned about the tendency in the Congress to legislate foreign policy as it might apply to specific situations or specific countries.

"It is not possible for the Congress to anticipate * * * what the circumstances are going to be in any given situation. * * * These are responsibilities carried by the President [who is] the one the country will hold responsible if things go wrong."

FLEXIBILITY IN DISUSE

But support in Congress of this sound precept in foreign policy is impaired when the Executive continues disuse of the "flexibility" in judgment it admonishes Congress not to impede—by perpetuating aid programs, such as those for Egypt, Indonesia, and Brazil. These are automatically self-defeating of the plain and declared objective of foreign aid. The eventual consequence, as is now being demonstrated, is that Congress will go too far in its efforts to restrain Executive flexibility.

An example was the Senate vote denying aid to any nation interfering with American fishing vessels in what the United States unilaterally decrees to be international waters. Diplomatic negotiation is the proper means, instead of legislation requiring other nations to accept U.S. charting of the seas. And only the Executive, not Congress, can conduct diplomatic negotiations.

Congressional foreign policy support by appropriation is also impaired when the Executive assumes leadership for this Government in coercing another to yield to military blackmail, and in violation of the United Nations Charter. Yet the administration, in concert with Secretary General Thant of the U.N., did precisely this to assure the success of Indonesia's threats of seizure of west New Guinea from the Netherlands.

This helped to build up the revolt in Congress. And in furthering the revolt Congress, of course, is using its constitutional power to cut authorizations and grants from the revenues contributed by American taxpayers. Thus again the Constitution annoys one arm of the triune Federal Government by getting in its way.

Yet though this constitutional power, and the reasons for the "tendency" to invoke it, are plain, strangely enough the Secretary of State "doesn't understand it."

[From the New York Times, Nov. 12, 1963]

BRAZIL QUESTIONS ALLIANCE'S VALUE TO LATIN ECONOMY—GOULART, IN OPENING SPEECH AT HEMISPHERIC MEETING, OMITS ROLE OF U.S. AID

(By Juan de Onis)

SÃO PAULO, BRAZIL, November 11.—President João Goulart has challenged the validity of the Alliance for Progress as a workable remedy for Latin America's economic problems. He called on the Latin American countries today to unite in defense of their common interests in trade and aid.

In welcoming delegates to the second annual review meeting of the Alliance for Progress, Mr. Goulart did not once mention the United States and he referred to the Alliance only once.

The Alliance is a 10-year program proposed by President Kennedy to accelerate Latin America's economic and social development with the help of at least $20 billion in foreign aid.

The Latin countries, in return, are expected to strive for democracy and fair distribution of wealth.

SELF-SUPPORT STRESSED

Mr. Goulart's speech stressed an improvement in Latin America's trade position with the rest of the world. He condemned trade barriers affecting raw material exports to industrialized countries.

Present trade conditions, the Brazilian President added, "represent a continual bleeding of our economies."

"Our irreducible needs for imports, combined with falling export receipts, are in large measure responsible for the inflationary process that destroys the values of our national labors," Mr. Goulart added.

The speech was heard by delegates from the 20 participating countries in this weeklong conference. W. Averell Harriman, Under Secretary of State for Political Affairs, heads the U.S. delegation.

HARRIMAN MEETS GOULART

Mr. Harriman was introduced to Mr. Goulart after the speech, and they exchanged a friendly handshake. But U.S. officials were privately disappointed with Mr. Goulart's speech. There was no official American comment.

Mr. Goulart indicated that Latin America was a victim of its own divisions and common weaknesses. "Reality can no longer tolerate that Latin America remain an archipelago of nations, implacably separated by the sea of frustrations of our own difficulties," he said.

"Today, and each day more so, Latin America should present to the world a united, solid, and cohesive front in the collective defense of our common interests," Mr. Goulart added.

All the Latin-American countries; he went on, are facing the same problem: "Breaking an agrarian structure that is manifestly archaic, in which the barriers of feudalism and intolerable privileges suffocate our effort for development, industrialization and diversification."

PALLIATIVES DERIDED

Deficits in the balance of payments—excesses of exports over imports—force the Latins to negotiate loans or to obtain refinancing of debts in conditions that do not meet their interests, Mr. Goulart said.

The answer, he added, will not be found "in palliatives or false, superficial concessions" by the industrialized, capital-exporting countries.

"Our objectives must be the establishment of a new international division of labor, just and remunerative prices for our exports of raw materials, expansion of our exports of manufactures and semimanufactures," Mr. Goulart said.

The audience included, besides the delegates, representatives of international agencies, observers from a score of foreign governments and several hundred guests. Mr. Goulart spoke in the recreation hall of São Paulo University.

The conference is sponsored by the Economic and Social Council of the Organization of American States.

FUNDS DISPUTED IN BRAZIL

Mr. Goulart repeated many views he had been expressing in the context of Brazil's national politics. The country's extreme inflation, raising prices at an annual rate of more than 70 percent, and policy disagreements over the use of U.S. aid funds here have sharply reduced Brazil's access to Alliance for Progress aid.

In the preliminary, or technical, stage of this conference, which ended last week, Brazil disagreed with the United States and with a Latin-American majority on the formation of an Alliance for Progress coordinating committee. Such a body would give the Latin nations a policy voice in the alliance, without giving them control of aid funds.

Carlos Carvalho Pinto, Brazil's Minister of Finance, was elected president of the conference, Edgard Seoane, First Vice President of Peru and leader of his country's delegation, called Mr. Goulart's speech "very good." He added that he would propose the creation of an inter-American agrarian-reform cooperative bank to finance production and equipment for landowners who are settled under national agrarian-reform programs.

[From the New York Times, Nov. 11, 1963]

HARRIMAN WARNS ARGENTINA REGIME ON OIL CONTRACTS—SAYS PLAN TO CANCEL PACTS OF AMERICAN COMPANIES PERILS AID PROSPECTS

(By Edward C. Burks)

BUENOS AIRES, November 10.—W. Averell Harriman was understood today to have warned Argentina that her plan to cancel contracts with U.S. oil companies could sharply impair her prospects for future American help.

The grave turn in United States-Argentine relations became clear after a series of weekend meetings between the highest officials here and Mr. Harriman, U.S. Under Secretary of State for Political Affairs.

Under discussion was Argentina's announced intention to cancel contracts with U.S. companies, which have more than $300 million tied up in producing oil for the Argentine Government.

Argentine officials, from President Arturo Illia on down, are understood to have been told that cancellation of the contracts would

imperil both Government and private investment from the United States.

Mr. Harriman left this afternoon to head the U.S. delegation to the Inter-American Economic and Social Council meeting in São Paulo, Brazil. He still had received no assurance from Argentina's new Government that the American oil contracts would not be canceled.

POSITION MADE FULLY CLEAR

One authoritative U.S. source said:

"What the Argentines are going to do I can't *tell* you. But the American position has been made fully clear to them. They are under no illusions as to the American point of view."

High American sources noted that the Argentine Government "has been unwilling" to explain in full its position to the oil companies.

The Argentine Government maintains that the oil contracts are illegal, because they were negotiated under the government of Arturo Frondizi. The Illia government says President Frondizi bypassed Congress in negotiating the contracts.

The oil companies say the contracts were made with a legal government.

The American source also said the Argentines had not made clear that the companies would receive prompt and adequate compensation in the event of expropriations.

Mr. Harriman's unexpected visit here was ostensibly for talks about general problems and the Alliance for Progress. But it was obvious that the oil contract dispute was the main issue.

The Argentine position, as explained to Americans during the talks, was that the companies will be compensated in accordance with Argentine justice.

POSITION UNSATISFACTORY TO UNITED STATES

This was unsatisfactory to the United States, since no indication of the amount of compensation or of the promptness of payment was indicated. The U.S. position is that Argentina has a right to take over the companies if payment is prompt and adequate. But Argentine officials have indicated that payment, if any, will be small.

For instance, while the companies contend that the Government petroleum authority owes them more than $100 million for delivered oil, some Government officials say that the companies owe Argentina.

It has been argued by some in the Government that since the contracts are regarded as illegal, the tax-exemption incentives in the contracts are also void. Therefore, these officials say, the companies owe back taxes.

When the contracts were signed by companies with the Frondizi government, they went into effect by decree, without congressional ratification. In Argentina, Congress has frequently been bypassed by executive power.

Mr. Harriman's position seems to be that he is not here to defend the oil companies or bring about proper procedure in resolving such a controversy.

The explanation of the U.S. position goes much further than the question of contracts with the oil companies. Essentially, it is this: the United States wants the Alliance for Progress to work with private investment as far as possible.

Dr. Illia's Popular Radical Party opposed the contracts when they were signed several years ago and campaigned in elections last July on a platform of annulling them.

The companies maintain that with their aid production has been virtually tripled since 1959 and that Argentina has nearly attained economic self-sufficiency.

The American companies involved include Pan American-Argentina, a subsidiary of Standard of Indiana; Esso; Tennessee Gas Transmission (Cities Service); several drilling companies, and other producing companies.

[From the New York Times, Nov. 12, 1963]

ARGENTINA BARS OIL-PACT ACCORD—HARRIMAN MISSION IS CALLED FAILURE—AIDE SAYS U.S. COMPANIES OWE TAXES

(By Edward C. Burks)

BUENOS AIRES, November 11.—Argentina newspapers said today that W. Averell Harriman, Under Secretary of State for Political Affairs, had failed in his mission to persuade Argentina to soften her stand against U.S. oil companies.

Hints that the American companies involved might get relatively little compensation when Argentina took them over were also printed.

The leading afternoon paper La Razón quoted Antulio Pozzio, Fuels and Energy Secretary, as having said the companies owed a huge amount of back taxes.

The compensation to them would thus be sharply reduced when they are taken over. The Argentine Government intends to cancel the contracts under which the American companies have been working here soon, probably this week.

COMPENSATION IS AT ISSUE

The major point of dispute is whether the companies will receive prompt and adequate compensation. They say they have invested more than $200 million here and that Argentina's State Petroleum Authority owes them more than $100 million for delivered oil.

The dispute has caused the severest strain in United States-Argentine relations in years.

There are reports that both the Italian State Oil Authority and the Russians are active trying to enter petroleum production in Argentina when the Americans leave.

The issue has taken on highly nationalistic tones in a number of newspapers.

SIGNED WITH FORMER REGIME

The companies involved signed contracts with the Government of President Arturo Frondizi to drill wells and produce oil here for the State Petroleum Authority, and in one case to operate a distribution system including service stations. The Government contends that the contracts are illegal, having gone into effect without ratification by Congress. The Frondizi government put the contracts into effect by executive decree.

But Mr. Pozzio and others go further and maintain that since the contracts are illegal, the tax-exemption clauses in them are, too.

Mr. Pozzio has been quoted in the press as having said it is now a question of "who owes whom."

Mr. Harriman left yesterday after having warned Argentine officials that cancellation of the contracts without adequate and prompt compensation would severely impair Argentina's prospects for aid under the Alliance for Progress.

Mr. Harriman is heading the U.S. delegation to the Inter-American Economic and Social Council Conference at São Paulo, Brazil.

The press here is printing articles to the effect that the American companies knew the severe risks they were taking in signing the contracts with the Frondizi government.

The companies say Dr. Frondizi was a legally elected President and that the procedure for the contracts was legal.

President Illia has said the companies will receive "just compensation under Argentine law." Mr. Harriman, however, seemed to be dissatisfied with what he heard from government officials on compensation or the possible renegotiation of the contracts.

Since the American and other foreign companies began their operations in 1959, Argentine oil production has nearly tripled and the country has almost attained economic self-sufficiency.

But there were many complaints from Argentine officials that the country had to pay too much.

Government sources were quoted today as having said that Dr. Illia has succeeded in getting a high-level Washington negotiator like Mr. Harriman to come here, whereas Dr. Frondizi, despite all his friendly overtures to the United States, had never had such success.

PERIL TO ALLIANCE FUNDS SEEN

WASHINGTON, November 11.—Administration officials suggested today cancellation of Argentina's contracts with United States and European oil companies could upset efforts to get Congress to vote more funds for the Alliance for Progress.

The Argentine proposal and a similar one in Peru strike at the heart of the administration's policy to encourage private capital, in both the United States and Western Europe, to supplement Government financing of Alliance programs.

Aware of the trend toward nationalization, the Senate is considering a provision in its foreign aid bill that would require the President to suspend economic assistance to any country that decides to "repudiate or nullify existing contracts or agreements" with American companies.

Senator HUBERT H. HUMPHREY, of Minnesota, the majority whip, who last week led a drive to restore $75 million to bring Alliance funds back to $525 million, was dismayed at the developments in Argentina.

"Congress is no longer in a mood to give lending authority to the administration so that the money can be used by our Latin American friends to expropriate private American properties."

President Kennedy can be expected to express this concern in Miami next weekend to Argentina's Vice President, Carlos Humberto Perette, diplomatic officials disclosed today.

Mr. Kennedy is scheduled to attend the annual convention of the Inter-American Press Association. Mr. Perette will be in Miami for an "Argentine Friendship Week."

Diplomatic sources said it was virtually certain that the President would take advantage of Mr. Perette's presence in Miami to emphasize the administration's problems as a result of the proposed Argentine action.

Mr. Perette is considered to be among those advising President Illia to assume an intransigent attitude on the cancellation of the contracts. The Vice President has denounced the contracts as unconstitutional and harmful to the Argentine economy.

It is understood that the Vice President and a group of officials in the recently inaugurated Argentine administration would like to turn over the assets of the private companies to the Government Petroleum Authority. To keep payments for compensation to a minimum, the officials were said to have suggested that the companies pay heavy retroactive taxes for the 5 years they have been in operation.

Under the administration of President Arturo Frondizi, the companies were promised special tax concessions and participation in profits.

Mr. GRUENING. Mr. President, I should like to emphasize, for the benefit of our critics, including, especially, the Washington Post, who have designated those of us who are trying to reform the program as "Secretaries of State," that if they would only study the program, it might be manifest to them that in trying to eliminate extravagances and follies and correct past and continuing errors, we wish to save the program, not to destroy it.

Mr. MORSE. I thank the Senator from Alaska very much for the remarks he has made. I appreciate his support.

The remarks he has made are unanswerably correct.

I wish to make some quick comments about Brazil and Argentina. The Senator has referred to the New York Times article and to Brazil, raising a question as to whether the Alliance for Progress program is of sufficient merit to be of any aid to that country.

Over the weekend, someone in behalf of the Argentine Government also indicated that Argentina was in opposition to the proposal made in São Paulo, at the conference that is being held there, for any multilateral procedural arrangements whereby Latin America would exercise some voice in the administration of the Alliance for Progress program with respect to the expenditure of funds.

It is disappointing to find those comments coming from spokesmen of two countries which have been such great beneficiaries under the Alliance for Progress program, to whom the President of the United States has given so much out of his contingency fund to help shore up their monetary policies and, in some instances, to give them contingency fund money with which to pay off some American creditors. That is another example of the misuse of the contingency fund. I do not believe that the American taxpayer should have that money given to Argentina for the purpose of having that Government pay off American creditors.

Mr. GRUENING. Of course not.

Mr. MORSE. I speak with complete respect, as a great supporter of my President. I am a strong supporter of the President. Although my support may not be needed, I will do everything I can to assist him in any way I can in the great historic campaign of 1964, because the country and the world need his continuation in office. But merely because I feel that way is no reason why I should agree with him when I think he is wrong and when I am satisfied the facts have proved him to be wrong. I believe the facts have proved him to be wrong in this case. He ought to make it perfectly clear to Brazil and Argentina that they, too, will have to meet the terms and conditions of the Act of Bogotá and the Act of Punta del Este; that they will have to help themselves; and that they will have to adopt some of the reforms that we are entitled to have them adopt, before we pour more money into the Argentine and Brazil. That is the position I take. The President will receive the support not only of the United States, but also of many other parts of the world if he takes that position.

American capital cannot bridge the gulf between rich and poor. If I thought that gulf could be bridged by the expenditure of American money, I would favor it. But I believe that a continuation of our expenditures in the present manner would only make the rich nations richer and the poor nations poorer. To prevent that, it is necessary to effectuate the kind of reforms I have been talking about in my speech today.

The decisions upon which industrial and agricultural growth must be based must be made by the people of those countries. They cannot be replaced with foreign aid. In too many countries, we have tried to use foreign aid to take the place of local effort and initiative.

This is not a case of Americans becoming tired of the burden, which is the favorite phrase of the President. It is a question of whether the indigenous people are ready and willing to do what must be done to elevate their own living standards. A people described by the President as having wealth and strength—ourselves—have no more obligation to help the rest of mankind than the rest of mankind has to help itself. I do not regard this as a moral issue, but as a practical one. I am satisfied that in too many countries our aid is continued only because it is part of the executive machinery of the U.S. Government, not because it is promoting any economic growth or social progress.

One might also ask whether foreign aid is not a burden that all economically developed countries need to share. Yet the President avoided mentioning the hundreds of millions of dollars this year's bill contains in aid to those very same economically developed countries. Our failure to cease aiding them and their failure to undertake their own aid programs makes a mockery of the President's contention that this is a case of the obligation of rich nations to poor nations. We have allowed foreign aid, rather, to become an American obligation to everyone else.

In commenting on the President's speech of Friday night, I would also point out that whereas he talked mostly about health, education, and housing as objectives of foreign aid, a good third of the whole program is military aid, which has nothing to do with health, education, or housing. In too many places, in fact, military aid is undermining our social and economic programs.

So also do we send hundreds of millions of dollars abroad for purely political purposes. We give it, almost literally, to buy up foreign political leaders. Sometimes we think that by so doing we are keeping them out of the Communist camp; in other cases we are anxious to obtain or maintain military bases. Our aid programs to Sukarno in Indonesia, to the Kingdom of Jordan, and to Ethiopia, Morocco, and Libya have had that purpose. I am skeptical in the extreme of their usefulness. Above all, aid for that purpose is the most difficult to terminate, except when it is terminated by an overthrow of the recipient government by its own people.

Finally, I am most disturbed of all by the President's defense of foreign aid for the jobs it creates for American citizens. If this argument becomes intrenched in defense of foreign aid, it is going to be raised, too, in support of continued defense spending, because it is infinitely more applicable there. If we need Federal programs to reduce unemployment, there are many that are far more worthwhile to the American people than foreign aid. But if the work itself becomes more important to us than its product, then our defense economy is going to be immune from any cuts in the future, no matter what turn the cold war may take. I very much regret that this justification has become so central to the case of the aid advocates.

We need to take a long, hard look at the need for so large a defense expenditure and so large an aid expenditure, and consider the wisdom of spending a good deal of that money in our own country, to meet some of the important domestic issues that confront us that are disturbing millions of American people.

Mr. CHURCH. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CHURCH. First, I commend the Senator for the great service he has rendered in the course of the past 2 weeks in his intelligent opposition to certain features of this bill which ought to be questioned. Much credit is due him for the improvement that has been made in the bill. The Senator knows that I have sympathized with his efforts. I have done what I could, both in committee and on the floor of the Senate, to support amendments that I believed were fully justified. So I have listened with deep interest to the excellent address the Senator is making. Earlier, I heard him say that if another $40 million could be cut from the bill, all things considered, he would be satisfied. I want the Senator to correct me if I misunderstood his statement.

Mr. MORSE. May I interrupt to explain my remarks?

Mr. CHURCH. Yes.

Mr. MORSE. I said I had made clear to administration spokesmen this morning that they should take a look at the pending amendments and suggest where a $40 million reduction could be made, which would round the amount out to $500 million.

But I also made it very clear that I thought the bill ought to be cut more than that, and that I proposed to offer an amendment that would bring the amount down at least to the House figure. I believe the amount should be cut to the House figure. But we ought to proceed to see if we cannot at least make a $500 million reduction, instead of the $460 million now provided for. That does not mean that I will not try to bring about more than a $500 million reduction.

Mr. CHURCH. I share strongly the feeling of the Senator that a further cut could be made in the bill, particularly with respect to those countries with respect to which we have assumed a kind of frozen position. The Senator has mentioned some of those countries in his address today.

For example, I think of South Korea. I visited South Korea in December of last year. I was appalled to find it a garrison state, so laden with military equipment, ammunition dumps, and motor pools that one wondered why the peninsula had not sunk under the weight of the vast quantities of equipment and material we have furnished South Korea over the years.

It has been 10 years since the fighting ended in South Korea. During that time, we have been spending approximately half a billion dollars a year in aid to the government of South Korea. We have fully equipped a crack army there. Fifteen Republic of Korea divisions are on the line at the 38th parallel.

If, after 10 years of the pouring of our treasure into that peninsula, if after all our massive effort to train and equip the South Korean Army, the Koreans are still unprepared to assume the responsibility for the defense of their narrow frontier, perhaps the American people have a right to ask, "When will they be ready?"

The same objection can be made with respect to our policy in Formosa. Again, we find a frozen attitude that still calls forth a quarter of a billion dollars a year in foreign aid expenditures to that country. To what end? For what purpose? To maintain there an army that is twice as big as necessary to defend the island, but not one-tenth big enough to threaten the continent? The American people have a right to expect that the flow of foreign aid dollars will be tailored to the realities in these countries, and in certain other countries, as well, where we persist in spending a disproportionate amount of our foreign aid money. I think that here is where a further cut could readily be made.

Mr. MORSE. So do I.

Mr. CHURCH. I suggest that the Senator from Oregon give some consideration to an amendment that I have been discussing with the distinguished Senator from South Dakota [Mr. McGOVERN] and other Senators, an amendment which would call for another $40 million cut, limited to the four or five countries which receive the largest amounts of American aid, which would leave it to the discretion of the President to decide how to allocate the cut, among countries where the program is inexcusably large, and where the United States has been guilty for many years of assuming a fixed position which has not kept pace with the times.

Mr. MORSE. I shall support the amendment. In fact, I shall shortly be discussing an amendment, and in the course of my speech I shall refer in several places to the contributions which the Senator from Idaho has made in connection with the very point he is now making. We have a good case in that respect. But I made the suggestion to the administration spokesmen this morning because I thought we ought to be receiving some cooperation from the administration, in consultation, concerning where the administration thinks it can make some savings, because, as I pointed out in my remarks earlier, in my opinion, the appropriation will not go beyond $3 billion, and I think it will end with less than $3 billion. The administration ought to be consulting with the opponents of the bill and the proponents of the bill, to see if there is not some area in which our differences could be reconciled in what could be a conscionable compromise.

Mr. CHURCH. I suggest that this might very well prove to be the proper area in which to make a final cut. The five countries receiving the largest amounts of our military assistance are Vietnam, Korea, Turkey, China, and Greece. I recall that 4 years ago, when I first became a member of the Foreign Relations Committee, we were assured that our aid program to Greece was about to end, because it had gone on so long, and been so generous, that the administrators felt it had about accomplished its objectives. But here we are, 4 years later, still talking about aid to Greece, and still saying that Greece will soon be eligible for removal from the list.

So I believe the President could decide how to allocate another $40 million cut, as between the countries which get the biggest slice of our military aid. I commend such an approach to the Senator. I believe it might furnish a proper formula in connection with the allocation of a further $40 million cut, so that we could then proceed to a final vote on the bill.

Mr. MORSE. I thank the Senator from Idaho. I want him to know that I have pending an amendment which would cut $50 million from the authorization for supporting assistance which is proposed to be given to some of the countries the Senator has discussed, and would cut $5 million from the authorization for development grants. These changes would result in a substantial saving. I do not care which way we proceed to attain that goal. That is why I think we need to take an inventory of the pending amendments and determine which ones are overlapping or which ones seek to attain the same ends, and then reach an understanding as to which amendments will be offered, and in what order they will be offered. I am perfectly willing to do that. So I want the Senator to know that I have at the desk amendments which seek to accomplish the same purpose, but I would welcome an opportunity to support his amendment.

Mr. McGOVERN. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Oregon yield to the Senator from South Dakota?

Mr. MORSE. I yield.

Mr. McGOVERN. I have discussed with the Senator from Idaho the matter he has mentioned in the last few minutes. I think his suggestion would go a long way toward attaining the objective the Senator from Oregon has in mind.

Earlier today he referred at some length to the attitude of the American people in regard to foreign aid, and called attention to the fact that among the American people there is increasing opposition to foreign aid. I believe—although I could be mistaken—that the American people are strongly in favor of a considerable portion of the foreign aid program. I think there is in our country a great humanitarian tradition—which the Senator from Oregon praises and shares—which leads us to be concerned about the welfare of people in other parts of the world. I know that during the time I was privileged to work with the food-for-peace program, there was almost unanimous support of the program, insofar as we were able to evaluate the sentiment, in terms of our mail and our conversations with people all over the country. They do not want human beings anywhere in the world to be hungry. They are concerned about disease, illiteracy, and the other really basic problems which disturb the progress and the peace of the world. However, I believe they are also concerned—and if I am mistaken about this, the Senator from Oregon can correct me—with some of the things the Senator from Oregon has mentioned and is concerned about—among them, the sterile aspects of the aid program, including a sizable portion of the military aid program which we have been maintaining in the countries enumerated by the Senator from Idaho.

I have hoped we could make the sort of reductions suggested by the Senator from Idaho in the military aid program, and thus perhaps satisfy the Senator from Oregon and expedite final action by the Senate on the bill.

Mr. MORSE. I am sure that would be the result. I have said all along that I believe the American people would support a good, fair foreign aid program—but not the wasteful, inefficient programs which have come to characterize much of our foreign aid. The people of the United States are fed up—as is indicated by the editorial from the Washington Star which I have placed in the RECORD—with much of the present program; they feel that much of it is highly wasteful and should be stopped. That is why I believe we have the responsibility to rewrite this bill. I believe that thus far we have had remarkably good success with our amendments; but I believe now we have reached the point where we should hold consultations, to determine what can be done toward arriving at some acceptable compromises, thus speeding the bill on before the week is over.

Mr. GRUENING. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. GRUENING. I commend the Senator from Idaho for his statement.

As I have previously suggested, I believe the proper approach is not to make the kind of blanket cut the other body made, but to go through the program country by country. This process really was begun several years ago in the committee by the Senator from Idaho, when he urged that the countries of Europe and Japan which have become prosperous and no longer need our aid should be removed from our aid program.

If we total the savings which will be made by eliminating from the aid program our aid programs for France, West Germany, Belgium, The Netherlands, Japan, and also Taiwan, Brazil, and Argentina, as well as the aggressor nations, it is apparent that we could easily cut from the bill authorizations in the amount of $1,500 million, and perhaps more. In each case, such a cut can be justified.

For example, when I visited Taiwan, several years ago, I was amazed to observe the variety and abundance of our aid programs there. Our funds were being used for almost every sort of program the human mind could conceive of. The projects included power plants, paper plants, fertilizer plants, jute plants, fac-

tories of various kinds and the rebuilding of their fishing fleet—and of course tremendous military aid. Of course, the original purpose of our aid to Taiwan was to help that island defend itself from attack by the Red Chinese. But that objective was attained long ago. If, after we have poured billions of American dollars into that little island, it is not yet self-sufficient, I believe it is well for us to ask how much longer we intend to do for Taiwan what we would not dream of doing for ourselves.

As for the countries of South America, it is clear that Brazil and Argentina are more or less in a condition of instability; they do not live up to their commitments, and do not even attempt to follow the prescriptions which we think desirable in connection with our aid. They have not followed the principles adopted at the Punta del Este Conference and which President Kennedy has wisely prescribed.

In each case, the cuts now contemplated can be justified.

When I visited Iran, I was very favorably impressed with what the Shah and our AID administration there were attempting to do with our aid; the Shah is deserving of the highest praise for the reforms he is attempting to carry out; but I doubt very much that the large amounts we are pouring into Iran, to help build up an army for Iran, would ever stop the Russians if they determined to move into that country—in which case the military forces of Iran would offer little more defense than a paper wall. In my opinion, we should end or at least diminish our military aid there, and should devote the money thus saved to economic development, with which, as the Senator from South Dakota has said, the American people are in sympathy. Of course, we wish to help other nations get rid of illiteracy, ill health, poverty, and other conditions which encourage communism; but I believe it apparent that we can still save a vast amount of money by eliminating some of the military aid. We have pointed out that in Latin America our military aid has not served defense, but, instead, has served to support military juntas which seek to overthrow constitutional governments.

I believe we should go into the military program also country by country, just as we should do in respect to the economic program. Then I believe we should come forth with a cut that would be justifiable and defensible, and that would be substantially larger than anything that has yet been considered.

(At this point Mr. NELSON took the chair as Presiding Officer.)

Mr. MORSE. Mr. President, I now wish to say a few words about my amendment numbered 306. At the outset I wish to make it very clear that if any Senator has any suggestions for a modification of the amendment which would improve it, I should be very glad to consider modifications. I believe that when Senators hear me through, my objective will be perfectly clear. I have been told that a rumor is being circulated that the amendment would prevent sales on the part of people in the United States, and that if a country desired to buy equipment from the United States, it could not do so under the Morse amendment. If my amendment is subject to such an interpretation, it will be modified before I finally call for a vote on it. But in my judgment, the objective of the amendment is one that deserves the support of the Senate.

The amendment would prohibit further aid of any kind to economically developed countries, other than what is necessary to fulfill firm commitments made prior to July 1, 1963. Even in the case of these prior commitments, the amendment directs the President to terminate them at the earliest practicable time and to report to the House and Senate by July, 1965, on what progress he has made. The committee bill bans only grant aid to these countries, and it also makes an exception of $1 million per country in grant aid for military training expenses.

I understand that some think that the restrictions upon the President are too great. If they believe that the language should be modified in some respect in regard to those restrictions, I am open to suggestions for modifications in that respect. But what I wish to do is to accomplish the main objective of the amendment, which I now proceed to discuss.

The "economically developed countries" referred to in the amendment are those nations listed as exceptions to the definition of "economically less developed nations" contained in the United Nations General Assembly Resolution 1875 (S.IV) and in addition, West Germany and Switzerland. These latter countries are not U.N. members and hence are not listed as exceptions to the General Assembly definition.

Although the amendment does not list the countries by name, they are Australia, Austria, Belgium, Byelorussian S.S.R., Canada, Czechoslovakia, Denmark, Finland, France, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Rumania, South Africa, Sweden, Ukrainian S.S.R., Union of Soviet Socialist Republics, and the United Kingdom. Of course, the United States is also listed by the U.N. resolution as an economically developed country.

Hence, the effect of my amendment would be to prohibit any form of aid under this Foreign Assistance Act to these nations except for existing commitments, and existing commitments to them are to be renegotiated downward as quickly as possible.

It was as long ago as 1960 that the Senator from Idaho [Mr. CHURCH] first began pressing for language in the foreign aid law that would bring about a termination in aid to the economically well-off nations of Western Europe and Japan. Even at that time, the Foreign Relations Committee and the Congress were met with the self-contradictory answer that aid to these nations was being closed out and besides, the aid still being sent was necessary to afford a certain amount of flexibility to the President and to assure our allies that the United States would not let them down suddenly.

So in fiscal year 1960, we provided aid to these countries in Europe defined by the United Nations as being economically developed totaling $886 million plus $108 million more to Japan. The figures broke down as follows:

Fiscal year 1960

[In millions]

Country:	*Amount*
Austria	$1.0
Belgium-Luxembourg	9.8
Denmark	36.5
Finland	0
France	72.5
Germany	137.6
Iceland	4.9
Ireland	0
Italy	162.2
Netherlands	49.5
Norway	34.1
Poland	10.5
Sweden	0
United Kingdom	116.5
Japan	108.1
European regional	229.6

That was where things stood in 1960 when Members of the Senate began expressing increasing displeasure with continued aid to these nations. That was when the assurances were poured in that their programs were being terminated, and that if Congress would just refrain from putting anything into the law about it, the administration would take care of the matter.

So the figures came in for the next fiscal year—1961. They showed that Western Europe that year received $569.4 million from us in all forms of aid, plus another $115.8 million for Japan. That was a net reduction of a little more than $300 million. But it was not enough for our friend the Senator from Idaho [Mr. CHURCH] and many of the rest of us.

It was in 1961, as I recall, that the Senator from Idaho offered an amendment on the Senate floor calling for a more specific termination of aid to developed countries. But that was the year of the Berlin crisis. How well I remember the argument made here on the Senate floor that to cut our aid to our Western Allies at that critical time would appear to be an expression of lack of American interest in the welfare of Europe. Of course, we had already put over $41 billion into Western Europe as an expression of our concern for its security; but as we are hearing today from France in particular, there is never enough that America can do to satisfy the Europeans that we mean what we say. That is a hopeless cause. There is not enough money and there are not enough American troops in our whole country that we could put into the continent of Europe to satisfy a great many of its people that the United States means to fulfill its treaty obligation to consider an attack on a NATO member as an attack upon the United States. Yet just a few days ago, President Kennedy told us that we had to send additional American troops to Germany that year because of the unfulfilled commitments of our allies—chiefly France.

So in fiscal 1962, another $436.3 million went into the economically developed countries of Europe, plus another

$141.8 million to Japan, for a total of $578.1 million. The breakdown is as follows:

Fiscal year 1962

[In millions]

Country:	Amount
Austria	$4.2
Belgium-Luxembourg	18.8
Denmark	15.0
France	41.0
Finland	0
Germany	2.2
Iceland	4.3
Ireland	0
Italy	105.3
Netherlands	14.8
Norway	24.9
Poland	8.1
Sweden	0
United Kingdom	27.5
Japan	141.8
European regional	173.1

The figures I am using are for all forms of aid. They include food for peace, Export-Import Bank loans, and other forms of aid that are not covered in the Foreign Assistance Act. It is also true that my amendment, banning further aid to them under the Foreign Assistance Act, would not affect the food-for-peace program, not Export-Import operations.

But the great bulk of this money is still under the foreign aid program now under consideration. More specifically, the great bulk of it is in the form of military aid, and most of that is grant aid. But not all. We are also making loans for military assistance that would not be affected by the language in the committee bill.

I also point out that throughout the fiscal years since 1960, we have been sending aid, so we are told, "to carry out previous commitments." In a moment, I shall discuss the aid figures for fiscal 1963, and it will become evident that these previous commitments are apparently indefinite. Unless we direct the President to renegotiate and revise downward our "previous commitments," we will not be able to terminate our aid to Western Europe as the committee obviously desires to do.

I call attention to the aid figures for fiscal 1963 as they affect these countries. They show that little, if any, improvement was made over the previous year. The total for Western Europe was $705.7 million, with another $172.9 million for Japan. That is a total of $878.6 million.

The substantial increase over the previous year is due in part to large loans to Austria, Italy, and Japan from the Export-Import Bank, which would not be affected by my amendment. But the military aid programs showed little difference from the previous year, and in many cases were higher than in 1962.

The breakdown is as follows:

Fiscal year 1963

[In millions]

	Amount
Austria	$31.4
Belgium-Luxembourg	28.1
Denmark	24.0
Finland	None
France	30.6
Germany	.5
Iceland	1.4
Ireland	None
Italy	300.7
Netherlands	16.4
Norway	38.7

Fiscal year 1963—Continued

[In millions]

	Amount
Poland	$10.8
Sweden	None
United Kingdom	11.2
Japan	172.9
European regional	211.9

The funds listed here for Belgium-Luxembourg, Denmark, France, Netherlands, and the United Kingdom are virtually all military. For Italy, too, over $72 million of her aid is military. They are able to support themselves. If they wish to buy from us, I do not seek to prevent that, but I do not believe we should give them aid money.

I predict that unless Congress does three things in this area, the figures for fiscal 1964, which are now classified, will turn out to be almost the same as for fiscal 1963. The three things we must do are to specify the countries that are not to receive any more aid, extend the ban to loan aid, and direct a downward revision of our existing commitments. My amendment does the first by directing that no further aid is to go to the list of nations found by the United Nations to be economically developed. As I have already said, these are Australia, Austria, Belgium, Byelorussian Soviet Socialist Republic, Canada, Czechoslovakia, Denmark, Finland, France, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Rumania, South Africa, Sweden, Ukrainian Soviet Socialist Republic, the Union of Soviet Socialist Republics, the United Kingdom, and the United States. To this list I have added the Federal Republic of Germany and Switzerland, which are not members of the United Nations.

Unless we are specific, the Pentagon and our AID administrators will continue to find justification for these programs. The committee language does, after all, leave it up to the President, which is another way of saying it is up to the administrators of the program, to determine what countries are economically developed and able to finance their own defenses. You will inevitably find that when the Pentagon is anxious to have a country engage in some military activity that it is reluctant to finance itself, there will be a finding that the said country is unable to finance its defense.

Therefore, I believe it is important that we name these countries.

The language added by the committee says that "no assistance shall be furnished on a grant basis under this Act to any economically developed nation capable of sustaining its own defense burden and economic growth," and then it makes two further exceptions, one for commitments entered into before July 1, 1963, and orientation and training expenses for military purposes up to $1 million per country.

We must not leave any room for doubt as to what countries we mean when we say nations capable of sustaining their own defense burdens and economic growth. My amendment leaves no room for doubt.

The second thing we must do is to extend the ban on further aid to loans, as well as grants. As I have pointed out, we are making loans to nations of Western Europe for military purposes. There is nothing in the committee bill that would put a stop to that practice.

Those nations are capable of financing their own military commitments. Furthermore, I believe our loans should go to other parts of the world, where they are most sorely needed. That is why I am a strong supporter of increasing our loans on a specific project basis to Latin America, to name one area.

The third thing Congress must do is direct the President to revise downward our existing commitments to these countries. There are some who feel that my language goes too far in that direction, and I am perfectly willing to listen to suggestions for its revision. But if there is not some renegotiation, the grants will continue to flow into Western European nations, and perhaps into Japan, as well.

If I should be told all this should be left up to our administrators, my answer would be that we have waited for several years for the AID administrators to turn off this particular spigot. They have not done so, and I can only reach the conclusion that they never will.

My second response is to take a look at what new plans are being pressed right now in the Departments of State and Defense for Western Europe. After the ugly experience we have had in trying without success to get our NATO partners to meet their commitments, after the continuation of military aid to them long after they were able to pay their own way, the American policymakers decided we should embark on a whole new NATO program for which the United States would pay 40 percent.

This was the proposal for the NATO surface fleet. This was not a proposal that was initiated among our allies. It was not something we decided to go along with reluctantly. To the contrary, it was our own idea. It was our idea that if the alliance began to look a little shaky, it could always be repaired with American money.

So we proposed a nuclear fleet for which we would pay 40 percent. We have tried to sell this plan to NATO. We have, to put it another way, tried to persuade our NATO Allies to let the United States pay for much more than our share of a new nuclear force which would belong to the alliance. We want them to allow us, to permit us, to do this for them.

That approach, and that attitude, has characterized our whole NATO policy ever since we first sent troops to Europe in large numbers in the early 1950's. It is why I have no confidence at all that financial and military aid to them will stop unless Congress itself stops it.

In some respects, our allies have used better judgment themselves. Last Friday morning's New York Times published the story that the Military Committee of the NATO Parliamentary Conference has recommended against the nuclear surface fleet. It rightly called it military superfluity and therefore a waste.

I surely welcome this indication that the American taxpayers may not, after

all, get stuck for another multibillion-dollar outlay representing the American share of what Great Britain, France, Norway, Denmark, Belgium, and the Netherlands should be doing for the alliance. I believe the 40-percent proposed payment is outrageous.

Apparently they have saved us from that fate, when our own policymakers were determined to go ahead with it.

This is why I believe my amendment is necessary if Congress is to see the termination of U.S. aid to these countries.

Mr. President, I rest my case at this point on my amendment. I hope if the discussion which will take place on the floor or in the cloakrooms in the next hour or so results in adjustments to this amendment that Senators believe should be made, we can at the same time protect its objective. I believe this is the time when we should say that American aid money should no longer go to self-sufficient NATO countries, but should go to the truly underdeveloped areas of the world where it is so important to us, on a project-to-project basis, to be of help to governments willing to help themselves.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE] to the committee amendment, in the nature of a substitute, on page 47, lines 15 to 21.

Mr. FULBRIGHT. 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. FULBRIGHT. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

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

AMENDMENT NO. 315

Mr. MUNDT. Mr. President, I was amazed to read in the Washington Post for Tuesday, November 5, a story that the U.S. Government, through the medium of the Export-Import Bank, will underwrite the credit risk involved in the recent sale of corn to Communist Hungary. This story states that the Federal Government has decided to underwrite all the credit risks for American banks engaged in financing the sale of $6 million worth of surplus U.S. corn to Hungary, which, of course, is a member of the Communist bloc. It was my understanding that at the time the President made the announcement that this Government would approve applications for licenses for private corporations to negotiate sales of wheat and other grains to the Soviets and their satellites, he implied that the carrying out of these negotiations would be through private channels, with the grain trade negotiating the sales and the sales being consummated for cash or gold or short term credit extended through private channels. There was no indication that the American taxpayer would be called upon to underwrite the credit risk involved in export sales to Communist countries, at the time the President made his statement on radio and television about the wheat sale.

I was not alone in this understanding of the proposal made by President Kennedy, because I hold in my hand the November 1963, Washington newsletter, No. 242, issued by the Friends Committee on National Legislation in which the organization comments with some caution, but with commendation on the decision to sell wheat to the Communist countries. However, it also appears to be laboring under a misapprehension about the manner in which it is now proposed to finance these sales to the Communist bloc countries.

I quote from the Friends newsletter:

> In order to avoid legislative restrictions and rally public support, the President has specified that the sales would be (1) made through private dealers, (2) for dollars or gold—

I repeat the second category, Mr. President, because we heard much about that when we were discussing the wheat sale—

> (2) for dollars or gold; (3) for cash or short-term credit; (4) not diverted to Communist China or Cuba, and (5) carried in available American ships, supplemented by ships of other countries. This last requirement is still being modified because of the high level of U.S. shipping rates.

In view of the general understanding involved in the Presidential announcement that we were about to start selling grain to Communist countries, I was understandably shocked to read in the Washington Post for November 5 an article under the byline of Vincent J. Burke, under the heading "Government Will Underwrite Credit Risk in Sale to Hungary."

I read a portion of that news release:

> The Federal Government has decided to underwrite all the credit risks for American banks engaged in financing sale of $6 million worth of surplus U.S. corn to Communist Hungary.
>
> It is expected that similar credit guarantees will be extended to the pending $250 million sale of wheat to the Soviet Union.

I call that to the attention of the Senate because we now have opportunity to do something about the complete switch in the understanding of the people of this country that this sale was to be made for cash to what now appears to be a program to have the American people underwrite all the bad debts the Communists may accumulate in connection with the sale.

I read this rather startling announcement because it is pertinent to an amendment I propose to offer to the foreign aid bill. It is expected that similar guarantees will be extended for the $250 million wheat sale to the Soviet Union.

I quote again from Mr. Burke's article in the Washington Post of November 5:

> In announcing a month ago that the Government would permit the sale of wheat to the [Soviet] Union, President Kennedy said it would be sold by private dealers for American dollars or gold, either cash on delivery or normal commercial terms.

If that were all that were involved, it would be bad enough. I submit that sales of this type, even if they were made to Communist countries for cash, involve a switch in our American foreign policy, because they provide, instead of a policy of trying to restrict export of supplies to strengthen Communist countries, one of actually encouraging shipment of supplies to strengthen the Communist countries so as to give them extra weapons, extra power, extra energy enabling them to continue to intimidate the neutral countries of the world and countries of the free world, in order to compel the continuation of the necessary appropriation of moneys such as we are called upon to authorize today in the foreign aid bill.

It would be bad enough if the administration were to undertake this action even on sales for Communist gold by Executive decree without consultation with Congress. However, when, instead of that, we are now told that these sales are to be made for credit, instead of cash or gold, that is something quite different. When we are now told that the credit risk is being underwritten by the Export-Import Bank, which is financed exclusively by American funds, I believe that we confront a situation which is utterly indefensible.

I point out another statement in the Washington Post article:

> Actually, it is customary for the Export-Import Bank, a Government agency, to guarantee one-half of the short-term credit extended by private commercial banks on sale of big shipments of American goods abroad. The agency's chief purpose is to promote foreign sale of American products.
>
> Departing from its usual 50–50 practice the Export-Import Bank has agreed to guarantee all—

Let me repeat that, because I want Senators and the country generally to understand what we are confronted with in this situation—

> Departing from its usual 50–50 practice, the Export-Import Bank has agreed to guarantee all—
>
> A-1-1—
>
> all the short-term credit extended by banks to finance the sale of corn to Hungary.

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

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

GOVERNMENT WILL UNDERWRITE CREDIT RISK IN SALE TO HUNGARY

(By Vincent J. Burke)

> The Federal Government has decided to underwrite all the credit risks for American banks engaged in financing sale of $6 million worth of surplus U.S. corn to Communist Hungary.
>
> It is expected that similar credit guarantee will be extended to the pending $250-million sale of wheat to the Soviet Union. When and if that happens, informed sources said yesterday, a group of House Republicans is preparing to attack the Kennedy administration's handling of the sale.
>
> In announcing a month ago that the Government would permit the sale of wheat to the Union, President Kennedy said it would be sold "by private dealers for American dollars or gold, either cash on delivery or normal commercial terms."
>
> Actually, it is customary for the Export-Import Bank, a Government agency, to guarantee one-half of the short-term credit extended by private commercial banks on sale

of big shipments of American goods abroad. The agency's chief purpose is to promote foreign sale of American products.

Departing from its usual 50–50 practice, the Export-Import Bank has agreed to guarantee all the short-term credit extended by banks to finance the sale of corn to Hungary.

This was done after the commercial banks refused to take the risks required under the agency's normal practice.

Also yesterday, the Commerce Department granted a license for the shipment of about $1 million worth of corn to Hungary—the *sixth such license* granted since October 23.

The license permits the shipment of 600,000 bushels of yellow corn, valued at $1,031,000.

Mr. MUNDT. Mr. President, at a time when we are discussing whether we should authorize $3 billion, $4 billion, or even $5 billion of foreign aid money to strengthen the mutual capacity of countries in the free world to resist the continuing encroachments of communism, I ask my colleagues seriously whether we want to place the American taxpayer in a position where, with his dollars, we propose to guarantee all of the credits that the Communists utilize in buying from us the supplies they need to strengthen the capacity of the Communists to threaten the portion of the world which we are seeking in this pending bill to protect.

I ask unanimous consent that there may be printed in the RECORD at this point the text of the amendment which I have sent to the desk, and which I shall offer in due course, and on which I shall ask Senators to express their opinion as to what they think of this kind of practice, in a yea-and-nay vote.

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

On page 54, after line 4, insert the following:

"SEC. 404. Neither the Export-Import Bank nor any other agency of the Government shall guarantee the payment of any obligation heretofore or hereafter incurred by any Communist country (as defined in section 620 *(f)* of the Foreign Assistance Act of 1961) or any agency or national thereof, or in any other way participate in the extension of credit to any such country, agency, or national, in connection with the purchase of grain or any product thereof by such country, agency, or national."

Mr. MUNDT. Mr. President, I believe the decision to approve such sales of grain to the Soviets is wrong since while we are working on legislation here today to make funds available for programs to build up the economy and the muscle of the free world, the White House and the State Department, without any "advice and consent" of the Senate, are taking action to alleviate and correct mistakes in the administration of their economy by the Communists and their satellites.

I must confess that this decision has been made, not by Congress, but by Senators or Representatives, but by executive decree, in spite of the clear-cut understanding that sales were to be made for cash or short-term credit, and also with the understanding that it was to be shipped mainly in American bottoms. I do not know what our free world friends think about a proposal that has now become a fact, whereby we are now selling American surplus grains to the Communists at a cheaper delivered price than that at which we are selling it to our friends in the free world. We have established a practice—properly so—that our exports to those countries are to be carried in American bottoms, in American ships whose crews receive American wage scales. That is appropriate. Now we are selling grain to the Communists at the world price, which is the price that we also use in selling grains to friendly countries; but when we sell grains to friendly countries, and ship them in American bottoms, the cost to the recipient is greater than what we are charging the Communists, because they get shipping at reduced negotiated rates.

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

Mr. MUNDT. I yield.

Mr. FULBRIGHT. I am curious about the last statement the Senator has made. Does he have reference to sales under the authority of the AID bill, or commercial practice?

Mr. MUNDT. I have reference to the fact that we have sold, from Commodity Credit Corporation stocks, at world prices, to Germany and other friendly countries, grains which we delivered to them in American bottoms. Now we are selling grains to the Communists and delivering them in American bottoms at lower delivered prices.

Mr. FULBRIGHT. Let me get this point clear. Does the Senator mean that West Germany has bought American products and paid the world price plus the American shipping price, which is substantially above the going price for shipping? Is that a fact?

Mr. MUNDT. They have done that, unless they have been able to carry the products in their own bottoms.

Mr. FULBRIGHT. Without any ifs, ands, or buts, have they actually done it?

Mr. MUNDT. They have not been getting it at the discounted American delivered price in American bottoms.

Mr. FULBRIGHT. Have they paid a premium price for it?

Mr. MUNDT. They paid the same price that the Communists are paying, the world price, but they have the problem of having the grain shipped to a friendly country.

Mr. FULBRIGHT. Does the Senator know of an instance in which the West Germans have used American bottoms when any other bottoms were available?

Mr. MUNDT. I know of the fact that they either have used American bottoms and paid American prices, or have shipped the products in other bottoms. We have not given to them the concession that we are giving to the Russians, at a negotiated price downward.

Mr. FULBRIGHT. I have always considered the Germans to be pretty good traders. I have never heard of them paying a premium above the world price.

Mr. MUNDT. Yes; they are good traders, and they also are considered good friends of ours. In no instance have we offered them the identical shipping concessions that we are offering to the Communists.

Mr. FULBRIGHT. I do not understand what the Senator means by concessions. Whenever a foreign country pays cash for a commodity, it usually purchases the transportation at the lowest price it can get. Is that not the common practice?

Mr. MUNDT. Of course.

Mr. FULBRIGHT. Where is there any concession?

Mr. MUNDT. It is also common practice for them to provide their own delivery, or we deliver it at our standard, acceptable American fees.

Mr. FULBRIGHT. Does the Senator believe that they could not hire a ship flying the Liberian flag?

Mr. MUNDT. If they did that, that would be their own delivery.

Mr. FULBRIGHT. Their own delivery. The Senator does not mean that it must be a West German flag ship?

Mr. MUNDT. Whatever arrangement they make would constitute their own delivery system.

Mr. FULBRIGHT. What is the conclusion the Senator is drawing?

Mr. MUNDT. We have not offered to deliver the products in Americans ships at the reduced price that we are offering to the Communists.

Mr. FULBRIGHT. The price is still higher than the going price for non-American ships. Is that correct?

Mr. MUNDT. It could well be.

Mr. FULBRIGHT. The newspaper article points that out.

Mr. MUNDT. We are offering preferential treatment to the Soviet Union and to Hungary giving them the status of most favored nations, because we have offered to them a delivery system. I do not know who takes the loss—whether it be the shipper or the seamen.

Mr. FULBRIGHT. I submit that that is a distortion of the facts, because what they want to do is ship it in ships they can hire at a lower price than what we are offering them.

Mr. MUNDT. Not American ships, though.

Mr. FULBRIGHT. No; ships that will carry it more cheaply.

Mr. MUNDT. Can the Senator name any country which has purchased surplus American wheat from the Commodity Credit Corporation when we have offered to deliver it in American ships at a lower rate than the prevailing rate? We are speaking now of a commercial practice.

Mr. FULBRIGHT. This policy would require shipment in American ships at higher prices. The way the newspapers report the deal, other countries will not ship in non-American ships at prices even lower than negotiated prices.

Mr. MUNDT. We are not sure what the new rates will be. I have never seen them published. I have been told they were negotiated sharply downward.

Mr. FULBRIGHT. I read in the press that the prevailing price as of the date of the article, which was published last week, in non-American ships is close to $13 a ton delivered to Black Sea ports; while the going price in American ships is $23. There has been talk of trying to reduce the rate in American ships to $18, but that would still be substantially

above the rates in non-American ships. Certainly it is not a privilege to allow the buyer to pay $5 or $6 a ton more than the going rate.

Mr. MUNDT. It is certainly a privilege if the recipient country is in a position in which it needs to use American ships.

Mr. FULBRIGHT. But they do not want to carry it in American ships. This is not a privilege they are seeking.

Mr. MUNDT. They are getting the benefit, however, of the fact that we are giving Communist countries a specific rate reduction.

Mr. FULBRIGHT. I am not interested in whether they use American ships or not. I merely thought the facts as to the actual situation should be fairly stated.

Mr. MUNDT. I think the facts will all be better clarified when we get from the administration a specific statement, first, as to what will be the new special rate to Communist countries, and second, who will absorb the difference. Will the American shipping companies make a smaller profit, or will the men who work on the ships receive a smaller wage? Or are we going to shuffle off the difference on the American taxpayer in the form of some new kind of subsidy? There are facts we all want to have in that connection.

However, the main burden of my remarks this afternoon, and the sole purpose of the amendment which I have offered, deals with the question of whether, in the credit involved, we want to compel the American taxpayer to underwrite any bad debts which might eventuate.

Mr. HICKENLOOPER. Mr. President, will the Senator from South Dakota yield?

Mr. MUNDT. I am happy to yield to the Senator from Iowa.

Mr. HICKENLOOPER. Perhaps what I am about to say is somewhat collateral to the Senator's very interesting, informative speech. However, I just took from the news ticker an interesting piece of information which might be of interest to the Senator in his discussion. It is a UPI dispatch from Moscow, with reference to Cuba. It reads:

The Government newspaper Izvestia—

I interpolate that Izvestia has never been known, so far as I am aware, to print anything that did not have the approval of Moscow.

Mr. MUNDT. I am sure that is a correct statement.

Mr. HICKENLOOPER. I continue to read:

The Government newspaper Izvestia said tonight the Soviet Union never promised the United States to withdraw all Russian troops from Cuba.

It said the question of Soviet troops in Cuba "is a problem between the Soviet Union and Cuba" and no one else.

A leading Izvestia article signed "Observer" referred to a claim attributed to U.S. special envoy W. A. Harriman that Premier Khrushchev promised him that all Russion troops would be pulled out of Cuba.

"It is difficult to say with whom this version originated, with Harriman himself or the New York Herald Tribune which quoted him," Izvestia said.

The Soviet newspaper apparently referred to a Washington column by Joseph Alsop published in the October 31 issue of the Paris edition of the New York Herald Tribune. It said in part:

"When Governor Averell Harriman was in Moscow, Nikita S. Khrushchev twice assured him that all Russian troops would eventually be brought home from Cuba. 'Why should we keep them there?' Khrushchev asked, and added that the men of the Red army did not like being there either because of the steamy Cuban climate."

The interesting thing about this dispatch is that the Kremlin seems to be reverting to type and is now saying it did not say what most observers said it did say some time ago. The merry-go-round goes round and round, and we are still dealing with Communist operations.

Mr. MUNDT. It seems to me that that statement emphasizes at least the fact that we received no quid pro quo from the Communists in turn for our willingness to bail out Soviet Russia from the serious problems that confront them, because of their failure to be able to establish a collectivist farm program and make it successful.

It would appear that the spirit of Moscow is reverting to the spirit of Moscow B.D.S.—before the death of Stalin—because I saw none of this fine, conciliatory aspect in what the Senator has read, and which we sometimes read in language that is uttered by Khrushchev.

Mr. HICKENLOOPER. Would the Senator say that the spirit of Moscow should more properly be called the specter of Moscow?

Mr. MUNDT. I think that would be much more appropriate.

Mr. President, I continue with the point I am trying to make about the import of the amendment which I have submitted, and which I hope will be adopted by the Senate overwhelmingly, or perhaps the Committee on Foreign Relations will accept it and obviate the necessity of a yea-and-nay vote, because it seems to me it is a perfectly logical, necessary, and sound amendment.

Is it not odd that just a few weeks ago we were asked to advise and consent on a test ban treaty, whose major provisions were already effective in this country through the President's proclamation at his American University speech on June 10, which precluded our testing of nuclear weapons?

On this issue, already decided by Executive decree, the Senate was asked to advise and consent.

The decision to sell wheat and other grains to Russia and the Communist bloc was made in the executive branch of the Government—without any advice or consent by the Congress. In my opinion, Mr. President, our ratification of the test ban treaty proposal and the decision to approve sales of wheat and grains to the Communist bloc demonstrate significant needs for changing the guidelines established as a basis for our American foreign policy—if indeed it does have established guidelines. Both of the above instances have a bearing on the decisions we are now making on this foreign assistance legislation. While we are asked yearly to authorize the appropriation of billions of dollars for foreign aid to strengthen the economy and the muscle of the free world, it is only in those instances where it helps the propagandists of this administration that we are asked to "advise and consent." Congress was not—and I repeat, not—asked to express its thoughts in any form on the approval of the sale of wheat to Russia and the Communist bloc nations.

Mr. President, to compound even further the seeming contempt for an expression of Congress on the wheat sale approval, the administration has now made a decision to use the dollars of American taxpayers to guarantee American banks extending credit for these sales so that if the Russians or any of their satellites default on their payments on credit extended, the Export-Import Bank, which is financed wholly by American dollars, will reimburse these private banking institutions suffering losses.

In no other instance according to the Washington Post report does the Export-Import Bank go that far. We would grant to the Communists by this decision a consideration we deny other countries, anywhere in the world. This is another instance of most-favored-nation treatment; and to me, for some inexplicable reason, the "most favored nation" is to be one in the Communist bloc, instead of one of our allies or our friends.

It is proposed that our Government guarantee the full payment of the loans. What a strange departure from the original White House statement, which was that we were to be paid in gold or in cash or in short-term credits. But Uncle Sam, not the private lending institutions, is to take the risk of these sales. The private lenders, however, instead of Uncle Sam, will make the profit on them.

If there is a default on any credit extended for the sale of this wheat, it will be the American taxpayer, or good old "Uncle Sucker," who will take the loss, not the private banking institutions, since they will be protected by the administration's decision from any loss of dollars. My amendment would prohibit this kind of financial shenanigan. It would prohibit the Export-Import Bank or any other agency of Government from guaranteeing repayment of these credits extended by private American banking institutions to Communist countries. It would insure that the wheat and other grain sales are strictly consummated through private channels, as the President said they would be; and without Government support, as the President said would happen; and that the grain trade and private credit institutions would be undertaking and entering into such sales contracts at their own risk and for their own profit, not at the risk of the unsuspecting American taxpayers.

The American taxpayer should not be asked or required to pick up the very substantial risk in these sales which many private grain traders now want to exploit. My amendment would protect the overburdened taxpayers of America and would place American financial institutions who provide the credit in this instance on notice that these grain sales will be conducted on the same basis as sales negotiated in this country. Private credit will take the

risks, make the profits, and stand the losses—if losses occur for any reason whatsoever. My President, I hope that when my amendment is offered, it will be adopted, so that sales of grain to the Communist bloc will not be at the expense of the U.S. taxpayers in case the Communists default on their payments and violate still another one of their promises.

Mr. President, if we are to continue to spend billions of dollars to strengthen the capacity of the free world to defend itself against Communist subversion and aggression, the least we can do as Senators and as guardians of the interests of the American people is to make sure that our fellow taxpayers are not also charged with the expense of providing supplies to the Communist countries whose persistent attacks against free world security make these AID appropriations or some other type of foreign assistance program necessary. My amendment would do precisely that—no more and no less. It would protect the American taxpayers against the very probable contingency that he will have to pay through the Export-Import Bank for the credits defaulted by Communist countries to which our wheat and grain are being sold.

In my opinion, the whole concept of strengthening our enemies by selling them the supplies they need on credit terms which will safeguard their Communist economies, while at the same time spending billions of dollars strengthening the capacity of our friends to resist the encroachments of aggressive, atheistic communism, as we are being asked to do by means of the present foreign aid and assistance bill, is a highly questionable and sadly inconsistent concept. It clearly indicates the need for the evolvement of a new type of U.S. foreign policy. Our constituents have the right to expect more constructive and more consistent action from their Senators than mere endorsement of such an inconsistent self-defeating program as involved in our prevailing foreign policy.

Surely, the long record of broken promises by the Communists does nothing to give them a high-grade credit rating. Once they have our merchandise, they can and will default on their payments with the same contemptuous disdain that they have demonstrated in their failure to pay the just debts they owe to us for previous credits and to pay the debts which today they owe to the United Nations and to the other free sectors of the world. It does not make good sense—in fact, it makes no sense at all—to use the funds of the United States to guarantee the credit and to underwrite the financial "good intentions" of the Communists. This is even more startling than appeasement; this is an endorsement of the checks and the notes to be utilized by the Communists in purchasing supplies to strengthen their capacity to attack us. It is a startling anomaly. If we must sell them food and merchandise which I very much doubt—the least we can insist upon is that they pay cash for what they buy, or that those seeking a quick profit by selling to the Communists on long term credit assume responsibility for their own losses and for their failure to collect on credits extended to those who so often have demonstrated their bad faith in one program and one promise after another.

Let those who would make the profit assume the risk, Mr. President. Let us not try to compel all the taxpayers of the United States to underwrite the bad faith of the Communists, who seek to obtain from us the supplies, the food, and the fabric required in order to strengthen them in their mad desire to bury the free world and to destroy Christendom.

I shall have more to say on this subject when I call up my amendment. At this time I merely make this preliminary statement in the hope that Senators will read and study the amendment and acquaint themselves with the facts, and in order that the country generally may know what will be provided by the succession of appeasing actions favorable to the Communists unless we take the opportunity provided by my amendment to call a halt to a suicidal program of that kind.

Mr. President, I urge the adoption of my amendment in order to protect the American taxpayers against the necessity of being called upon to finance both sides of the cold war at the same time. It is bad enough that we are now beyond the $100 billion mark in helping to finance the free side of the cold war. But now, when we are asked to go beyond the $100 billion mark and to appropriate additional billions, we are told that the American taxpayers not only are to underwrite and support to that extent the free world, but also they are to finance the Communist side of the cold war by guaranteeing any debt the Communists incur in purchasing supplies from the United States. I ask Senators to consider seriously the ultimate consequence of such a reckless squandering of our country's resources.

Mr. FULBRIGHT. Mr. President, some of the statements which have been made are quite inaccurate and are among the strangest interpretations of the facts I have ever heard on the floor of the Senate.

I have had prepared a memorandum based upon an inquiry made some days ago of the Export-Import Bank. Last week I received an inquiry relative to an article published in the Washington Post.

Mr. President, I shall read the last paragraph of the memorandum, in order to indicate what I mean:

The Export-Import Bank stresses that there is nothing new in these arrangements—aside from the fact that a short-term credit risk is being covered with respect to a Soviet bloc country. In fact, the Bank has been making similar arrangements, on more liberal terms, with respect to sales of cotton ever since the Bank was established. In last July, for example, a $60 million sale of cotton to Japan was covered by 100-percent political and credit guarantees; no downpayment was asked and a lower interest rate was involved.

The remainder of the memorandum deals with the specific conditions of these sales. I shall not take the time of the Senate to read the entire memorandum at this time, inasmuch as the amendment to which it is relevant is not now pending; but I believe it will be helpful, for the information of the Senate, to have the memorandum printed in the RECORD; and no doubt this question will be discussed further when the amendment is before the Senate.

I ask unanimous consent that the memorandum be printed in the RECORD.

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

MEMORANDUM: EXPORT-IMPORT BANK GUARANTEES OF SALES TO BLOC, NOVEMBER 6, 1963

The story in yesterday's Washington Post concerning the Export-Import Bank's guarantee of a sale of corn to Hungary, and the Bank's readiness to extend similar terms with respect to other commodity deals with the Soviet bloc, contains at least two errors. First, as will be seen from the detailed account below, the Bank is not covering 100 percent of the financing of the corn deal of about $6 million with Hungary. Second, there is no "usual 50–50 practice" concerning guarantees, contrary to the newspaper story.

The Export-Import Bank has announced terms which would be extended, if accepted, to any of the deals between American suppliers and Soviet bloc purchasers of commodities. These arrangements are as follows: The Bank is ready to issue guarantees through U.S. commercial banks. The Bank itself will not grant any credits. It will issue 100 percent guarantees against the political risks and full coverage of certain credit arrangements which are made. However, these terms depend completely on the following conditions being met first: (1) The purchasing country must pay 25 percent of the purchase price in dollars to the commercial bank representing the supplier prior to shipment of the commodity; (2) a maximum of 18 months credit for the balance may be extended by the commercial bank; and (3) the balance of 75 percent of the purchase price must be paid in three equal installments at 6-month intervals during those 18 months—an interest charge of 5 percent is levied on this balance. In connection with the above account, it should be understood that the buyer has to make contact with the American supplier, who then turns to a U.S. commercial bank, which in turn would go to the Export-Import Bank.

The Export-Import Bank stresses that there is nothing new in these arrangements—aside from the fact that a short-term credit risk is being covered with respect to a Soviet bloc country. In fact, the Bank has been making similar arrangements, on more liberal terms, with respect to sales of cotton ever since the Bank was established. In last July, for example, a $60 million sale of cotton to Japan was covered by 100 percent political and credit guarantees; no downpayment was asked and a lower interest rate was involved.

PROPOSED PAY INCREASE UNREALISTIC

Mr. YOUNG of Ohio. Mr. President, within a short time the Post Office and Civil Service Committee of the House of Representatives will issue a report recommending salary increases for all

three branches of the Federal Government—the executive, the judiciary, and the legislative.

Last June 13 I spoke out in this Chamber and cautioned against the king-size salary increases recommended by the President's Advisory Committee. Unfortunately, it appears that the bill soon to be voted on in the House of Representatives for the most part embodies these unrealistic recommendations.

This legislative proposal if enacted into law will cost American taxpayers over $600 million a year. This is only the beginning. History teaches us we may be assured that within the next 2 years another pay increase bill will be requested. Also, as the Federal bureaucracy grows, the price tag for this increase will grow with it.

Frankly, Mr. President, I believe that this proposed legislation would be a fantastic raid upon the Public Treasury. Long ago it was written:

> Enter ye the strait gate: for wide is the gate, and broad is the way that leadeth to destruction, and many there be which go in thereat: because strait is the gate, and narrow is the way, which leadeth unto life, and few there be who find it.

The gate to the Public Treasury is wide, and broad is the way. Far too many there be which go in thereat. As Senators of the United States it is our duty to guard this gate and to protect it to the utmost against unreasonable and unwarranted entry.

I cannot in good conscience support the proposed pay raise bill in its present form. It would increase the salaries of Cabinet officers from $25,000 to $40,000 per year, and make comparable increases for salaries of the various and sundry deputy secretaries, under secretaries, assistant secretaries, and administrators—some to $38,500 per annum. Then there are substantial raises for the deputy assistant secretaries, deputy commissioners, administrative assistants, executive assistants, and right down the line. These bureaucrats frequently solicit and because of pressing their applications receive these appointments. Frequently, probably almost daily, I am besieged with requests from qualified men and women seeking appointive Federal jobs. I am sure that this is true of other Senators.

We hear the argument that many important positions go unfilled or are occupied by unqualified people because those who are qualified to fill them will not leave private industry for a lower Federal salary. I am sure that this is probably true in some cases. However, I have never seen the results of any study which named names and named jobs that have gone begging or whose functions are not being adequately performed for this reason.

If it is necessary to raise the salaries for 10, 20, 50, 100, or even 1,000 Federal jobs in order to lure competent people, is it necessary at the same time to raise the salaries of all Federal employees for the sake of these few? Frankly, I am tired of this wornout argument. If there are certain Federal positions for which there is proof that a higher salary level is needed to attract competent people, then let these jobs be named specifically and let specific legislation be enacted to correct the problem.

For years every time a pay raise bill comes before the Congress, we have heard this timeworn argument. I ask my colleagues, is it necessary and fair to the taxpayers to raise the pay of 2,000 second-, third-, and fourth-level administrators in order to obtain 50 qualified first-level administrators?

Regarding U.S. judges it is well known that whenever there is a vacancy on the Federal bench, many, sometimes hundreds, of competent lawyers seek the appointment. There are at most but a few hundred lawyers in our Nation, who, if offered an appointment to the Federal bench, would not accept. Although there may be some, it is extremely doubtful that a lawyer would refuse appointment to the Federal bench at $22,500 a year and agree to accept were the salary to be increased to $35,000. I would like to know the name of one man in the Nation who would refuse appointment to the U.S. Supreme Court, the highest honor a lawyer may receive, solely because this position pays $35,000 a year and not $45,000.

It should be remembered that in addition to the prestige and other emoluments that accrue to a member of the Federal bench, these judges enjoy their salary as long as they live whether they continue to serve actively or whether they retire following 10 years of service having reached the age of 70. Talk about job security, they have it for life and with all the trimmings.

There are Federal judges today in Ohio and in most other States who have reached retirement age and could have retired years ago. Evidently, they do not feel that they are being underpaid as many continue to serve actively well beyond the retirement age of 3 score and 10.

Furthermore, the vast body of Federal employees, protected as they are by Civil Service, on retirement receive an annuity which is comparable to the best in private industry.

Mr. President, I am also opposed to the $10,000 salary increase for Senators and Members of the House of Representatives. However, there is much more merit to a reasonable increase in salaries for Members of the Congress than for appointed officials and the judiciary. It seems to me outrageous to propose that the Administrator of some independent agency should receive a salary in excess of that of a U.S. Senator.

The bill pending in the House of Representatives would create a new group of bureaucrats, many hundreds of whom would receive salaries of $38,500 per annum. They are appointed officials. They do not have to spend campaign money to be elected. The cost of campaigning to be elected to the House of Representatives or the U.S. Senate has become terrific, almost beyond comprehension. Furthermore, following election, even though a candidate had political contributions to help him defray the cost of campaigning, he should maintain close relations with his constituents and wishes to do that. This means frequent travel to his home State. It means maintaining his home there as well as a Washington residence. Contrary to the belief of many people, Senators do not have expense accounts except for transportation costs alone of two trips a year to their home States. Furthermore, I seriously question whether there would be any additional candidates for election to the Congress because of the proposed pay raise. No doubt the same men and women would be elected or returned to the Congress. The fact is that very few men and women of high achievement in private life would refuse appointment or certain election to the Senate of the United States or the House of Representatives.

Another argument which we constantly hear in connection with pay raises is that the Federal Government must be competitive with private industry. Private industry bases its pay scale on profits. Where profits are great, salaries in many instances are supercolossal. I make no complaint about this. However, no such factor governs the Federal Government's payroll. Our Government's only source of income for paying salaries is the taxpayer who, heaven knows, already is bearing a heavy enough burden.

An essential factor the committee has failed to recognize is that the purpose of Government is service whereas the purpose of industry is profit. If the goal is to try to match the pay scale of private industry, then we must accept the fact that this proposed bill is only the first installment, and that future requests will indeed make this present legislation look miserly.

We should realize that the Federal Government can never match the salaries of private industry. We shall always have to rely to a marked degree on many citizens to serve their Government as their lives' work. That is as it should be.

It is fair to say that citizens generally wish public officials to be paid adequately. It would be foreign to our American way of life were Congressmen, for example, to be denied adequate compensation. It would be unfortunate were only men and women born to great wealth, or who had acquired great wealth, able to afford to occupy public office, elective, or appointive. No one wants that. On the other hand in my judgment the House Post Office and Civil Service Committee has reportedly come forth with overly generous and, in fact, outrageously high salary recommendations.

Mr. President, because of my opposition to a salary raid on the Public Treasury at this time, I have received criticism from some on the Federal payroll. It startled me somewhat that one of them, Representative WAYNE HAYS, of Ohio, according to newspaper reports, stated that both Ohio's Senators were not worth the increased salary proposed for Members of the Congress. Mr. President, I ask unanimous consent that pertinent excerpts from an article entitled "HAYS Says Ohio Senators Are Not Worth Pay

Increase," which appeared in the Cleveland Press on October 31, 1963, be printed in the RECORD at this point as part of my remarks.

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

HAYS SAYS OHIO SENATORS ARE NOT WORTH PAY INCREASE

(By Thomas Talburt)

WASHINGTON.—Congressman WAYNE HAYS, Democrat, of Ohio, says he understands why both of Ohio's Democrat Senators oppose a congressional pay raise. He says they're not worth it.

HAYS, who's backing a proposed pay boost, said he'll offer an amendment to pay legislators on a sliding scale from $5,000 to $35,000 a year and let each Member decide for himself how much he is worth.

"If my amendment passes and either Ohio Senator says he's worth more than $5,000, he could be tried for perjury," snapped HAYS.

After placing rather dubious prices on the heads of Senators FRANK LAUSCHE and STEPHEN YOUNG, HAYS was asked to evaluate his own performance.

"I'm worth the maximum," he declared.

"I'm sick of demagogs," HAYS added. "There are plenty of people in Congress who will vote against the bill and then be the first in line to get their checks.

Senator YOUNG laughed when told of HAYS' comments, but offered no reply. LAUSCHE could not be reached.

WANTS $35,000

The pay bill approved by the House Civil Service Committee yesterday provides a $10,000-a-year raise for Senators and Congressmen, from $22,500 to $32,500. HAYS is holding out for $35,000.

This article by Tom Talburt, Washington correspondent for the Scripps-Howard newspapers, contains the following specific statements made by Representative HAYS:

Congressman WAYNE HAYS, Democrat, of Ohio, says he understands why both of Ohio's Democratic Senators oppose a congressional pay raise. He says they're not worth it.

HAYS, who's backing a proposed pay boost, said he'll offer an amendment to pay legislators on a sliding scale from $5,000 to $35,000 a year and let each Member decide for himself how much he is worth.

"If my amendment passes and either Ohio Senator says he's worth more than $5,000, he could be tried for perjury," snapped HAYS.

After placing rather dubious prices on the heads of Senators FRANK LAUSCHE and STEPHEN YOUNG, HAYS was asked to evaluate his own performance.

"I'm worth the maximum," he declared.

My first acquaintance with the gentleman from the 18th Ohio District was in January 1949, when he came to Washington as a first term Representative. At that time, I was serving my fourth term as a Member of the House of Representatives and had been elected to membership of the Committee on Ways and Means which is the committee on committees of that body. As a member of that powerful committee, I was assigned the duty of recommending committee assignments for freshman Congressmen from Ohio, West Virginia, Indiana, and Michigan and for Congressmen from those States who desired to make a change of their committee assignments. Of course, I talked with the Democratic leaders of those four State delegations in my endeavor to help my Democratic colleagues secure committee assignments to their liking.

Representative HAYS asked me to try to have him placed on the Committee on Foreign Affairs, then as now, a blue-ribbon committee of the other body, I spent time and effort in conferences, and recommended my new colleague. He was later selected for membership on the Committee on Foreign Affairs.

I did my best for him in 1949. It is true that I have not done anything for Representative HAYS lately. He has been a very fine and effective Representative, representing Ohio and the Nation. I understand that his work on the House Committee on Foreign Affairs is outstanding, and that his frequent travels overseas have broadened his knowledge of foreign affairs and have won for him the agnomen, "Ohio's Marco Polo." His most recent trip to London and Paris has been well publicized. Ten Members of the other body made this trip to the Interparliamentary Conference in Paris. Meanwhile the other body continues in session, but has not acted upon the important administration medicare bill, to call attention to one omission on the part of that body. Unfortunately, because of tax features of this legislation the Senate cannot pass needed hospital and nursing home insurance without social security, commonly termed "medicare," until it is first passed in the House of Representatives.

My Ohio colleague is quoted as having said, "If either Ohio Senator says he is worth more than $5,000, he could be tried for perjury." I will give that statement the charity of my silence. Furthermore, to the evaluation of his own performances and his statement that he is worth the maximum I shall not disagree. Without a doubt he is an expensive and valuable Member of Congress.

Mr. President, I am not opposed to a reasonable pay increase for some Government officials and employees when it can be shown they are deserving of it. Furthermore, although I am opposed to the bill as introduced, I do believe that if it is reasonably amended, it is entitled to consideration.

Furthermore, if salary increases are given to appointive bureaucrats and Federal judges, then the Members of the Congress should receive equal consideration. It is certain that Senators and Representatives can have a much better case made for them for a pay increase than can possibly be made for most appointive officials. There is certainly more justification for a pay increase to Members of Congress than for U.S. judges and all appointive officials except certain Cabinet members.

It appears to me that some provisions in the pay raise bill are really somewhat frightening. Do we want Washington bureaucrats to become America's new economic royalty? I hope that members of the Senate Post Office and Civil Service Committee and all Senators will look long and hard at this legislative proposal should it come to us from the House of Representatives. We should not enter into a race to have public service compete with private industry to determine which is more generous in payment of king-size salaries. We should not make the Public Treasury the private domain of public servants.

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

Mr. YOUNG of Ohio. I am glad to yield.

Mr. MORSE. I should like to bear witness and give testimony to the fact that, in my judgment, the Senator from Ohio [Mr. YOUNG] is worth to the people of Ohio many times his salary, and I hope the people of Ohio will see to it that he continues to serve in the Senate for many more years to come.

Mr. YOUNG of Ohio. I thank the distinguished senior Senator from Oregon [Mr. MORSE]. I shall take my seat feeling very humble over the commendatory statement he has just made regarding me.

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. MORSE. Mr. President, I should like to have the attention of the chairman of the Foreign Relations Committee.

As I said at the beginning of my speech on the pending amendment, No. 306, I hope that any modifications that will make it helpful and stronger, without sacrificing the main objective I have in mind can be agreed upon.

The first Senator to speak to me about that was the Senator from Vermont [Mr. PROUTY]. He said it had been represented to him that my amendment would prevent sales. I said I did not believe it would, but if there were any question about it, it would have to be modified in order to remove any doubts. So, on the basis of that conversation, after I consulted with other Senators, I propose a modification of the amendment, as follows:

(i) No funds shall be made available under this Act on or after the date of enactment of this subsection (except for military sales under section 503) to any economically developed nation, except to fulfill firm commitments made prior to July 1, 1963. The President is directed to make no further commitments for assistance (except for military sales under section 503) to such economically developed nations—

Then I drop out of the amendment the language on line 5, page 1, starting with the word "and"—

and is directed to terminate such commitments made prior to July 1, 1963, at the earliest practicable time. The President is further directed to report, not later than July 1, 1965, to the Speaker of the House and to the Senate Foreign Relations Committee on the steps which he has taken to comply with this provision.

This I agreed to do because the amendment, in this form, will accomplish the main objective. The main difference between my amendment and the language of the bill as it came from the committee is that my amendment seeks to prevent longtime loans to countries which really do not need loans, countries which are self-sufficient. We should be

making loans to countries that need loans. As the chairman knows, there is concern as to whether the amendment would interfere with the short-term credit loans for sales. Some countries wish to buy equipment, and AID makes them a short-term credit loan. That helps in regard to the balance-of-payments problem, and that is why I redrafted the amendment. But as to the other loans, as the chairman pointed out to me in a conference with him, they are not making such loans now. They have in the past. Of course, they could in the future. I just cannot believe—and that is why I make the legislative history—that they would return to making the other type of loan in view of the language in the bill as reported by the committee and the debate we have had on the subject matter.

The chairman of the committee ought to know we have been trying to work out an amendment that would be acceptable.

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

Mr. MORSE. I yield.

Mr. CHURCH. First, let me say that we do, indeed, share a common objective. I think it is shared by the distinguished chairman of the committee as well. That objective is to put an end to the AID program to rich and fully self-sufficient countries. To that end, the committee adopted an amendment I offered—for I have long been interested in eliminating this defect in the foreign aid program—which appears on page 47 of the committee print, beginning on line 15, and reads as follows:

No assistance shall be furnished on a grant basis under this Act to any economically developed nation capable of sustaining its own defense burden and economic growth except (1) to fulfill firm commitments made prior to July 1, 1963, or (2) additional orientation and training expenses under part II hereof during fiscal year 1964 in an amount not to exceed $1,000,000.

The two exceptions seemed highly desirable; the first, because we must honor our prior commitments, since the United States keeps its word; and the second, because we deemed it wise to permit a year's time within which to transfer the orientation and training courses from the foreign aid program into the military budget, where they properly belong. This language allows for transition period during which the change in budgeting procedures can be accomplished.

I think it is very important that the Senator from Oregon is making legislative history on the question of long-term economic loans. I understand it to be the policy of this administration not to extend such long-term loans to rich countries. However, I think it should be made perfectly clear that it is the intent of Congress also that no further long-term loans should be made to countries fully capable of furnishing their own capital.

So I commend the Senator from Oregon for the legislative history he is making. But we should be careful to make certain that short-term credits are not foreclosed, because today we are exporting abroad, for cash or short-term credit, a billion dollars worth of military equipment and supplies, which is very important to our adverse balance-of-payments problem. We do not want to cut off the very countries which are the principal purchasers of American military equipment and supplies.

I think we can accomplish our common objective—and I have consulted the Senator from Oregon, who has been most cooperative in trying to arrive at a satisfactory formula—by holding to the language which I offered, and which the committee adopted, but borrowing from the amendment, as modified, that is now pending, offered by the senior Senator from Oregon, that language which defines an economically developed nation, making one change.

The suggestion I make is that beginning on page 47, following the figure "$1,000,000" on line 21, we add the following paragraph:

As used in this subsection, the term "economically developed nation" shall include, but need not be confined, to any nation listed as an exception to the definition of "economically less developed nation" contained in United Nations General Assembly Resolution 1875 (S. IV) and, in addition, the German Federal Republic and Switzerland.

For the information of the Senate, I may say that the nations listed in the cited United Nations General Assembly resolution include all of the clearly self-sufficient, recovered, prosperous nations that both the Senator from Oregon and the Senator from Idaho wish to strike from our foreign aid list.

I think, with the legislative history that the Senator from Oregon has so ably made, this addition, by more clearly defining the countries we have in mind, but leaving it open for the addition of other countries that may become self-sufficient in the future, will accomplish our objective, and improves the language the committee has adopted with this objective in mind.

I would suggest to the Senator from Oregon that he join me in offering this language as a substitute for the amendment now pending. I am hopeful that the distinguished chairman of the committee will accept this addendum to the language which the committee previously approved.

Mr. MORSE. I will join the Senator from Idaho in offering the amendment as a substitute for my amendment. It accomplishes our main objective. The legislative history makes clear to the administration our attitude. We hope there will not be a reopening of long-term economic loans which are no longer being made. Also, it will serve notice on the administration that Congress hopes something can be done with regard to some of the commitments already made, although we have to keep those commitments if we cannot reach an understanding in those instances where understandings are due. Many of these countries, for example, are not keeping their United Nations commitments.

Furthermore, as the chairman of the committee knows, in committee many of us have expressed from time to time our views about having to put money into infrastructure in Europe; but we are committed to it. I do not know how we can reach that problem. We should not be paying for infrastructure in France or any other self-sustaining nation.

Perhaps this history will be helpful to the administration in connection with some of its diplomatic economic relations with those countries.

Therefore, I shall be glad to join the Senator in offering the proposal as a substitute for my amendment, if the chairman is willing to take it to conference.

Mr. FULBRIGHT. Mr. President, I am quite willing to take it to conference. I think it is a very good substitute. I am sure it will be agreeable to the other members of the committee. I am glad to accept the substitute.

Mr. CHURCH. I thank the Senator.

Mr. President, on my own behalf and that of the Senator from Oregon, I send to the desk a substitute amendment, and ask that it be read.

The PRESIDING OFFICER. Does the Senator from Oregon withdraw his amendment?

Mr. MORSE. Mr. President, if I may, I am going to send to the desk my amendment, as modified, that I discussed. It ought to be in the RECORD, and I ask unanimous consent that it be printed in the RECORD at this point.

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

On page 47 delete lines 15 to 21, inclusive, and insert the following:

"(i) No funds shall be made available under this Act on or after the date of enactment of this subsection (except for military sales under section 503) to any economically developed nation, except to fulfill firm commitments made prior to July 1, 1963. The President is directed to make no further commitments for assistance (except for military sales under section 509) to such economically developed nations.

"As used in this subsection the term 'economically developed nation' should include but need not be confined to any nation listed as an exception to the definition of 'economically less developed nation' contained in United Nations General Assembly Resolution 1875 (S. IV) and, in addition, the German Federal Republic and Switzerland."

Mr. MORSE. Then I want it understood that I withdraw that amendment, and substitute for it the amendment that the Senator from Idaho [Mr. CHURCH] and I now jointly offer.

Mr. CHURCH. Mr. President, I take note of the fact that the senior Senator from Texas [Mr. YARBOROUGH] is on the floor. He was one of my original supporters to amend the bill to strike the rich countries from the foreign aid list. He has now asked that he may have his name added to the substitute.

I ask unanimous consent that his name be added to the amendment, with the consent of the Senator from Oregon.

Mr. MORSE. It would be a great pleasure to have the Senator's name on the amendment.

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

The amendment offered by the Senator from Idaho [Mr. CHURCH], for himself and the Senator from Oregon [Mr. MORSE], and the Senator from Texas

[Mr. YARBOROUGH] as a substitute for the Morse amendment to the committee substitute will be read.

The LEGISLATIVE CLERK. On page 47, after $1,000,000, it is proposed to insert:

As used in this subsection, the term "economically developed nation" shall include, but need not be confined to any nation listed as an exception to the definition of "economically less developed nation" contained in United Nations General Assembly Resolution 1875 (S. IV) and, in addition, the German Federal Republic and Switzerland.

Mr. CHURCH. For the information of the Senate, I have a list of the countries covered by the United Nations General Assembly resolution referred to in the substitute amendment. I ask unanimous consent that the list may be printed in the RECORD at this point.

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

Australia, Austria, Belgium, Byelorussian SSR, Canada, Czechoslavakia, Denmark, Finland, France, Hungary, Iceland, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Poland, Rumania, South Africa, Sweden, Ukrainian SSR, Union of Soviet Socialist Republics, the United Kingdom, and the United States.

Mr. CHURCH. In connection with the remarks of the senior Senator from Oregon concerning the $77 million in the bill for NATO infrastructure, on the basis of the hearings of the committee and the committee report, this is something that ought properly to be a part of the defense budget of the United States. This is not foreign aid. This is a commitment on our part to contribute a certain proportion of the funds necessary to maintain a military alliance. We are in that alliance for purposes of our own defense.

The committee report makes it perfectly clear that we anticipate the elimination of the $77 million, as a contribution to the NATO infrastructure, from foreign aid next year, and that we think it should be budgeted hereafter as a part of the national defense budget of the United States. It should come within the regular military budget, and be stricken permanently from the foreign aid program.

Because it requires time to work out such a transfer, the committee chose not to strike this particular infrastructure contribution from the foreign aid program this year. We have certain commitments, and we must meet those commitments. However, next year we expect the administration to make the change in its budgeting arrangement so that this item can be permanently stricken from the foreign aid bill.

Mr. MORSE. I wish only to add this comment: I hope this action will be recognized by the administration as clear notice to both the State Department and the Defense Department that we are opposed to further commitments for infrastructure. We believe the time has come to stop building airbases, for example, for the defense of other countries. They ought to build them themselves.

Mr. CHURCH. I agree fully with the Senator from Oregon. I believe the discussion on the floor should put the administration on notice that these budget transfers should be made next year; that Defense should take care of our NATO obligation, and that this excess baggage should no longer be carried as a part of the foreign aid program.

Mr. President, I have no further remarks to make. I am grateful to the chairman of the committee for having accepted the amendment. I hope the Senate will adopt it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. CHURCH], for himself, the Senator from Oregon [Mr. MORSE], and the Senator from Texas [Mr. YARBOROUGH], in the nature of a substitute for the amendment of the Senator from Oregon to the committee amendment, as amended.

The amendment to the amendment was agreed to.

Mr. DOMINICK. Mr. President, I send to the desk my amendment No. 292, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 31, line 18, after the section number it is proposed to insert "(a)".

On page 32, between lines 5 and 6, add the following:

(b) Section 203 of the Foreign Assistance Act of 1961, as amended, which relates to fiscal provisions with respect to development loans, is amended to read as follows:

"SEC. 203. All receipts from loans made under and in accordance with this title shall be available for use for the purposes of this title, subject only to the annual appropriation thereof. Receipts so appropriated and other funds made available under this title for use for the purposes of this title shall remain available until expended."

Mr. DOMINICK. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. DOMINICK. This amendment is extremely important, but very easy to explain. Section 203 of the bill deals with the Development Loan Fund. Section 203 itself was written in conference in 1961. It provides, as it is now constituted, that all receipts from the development loans, whether they be interest or principal repayments, shall come back into the Development Loan Fund, and may then be expended by AID personnel without further authorization and without the need for any appropriation of any kind.

How much are we talking about, and exactly what am I doing? All I am saying in the amendment is that the revolving fund shall remain as it is, that the receipts from the development loans shall come back into the fund, but that there shall be congressional review, so that Congress will retain some authority over when, how, and where those funds may be expended.

It seems to me, from the debate that has taken place under the able leadership of the senior Senator from Oregon, that the feeling of the public as a whole is that Congress has not been sufficiently careful of the way in which the AID money has been spent or with respect to the amount that is being spent. That is self-evident, Mr. President. We have adopted one amendment after another, but the amendment I am now discussing has not yet been brought up. In the House—and I say this for the information of the Senate—this year a different type of amendment was offered. Representative PELLY, of Washington, offered an amendment to strike out all of section 203—to repeal it—and this would have eliminated any form of revolving fund. On that type of proposal, he was defeated. However, no amendment has yet been brought forward which merely provides that the amounts of money as they come in shall be subject to the regular appropriation process.

On page 288 of the hearings is a list of the AID development loans for fiscal years 1962 and 1963. These are categorized, so that we can see what type of loans have been made. The first item is public activities. It shows a total of $415,800,000 for water, sewerage, power, and light; $81,800,000 for irrigation, soil conservation, and grain storage; $204,100,000 for roads, railroads, ports, airports, and communications; and $63,800,000 for housing and self-help. The total for these activities is $765,500,000. This is only for fiscal years 1962 and 1963.

It then goes on and details loans which have been made in the form of credit institutions. It contains nonproject loans, loans to private enterprise, loans to governments for natural resource development, and loans to governments for industrial development. It then covers other features, such as feasibility status, social services, and rehabilitation.

The grand total for fiscal 1962 and 1963 is $2,191,400,000 in development loans.

Under the provision now in the bill, as repayments of these loans are made—heaven knows, we all hope the loans will be repaid, even though we are not sure they will be—the total amount of $2,191 million might be subject to being spent by the AID without any control of any kind by Congress. There would be no requirement for authorization and no requirement for appropriation.

However, if the amendment were adopted by the Senate as a whole, and were placed in the law, we would then continue the revolving fund and the development loan fund process. But we would require that all receipts, either of principal or interest, that return to that fund must be subject to the annual appropriation process, which is followed in connection with all other spending activities.

I should like to refer to pages 332 to 336 of the hearings, which show the amounts of interest now in effect on various types of loans made to various countries. In the past few weeks, there has been discussion of the interest rate of three-fourths of 1 percent and of the grace period of loans which varies from 5 years to 10 years. The proposal in the committee bill this year is that after 5 years the interest rate shall be raised to at least 2 percent. But all the loans have not been made at the rate of three-fourths of 1 percent. They have varied from country to country according to the

type of loan that has been made; consequently, it is difficult to determine in advance how much the amount of interest repayments may be.

On page 332, a loan is shown as having been made to Ghana for an aluminum smelter. The loan is to run for 24 years, instead of the standard 40 years.

A 4-percent loan has been made to Sudan for an industrial development bank. The terms of the loan is 15 years.

A 3½-percent loan has been made to Ghana for a Volta River power project, the loan to run for 30 years.

A series of loans has been made to some other African countries—Cameroon, Ethiopia, Liberia, Niger, Nigeria, Sudan, Tanganyika, Tunisia, and Uganda. These loans are all at a rate of three-fourths percent interest, and each is for a period of 40 years. Senators can examine the tables to see what rates of interest are charged and the terms of the loans.

If we consider only the amount we have authorized for 1964—the reduced amount for development loan purposes—we see that $950 million has been authorized for fiscal 1964. If the entire amount were committed and expended this year at three-fourths percent interest the amount of interest would be more than $7 million a year. This amount would be pouring back into the Fund and would be available for expenditure without any check by Congress. After a period of 5 years, with interest at 2 percent, about $19 million would be flowing into the Treasury. If the whole $19 million were amortized over a period of 40 years, assuming repayment in full, there would be a total of $1,386 million of receipts coming into the Fund, with Congress having no authority of any kind over it.

It does not make any sense to me to have the Senate, which is supposed to be a part of the trusteeship over the taxpayers' funds say, "We are going to authorize the lending of these funds, but when they are repaid, we do not care what happens to them. Those in the executive branch can spend them in any way they please."

This is only one phase of the development loan subject. The question then can properly be asked: What has been the status of loan repayments? The answer to this question can be found on pages 712 and 713 of the hearings. This is really quite an interesting subject. Not only are we talking about the development loan funds as they have been developed over the last 2 years, but the Development Loan Fund Corporation, which was the prior agency and was then merged into the new Development Loan Fund. These tables indicate the grand totals of worldwide loans of U.S. dollars. They show the amount of taxpayer dollars that have been loaned throughout the world.

To date, the repayment of principal has been $725,677,725.52. The repayment of interest has amounted to $655,550,362.82.

If we take into consideration the interest and principal repayments, assuming the provision now in the bill had been in effect, and if it remains in the form in which it now is, $3.3 billion would have been available for expenditure by the AID administration without any instruction by Congress concerning the places and projects where the money would be spent.

Last week there was considerable discussion about whether or not to increase the amount of the President's contingency fund. The point was made that through the contingency fund the President could spend for projects which Congress might not consider proper, or as to which he was not proceeding in the proper way to spend. As a result, the amount of the contingency fund was not increased.

But the loan funds to which I am referring are contingency funds which far exceed anything the President is given by Congress.

If section 203 is retained as it is, we build into the bill, a contingency fund of $950 million for a period of 40 years. This does not include interest repayments which would be coming in.

In addition, we are providing a contingency fund by allowing unrepaid expenses on loans already existing, which amount to more than $5,728 million. This money would be coming back to the fund without Congress having the ability, as the bill is now written, to determine how much of that should be spent, and where, and in what manner it should be spent.

I need not take much longer to discuss this subject. The details seem to be quite plain. However, there are a couple of items I should like to refer to.

In 1961, the General Accounting Office, commenting on back-door spending through revolving funds, said:

> As with authorizations to borrow from the Treasury we believe that revolving fund financing likewise represents a lessening of congressional control which is justified only on a clear showing of need and benefit to the Government. We believe that the need to appropriate funds supplies the best incentives and the most effective techniques for congressional control of agency activities. Consequently, if the revolving fund feature is to be retained in the bill, we suggest that the bill be revised to provide that funds may be used for the loan program only in amounts stipulated in annual appropriation acts. The related administration expenses would likewise be subject to an annual review by the Congress.

What I am proposing is exactly what was recommended by Comptroller General Campbell, in the statement I have just quoted.

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

Mr. DOMINICK. I yield.

Mr. FULBRIGHT. This question has been before Congress on three different occasions—in 1957, 1959, and 1960.

The amounts involved are, at the moment, relatively small—between $3 and $4 million, although the Senator has said that it is anticipated that in the future the amounts will be larger. It was hoped that this fund would be given some flexibility, in terms of repayments in the future. However, if the Senator will request that the order for the yeas and nays be rescinded, I shall be glad to accept the amendment and take it to conference. It has been under consideration three times before; it does not involve a new issue. Heretofore the Senate has rejected such an amendment.

Mr. MORSE. Mr. President, will the Senator from Colorado yield?

Mr. DOMINICK. I yield.

Mr. MORSE. I join in the request. The amendment is a very sound one. As the Senator knows, I support the amendment, and I believe it should be taken to conference.

In view of the offer of the chairman of the committee to take the amendment to conference, I suggest that the Senator from Colorado agree to the suggestion that he request that the order for the yeas and nays be rescinded.

Mr. DOMINICK. Then there would be a voice vote on the question of agreeing to the amendment?

Mr. MORSE. Yes.

Mr. DOMINICK. Mr. President, I ask unanimous consent that the order for the yeas and nays be rescinded.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DOMINICK. Mr. President, I thank the distinguished chairman of the committee for his courtesy in connection with this amendment. The amendment is really extremely important.

I should like to ask the chairman of the committee a question. I have a similar amendment in connection with the Alliance for Progress revolving fund.

Mr. FULBRIGHT. It is an identical amendment, as I understand, except that it would apply to the Alliance for Progress. Is that correct?

Mr. DOMINICK. Yes.

Mr. FULBRIGHT. I am perfectly willing to accept it, too.

The PRESIDING OFFICER. The question now is on agreeing to amendment No. 292, offered by the Senator from Colorado to the committee amendment in the nature of a substitute, as amended.

The amendment (No. 292) to the committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The committee amendment in the nature of a substitute, as amended, is open to further amendment.

AMENDMENT NO. 314

Mr. DOMINICK. Mr. President, to the committee amendment, as amended, I offer my amendment No. 314.

The PRESIDING OFFICER. The amendment of the Senator from Colorado to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. In the committee amendment, as amended, on page 38, in line 17, after the word "provisions", it is proposed to add the following:

> (1) All receipts in United States dollars or from loans made under this title and from loans made for the benefit of countries and areas of Latin America under title I of chapter 2 of part I of this Act, notwithstanding section 203, shall be available for use for loans payable as to principal and interest in United States dollars in furtherance of the purposes of this title, subject only to the annual appropriation thereof.

On page 38, line 18, before the word "by" insert "(2)".

Mr. DOMINICK. Mr. President, I repeat that this amendment is identical in type to my amendment with respect to the Development Loan Fund, so I do not think I need to repeat my previous statements in regard to the need for congressional authorization and supervision over such a revolving fund.

If the Senator from Arkansas is willing to accept the amendment, the debate on it can be cut short.

Mr. FULBRIGHT. Mr. President, I accept this amendment to the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 314, submitted by the Senator from Colorado [Mr. DOMINICK], to the committee amendment in the nature of a substitute, as amended.

The amendment (No. 314) to the committee amendment, as amended, was agreed to.

The PRESIDING OFFICER (Mr. KENNEDY in the chair). The committee amendment in the nature of a substitute, as amended, is open to further amendment.

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

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

Mr. KEATING. Mr. President, I call up my amendment No. 247, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

PART V—MISCELLANEOUS

SEC. 501. It is the sense of the Congress that any agreement hereafter entered into between the Government of the United States and the Government of Czechoslovakia relating to the settlement of claims, determined by the Foreign Claims Settlement Commission, by nationals of the United States against the Government of Czechoslovakia for losses resulting from nationalization or other taking of property of such nationals, shall be submitted to the Senate for its advice and consent.

Mr. KEATING. Mr. President, the purpose of the amendment is to assure that the Senate will be given an opportunity to review any agreement which is reached between the U.S. Government and the Government of Czechoslovakia with regard to U.S. claims against that Government before the agreement goes into effect. The claims involved are claims for property rights or interest owned by U.S. citizens taken or naturalized on or prior to January 1, 1945, by the Government of Czechoslovakia. It should be made clear that those claims are not for war damage or injury of that type. They are compensation for deliberate seizure by the Communist government of Czechoslovakia for which no recompense has yet been offered. Those claims have been adjudicated, found valid, and awarded by the Foreign Claims Settlement Commission. They amount to more than $113 million, representing 2,630 cases. Some, 1,346 claims were rejected by the Commission, but 2,630 were found to be valid, and they totaled $113 million.

It is my understanding that there is an agreement in process to settle these claims for approximately $10½ or $11 million, which would be less than 10 cents on the dollar.

There have been a number of similar situations. Since World War II the United States has negotiated claims conventions with six different nations. The first was with Italy, in 1947, and was for 100 percent of the value of the U.S. claims. The second was with Yugoslavia, in 1948, for 91 percent of the value of U.S. claims. The third, in 1950, was with Panama, for 90 percent. The fourth, in 1960, was with Rumania, and was for 24 percent. The fifth was with Poland, for claims that have not yet been completely processed, so it is impossible to know what will happen in that case.

The most recent country involved in the claims process is Bulgaria, and the settlement was for 40 percent.

It is rather ironic that the two free world countries paid 100 percent and 90 percent, respectively, of the claims against them, while the Communist nations are succeeding in paying a much smaller share. It seems to me particularly disturbing that the number of awards on the Czech claims, 2,630, is larger than the number for any other country.

I have a list of claimants. There are a few large claimants. There are many small claimants—people with small businesses which were taken in Czechoslovakia. Claims were made and have been adjudicated to be valid. Now those claimants are asked to take 10 cents on the dollar. I have the names and addresses of the claimants in the various States, representing the 2,630 claims, and I have received some pitiful letters from some of them.

I ask Senators to put themselves in the position of a U.S. citizen who owned a little tobacco store, let us say, in Czechoslovakia, and had it nationalized. After hiring a lawyer and going through the Claims Settlement Commission, it was adjudicated that he was entitled to $3,000 for the property that had been taken away from him. Now he is being asked to take less than $300 for his claim. That is a tough proposition.

All the amendment would do would be to say that it is the sense of Congress that any agreement between the two governments should be submitted to the Senate for its advice and consent.

There may be some special, unusual situation which justifies a settlement of less than 10 cents on the dollar in this one case. If so, let us hear what the reasons are. Let the Senate have a voice in the matter.

That is what was done in the Panamanian settlement, so there is a precedent for such action. That settlement was ratified by the Senate on August 9, 1950, and since the settlement amounted to 90 percent, it seems to me a fairly good precedent to follow. A settlement of less than 10 percent of the awarded claims is not, it seems to me, by any stretch of the imagination, the mere execution of a policy laid down by Congress.

A U.S. agreement on less than 10 percent compensation is surely not what Congress intended when it established the Foreign Claims Settlement Commission, which was charged to determine "the fair or approved value of the said property right or interest."

This has now taken place after many years of hearings. Therefore, I strongly believe that the Senate should request formally, by resolution, that the agreement with the Czechoslovaks, now under consideration, not go into effect until the Senate has offered its advice and consent.

But I repeat, this would not stop the agreement. It would say that the Senate should have some voice in it, as the Senate did in the case of the Panamanian settlement.

I ask unanimous consent to include at this point in my remarks a further statement on this issue.

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

SENATE REVIEW OF CZECHOSLOVAKIAN CLAIMS

In general, the Constitution prescribes that treaties of the United States shall be made by the President by and with the advice and consent of the Senate, "provided two-thirds of the Senators present concur." It has been the practice of the executive branch to contract with foreign states in relation to a variety of matters through the medium of so-called executive agreements on which Senate ratification has not been sought. The Constitution does not contain any definition of a treaty and makes no statement declaring under what circumstances an arrangement purporting to bind the United States must be handled as a treaty. Nevertheless, authoritative commentators have concluded that the alternative technique of the executive agreement cannot be employed to frustrate the constitutional requirement of Senate ratification in appropriate cases: "The declaration that the President 'shall have power by and with the advice and consent of the Senate, to make treaties, provided two-thirds of the Senators present concur,' sustains the conclusion that it was not to be rendered abortive by recourse to a different procedure for the use of which no provision was made, and that there were to be found tests of improper evasion in the character of what was sought to be achieved despite the absence of a specific textual prohibition. Otherwise, the scheme for the cooperative action of the President and the Senate would have been a relatively valueless injunction, and the solitary constitutional guide for contracting would have been of slight worth."

It is necessary to turn to precedents in executive branch-congressional relations and to the policy considerations in the particular case at issue to determine when Senate ratification of a foreign agreement is called for since there is no governing case law. For any claims settlement with Czechoslavakia of the unpaid claims adjudicated by the Foreign Claims Settlement Commission, both the precedents and the applicable policy considerations indicate Senate ratification should be sought.

It has been accepted that the executive branch can, without Senate ratification, enter into lump-sum claims settlement agreements to be administered pursuant to the International Claims Settlement Act of 1949, as amended. The United States-Polish Claims Settlement Agreement of 1960 is an illustration. Where, however, the claims agreement provides that a claim against the United States is to be offset against the claims of U.S. nationals against the foreign government, Senate ratification has been obtained. The 1950 claims agreement with Panama, administered pursuant to the International Claims Settlement Act of 1949, was such an agreement and was submitted as a treaty for Senate ratification. In the Panama agreement, a $53,800 Panamanian claim against the United States was offset against $403,156 in claims of U.S. nationals, resulting in a net Panamanian payment of $349,356. In a Czech claims settlement agreement, the Czech claim against the United States for the taking of the steel mill will be offset against the amount to be paid by Czechoslovakia on the claims of U.S. nationals. A Czech claims agreement should, therefore, be handled as the Panamanian claims agreement was, as a treaty with Senate ratification.

In a sense, however, since Congress has already incorporated the first stage of Czechoslovakian claims settlement in legislation, these claims cannot be compared to other claims settlement precedents. The 1958 amendments to the International Claims Settlement Act which led to the Foreign Claims Settlement Commission adjudication of U.S. claims against Czechoslovakia made provision for a claims settlement agreement if such an agreement were executed within the following year and delayed adjudications for that period. Since no such agreement was arrived at, there is a strong implication that the subsequent adjudications of the Foreign Claims Settlement Commission were not to be virtually nullified by a later claims agreement executed without any reference to the Congress. This is particularly so now that the actual adjudications have shown that the steel mill sales proceeds were grossly inadequate to meet claims that totaled $113,600,000 rather than the $25 to $45 million anticipated by the executive branch. There is a provision in the Czechoslovakian claims legislation stating that subject to the provisions of any claims agreement hereafter concluded between Czechslovakia and the United States, payments from the steel mill proceeds shall not be deemed to extinguish any claim not paid the full amount of the Commission award. This, of course, does not state either way how such a future claims agreement should be handled.

It stands to reason, however, that having provided for a 4-year Federal Czech claims adjudication program, Congress did not have in mind that the executive branch could subsequently settle these claims for less than 10 cents on the dollar without having to explain to the Congress why no better settlement was possible.

As a policy matter, there is no reason why Senate ratification should not be required and every consideration in favor of it. There can hardly be a need for speedy action since the Czechs have dragged their feet on the matter for almost 15 years. There is no problem of settling claims in order to work out recognition of the Czech Government (the justification cited in tthe Belmont and Pink cases for handling the 1933 claims settlement with Russia by executive agreement). On the other hand, it is important that the Congress, the claimants and those Americans proposing to do business with Czechoslovakia know the full considerations behind any claims settlement with that country. In effect, the claimants are being called to sacrifice over 90 percent of their claims and forego over $100 million in approved claims.

During 1953 and early 1954 the Senate, in considering the Bricker amendment (S.J. Res. 1, 83d Cong. 2d sess., 1954), gave considerable attention to the problem of when executive agreements should have Senate ratification as treaties. In 1953 during the hearings of the Senate Judiciary Committee on the Bricker amendment, Secretary of State John Foster Dulles made a commitment to consult with "appropriate congressional leaders and committees" to determine the most suitable way of handling international agreements when there was any serious question as to Senate ratification:

"It has long been recognized that difficulties exist in the determination as to which international agreements should be submitted to the Senate as treaties, which ones should be submitted to both Houses of the Congress, and which ones do not require any congressional approval.

"Differences of opinion resulting from these difficulties have given rise in the past to disputes between the executive branch and the Congress concerning the handling of international agreements. It must be recognized that it would be extremely difficult, if not impossible, to fit all agreements into set categories. At times there may be disagreement as to the manner in which agreements are to be dealt with. While recognizing this, the executive branch cannot surrender the freedom of action which is necessary for its operations in the foreign affairs field. In the interest of orderly procedure, however, I feel that the Congress is entitled to know the considerations that enter into the determinations as to which procedures are sought to be followed. To that end, when there is any serious question of this nature and the circumstances permit, the executive branch will consult with appropriate congressional leaders and committees in determining the most suitable way of handling international agreements as they arise."

This assurance did not head off prolonged debate on the need for Senate ratification of executive agreements having any significant internal effect in the United States. Senator George, of Georgia, proposed an amendment to the Bricker amendment, the essence of which was the requirement that "an international agreement other than a treaty shall become effective as internal law in the United States only by an act of the Congress." During debate on his amendment, Senator George commented (CONGRESSIONAL RECORD, vol. 100, pt. 1, p. 1401):

"I am saying to the Senator from Missouri that if nothing is to be done in the field of executive agreements, which have multiplied out of all real proportion to the treatymaking power of the President as exercised under the Constitution itself, we may as well close up shop."

Senator George later pointed out that, if the executive branch would submit the executive agreements he was concerned about for Senate ratification, he would not be concerned about the need for further congressional action:

"That is why I mean to say that the President should submit, as a treaty, to the Senate every executive agreement having the effect of internal law. He should submit it to the Senate. If the Senate by two-thirds vote approved the treaty, then I would have no doubt at all that it would become a coexistensive part of the law of the United States.

"That is where we are now, so far as treaties are concerned. I am only concerned with executive amendments which never have been acted on by the Senate."

Senator George, in his discussion of executive agreements, expressed the most concern about the effect of the Supreme Court decision in the case of *U.S.* v. *Pink*, 315 U.S. 203 (1942). The Pink case litigated the effect of the 1933 executive agreement known as the Litvinov assignment. In this agreement the Government of the U.S.S.R. released and assigned to the U.S. Government all amounts due the Soviet Government from American nationals in preparation to a final settlement of the outstanding claims and counterclaims between the United States and the U.S.S.R. In the Pink case the Supreme Court held that, regardless of the legal status under New York law of the assets of a former Russian insurance company, the U.S. Government, by virtue of the Litvinov assignment, took title to these assets which had been nationalized by the U.S.S.R. Senator George felt that the executive branch should have treated the Litvinov assignment as a treaty requiring Senate ratification since it dealt with property and claims to property in the United States. (It might be pointed out that the Czech claims program, by virtue of title IV of the International Claims Settlement Act, gives the American claims against Czechoslovakia the status of claims against property located within the United States since the proceeds of the Czechoslovakian steel mill sale have been allocated by Congress for this purpose.)

Senator George's amendment, made into a substitute for the Bricker amendment, was agreed upon by a vote of 61 to 30 in the Senate.

Mr. FULBRIGHT. Mr. President, with regard to the amendment, the instances which the Senator from New York has cited were with regard to settlement of claims made in pursuance of legislation and not of a treaty.

The Congress gave the executive branch authority to conclude these claims settlements when it enacted the International Claims Settlement Act of 1949. Section 4(a) of that act provides that the Foreign Claims Settlement Commission shall have jurisdiction to receive and adjudicate claims of U.S. citizens "included within the terms of any claims agreement hereafter concluded between the Government of the United States and a foreign government providing for the settlement and discharge of claims of the Government of the United States and of nationals of the United States against a foreign government, arising out of the nationalization or other taking of property, by the agreement of the Government of the United States to accept from that government a sum in en bloc settlement thereof."

The only exception to this procedure that I can find—and there may be others, but not in recent years—was in the case of Panama. In that settlement there was involved a liability of the United States to Panama. Because there was an adjustment of liability on each side, a convention was arrived at.

To illustrate through means of the Claims Convention between the United States and Panama, it involved the U.S. liability of $53,800 as against a Panamanian liability of $403,156; and under the terms of that convention the United States received a net balance of $349,356.

The Senator from New York made reference to Yugoslavia in 1948, to Poland in 1960, and to the Lombardo Agreement with Italy. Those settlements were made in pursuance of legislation, which has been the accepted principle. I do not know of any good

reason why we should reject this established principle for the settlement of claims with Czechoslovakia.

This amendment was not offered in committee, and the committee has not had an opportunity to study it or have the advice of those in the Government who are directly concerned.

I do not believe it is necessary or good practice.

I would be prepared, if the Senator feels strongly about it, to take the amendment to conference, which would give us an opportunity to consult with the administration about it. If there is any good reason why this should be done by a treaty rather than in the usual procedure, I would have no great objection. However, I do not wish to encourage the Senator to believe that I would fight, bleed, and die for it in conference, because I currently believe the established procedure, under the Foreign Claims Settlement Commission, is the proper way to handle the claims.

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

Mr. FULBRIGHT. I am glad to yield.

Mr. KEATING. That was exactly the situation in the case of Panama. The Czechoslovak Government does have a claim against the United States, for taking a steel mill, which is to be offset against the amount paid by Czechoslovakia on the claims of U.S. nationals. The value of that steel mill was about $8½ million. It is proposed to have Czechoslovakia put up only about $2 or $2½ million, to represent the settlement of all the claims.

The reason given for having the Senate pass upon the Panamanian claim applies in exactly the same terms to this claim of Czechoslovakia. There were mutual claims on both sides. That was the reason for a convention and the reason for the Panamanian claim being considered as a treaty, for the purpose of getting the advice and consent of the Senate.

Mr. FULBRIGHT. As I said, I personally do not have any strong feelings about it, because I have had no background on the subject. I do not think the claim of Czechoslovakia is admitted by this country. However, I do not know. Before I take a strong position on it, I should like to afford the administration an opportunity to express itself. I thought the claims commissions had operated quite well. It requires a good deal of negotiation to ascertain the claims, verify them, and so on.

If the Senator is willing for me to accept the amendment on that basis, I shall be glad to take it. Perhaps the administration has no objection to it. If it did not, I would not have.

Mr. KEATING. I am sure those in control of the Government would not want to get the advice and consent of the Senate. They would want to feel free to handle the situation in any manner they saw fit. I am quite certain they would prefer not to have this case treated in the way the Panamanian case was treated. They would prefer to have carte blanche to treat it in any way they wished.

I appreciate the fairness and frankness of the distinguished Senator from Arkansas in saying he would take the amendment to conference. The words "take it to conference" sometimes have had a rather sinister connotation to some of us.

Mr. FULBRIGHT. Not always. Sometimes the situation is due to lack of information; we do not have strong feelings about the matters involved.

Mr. KEATING. I understand. As the Senator has said, this matter was not brought before the committee, and it was not brought forcefully to my attention at the time, or I would have presented it to the committee at that time. I have submitted it heretofore to the staff, to the Senator from Arkansas, and to the Senator from Iowa [Mr. HICKENLOOPER], the ranking Republican on the committee.

The Senator from Ohio [Mr. LAUSCHE] and the Senator from Connecticut [Mr. DODD] joined me in offering the amendment. I think, in fairness, I should confer with them about the proposal to take it to conference. I hesitate to ask for a rollcall, but I think I shall ask for a quorum call in order that I may communicate with the Senator from Ohio [Mr. LAUSCHE] and the Senator from Connecticut [Mr. DODD], who have similar problems and who have joined me in cosponsoring this amendment.

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

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

Mr. KEATING. Mr. President, I withdraw my amendment temporarily, because the Senator from Ohio [Mr. LAUSCHE] is on his way to the Chamber. I will reoffer it later after disposition of the amendment which the Senator from Minnesota is about to offer.

Mr. HUMPHREY. Mr. President, I send an amendment to the desk, on behalf of the Senator from New York [Mr. KEATING] and myself to the committee amendment as amended. I ask that the amendment be read. I have discussed it with the chairman of the Committee on Foreign Relations.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 51 between lines 13 and 14, add the following new subsection:

(f) After SEC. 637 add the following new section:

"PEACE CORPS ASSISTANCE

"SEC. 638. No provision of this Act shall be construed to prohibit assistance to any country pursuant to the Peace Corps Act as amended or the Mutual Educational and Cultural Exchange Act of 1961 as amended."

Mr. HUMPHREY. Mr. President, the purpose of the amendment is to maintain the Peace Corps program and the educational and cultural exchange program, which is basically the Fulbright scholarship program, as separate and distinct items apart from foreign assistance. They should not be included within what we call the foreign aid program as contemplated in the Foreign Aid Act. As far as I am concerned, they should not be used as disciplinary measures to be applied to countries with which we may have some disagreement. They ought to be looked upon as people-to-people programs, and as programs which lend themselves to human betterment and better understanding of nations' cultures.

Mr. KEATING. Mr. President, as one who has supported very strongly the antiaggression amendment, I feel that this is a desirable provision, and therefore I am happy to cosponsor the amendment with the distinguished Senator from Minnesota. This is a people-to-people program. It is quite different from what is intended within the reach of the Gruening amendment, which was cosponsored by so many Senators. The Peace Corps and the exchange program, under the so-called Fulbright Act, should be continued in countries with which we have this relationship, and they should not be interfered with by the provisions of the Gruening amendment. I hope very much that the amendment will prevail.

Even where aggression has taken place, there is need for continuing contacts between people. We can remain in touch and communication with these nations through people-to-people programs even if we have cut off cash outlay programs.

Mr. MORSE. Mr. President, it is important that absent Senators be made aware of the pending amendment, because there are those who do not share the point of view that under no circumstances should the Peace Corps be taken out of a particular country that is following a serious anti-American course of action. I should like to suggest the absence of a quorum so that Senators who have that point of view at least will have full notice that this amendment is under consideration.

Mr. HART. Mr. President, will the Senator withhold that suggestion for a moment?

Mr. MORSE. Yes.

Mr. HART. Sharing the view of the Senator from Minnesota and the Senator from New York, I hope that the amendment, which is in the nature of an explicit clarification of the earlier action involving the Gruening amendment, and which I supported, will be agreed to.

Mr. HUMPHREY. And also make it clear that the Hickenlooper amendment, if adopted, would not affect the Peace Corps or the educational and cultural exchange program.

Mr. HART. And the Hickenlooper amendment. We must make sure that there is an explicit recital of our intention, that these programs shall not be subject to termination. The amendment is a useful one, and I hope it will be agreed to.

Mr. HUMPHREY. Mr. President, I agree with the Senator from Oregon that there should be a quorum call so any Senator who is vitally interested may be

properly notified, even though I wish to make it clear I did say that at an appropriate time the amendment would be offered. Further, the two programs do not relate to direct economic aid, as the Senator from Oregon knows, because the Fulbright scholarship program, for example, is an educational program. I believe it has demonstrated its worth to our national security and national interest and national reputation.

The Peace Corps, while it relates to the social and economic well-being of a country, is essentially a service program. It does not carry with it a large appropriation for the purpose of bringing goods and material to a country. It brings our people into contact with the people of other countries. It makes a definite contribution to the kind of world we would like, a world of peace and freedom.

There are, of course, feelings and attitudes which have been expressed, to the effect that when we cut off cooperation by our country with another, we ought to do it on every facet. We should take a good look at such a view, because it could include travel by American tourists, which actually is an instrument of aid to another country. Through tourism large amounts of money are brought into another country. I believe the two programs involved in the amendment should stand on their own feet, that they ought not to be a part of any disciplinary action by us, and that they have demonstrated they are in our interest as well as in the interest of the people they serve.

Mr. MORSE. 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. 223 Leg.]

Aiken	Hart	Moss
Allott	Hartke	Mundt
Anderson	Hayden	Muskie
Bartlett	Hickenlooper	Nelson
Bayh	Hill	Neuberger
Beall	Holland	Pastore
Bennett	Hruska	Pearson
Bible	Humphrey	Pell
Boggs	Inouye	Prouty
Brewster	Jackson	Proxmire
Burdick	Javits	Randolph
Byrd, Va.	Johnston	Ribicoff
Cannon	Jordan, N.C.	Robertson
Carlson	Jordan, Idaho	Russell
Case	Keating	Saltonstall
Church	Kennedy	Scott
Clark	Kuchel	Simpson
Cooper	Lausche	Smathers
Cotton	Long, Mo.	Smith
Curtis	Magnuson	Sparkman
Dirksen	Mansfield	Symington
Dodd	McClellan	Talmadge
Dominick	McGee	Thurmond
Douglas	McGovern	Tower
Eastland	McIntyre	Walters
Edmondson	McNamara	Williams, N.J.
Ellender	Mechem	Williams, Del.
Ervin	Metcalf	Yarborough
Fong	Miller	Young, N. Dak.
Fulbright	Monroney	Young, Ohio
Gore	Morse	
Gruening	Morton	

Mr. HUMPHREY. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] to the committee amendment in the nature of a substitute, as amended.

Mr. MORSE. Mr. President, I am in sympathy with much of the Humphrey amendment to the committee amendment, particularly the section on cultural exchanges; but I am not so sure that the amendment is sound insofar as the Peace Corps is concerned. The amendment would be sound in most instances; but I wish to report to the Senate that some days ago the former Ambassador to the Dominican Republic conferred with some of us, and pointed out that, after all, the Peace Corps is closer to the people of the Dominican Republic than probably any other work we are doing there, and that the Peace Corps really is working in the neighborhoods of that country. So when there is in that country a situation which is so serious that we are withholding our aid, or if there is a situation—speaking hypothetically—in a which a country has begun a strong anti-American course of action, I wonder why we should permit the Peace Corps to continue to operate there.

Our former Ambassador to the Dominican Republic also said to us, "If the Peace Corps were to be taken out, the people of the country really would know they were in trouble with the United States." He said that the mass of the people there really do not know about the other parts of our program.

I wish there were a provision which, in such a situation, would result in discontinuing our Peace Corps operations in such a country, but at the same time would not handicap the operations of the Peace Corps in situations in which there is not a strong anti-American feeling or where, by permitting the Peace Corps to continue its operations, we would not seem to be countermanding other action we take.

It would be better to have this amendment permit the Peace Corps to continue its operations until some affirmative action to the contrary was taken. But, although I would feel inclined to vote against the amendment in its present form, and although I had hoped we would modify the amendment, the difficulty is that I do not have in mind any specific proposal for its modification.

I repeat that, in accordance with my view and in accordance with the views which others have expressed to me, there are instances in which the operations of the Peace Corps should be stopped; and I do not want the Senate to give the impression that in such situations the Peace Corps is to stay in or is to continue its operations there.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. That will not be the impression at all. The amendment would do two things: Where the text of the bill states that no funds under this act or under any other act shall be made available, that provision is not to include the Fulbright scholarship program or the Peace Corps, which are essentially peoples-to-peoples programs, and do not carry with them large amounts of goods or economic resources. It seems to me that such programs build for the long term, and do not have immediate political significance.

Senators may recall that when the Senate passed the Peace Corps bill, the Secretary of State said that although the Peace Corps is considered a significant part of the U.S. overall effort in the international field, it is not to be considered an adjunct to the Nation's foreign policy, in terms of the national security, but is in a sense a people-to-people program in which we place great confidence for the future.

It is my hope that we might protect its integrity and not bring it within the purview of the aid, or within the purview of the disciplinary action which this country take with respect to any other nation.

The amendment would not mean that the Peace Corps must be sent to every country. That is not the purpose of the amendment. The purpose is to make sure that the limitations and the prohibitions that we have placed in the bill would not apply to the Fulbright scholarship program or the Peace Corps program. It would leave to the President of the United States the right to determine whether or not it would be desirable to have a Peace Corps operation in any particular country.

Mr. MORSE. Will the Senator answer a hypothetical question for the purpose of making legislative history?

Mr. HUMPHREY. I shall be glad to do so.

Mr. MORSE. I shall tell the Senate what my fear is. If we do not make legislative history, and if we get into some difficult situation in the future, the position might be taken that the Senate had gone on record in opposition to taking the Peace Corps out of a country, even though the fact situation might warrant such action.

I should like to use as the basis of my hypothetical question such facts as we have concerning the Dominican Republic, where constitutional government was overthrown. The administration announced that it was withdrawing aid, at least until it found out what the new government would do in regard to constitutional rights.

My hypothetical question contemplates the withdrawal of all forms of assistance. There is no question that the Peace Corps, although not foreign aid assistance, is a valuable assistance to a country. If the President should decide that the Peace Corps ought to come out of a certain country, it would

not be intended or contemplated by the amendment of the Senator from Minnesota to restrict the President in any way from making a decision to bring out the Peace Corps.

Mr. HUMPHREY. Absolutely not. The decision as a matter of policy would be left in the hands of the President, as it is now. It would merely mean that the amendments which have been overwhelmingly adopted would not apply specifically as a prohibition to the Peace Corps or to the so-called Fulbright scholarship program. But the authority of the President to withdraw the program would remain as it is.

Mr. MORSE. I wanted to bring out that point.

Mr. HUMPHREY. I appreciate the Senator's question. It is very worth while.

Mr. LAUSCHE. Mr. President, I am obliged to express thoughts which are not in accord with the discussion which has taken place. If I should remain silent, I would feel that I had done so on the basis of fear to speak up at a time when I was convinced that statements were being made that were not sound. By my silence I cannot subscribe to the proposition that a democratic republic overthrown in South Vietnam should immediately be given consideration by way of aid and recognition while the Dominican Republic, in which likewise a constitutional government is overthrown, is denied recognition. Both of the overthrown governments were chosen in a democratic process. In South Vietnam blood was shed, lives were taken, and personnel of the incumbent regime were destroyed. No such thing happened in the Dominican Republic. In the Dominican Republic, from the beginning to the end, the result was subscribed to by a combination of the citizens. In South Vietnam it was only the military that actively participated in the overthrow. In my judgment, the passing of another week without giving recognition to the Dominican Republic would not be in the interest of our country.

Mr. President, in my hands I have a letter written to the editor of the New York Times. It was published in the New York Times on Sunday, October 27. The letter was written by Thomas F. Reilly, bishop of San Juan de la Maguano of the Dominican Republic. In the letter the bishop, who vigorously supported Bosch, points out that the revolution in the Dominican Republic became inevitable in consequence of the soft-handed treatment accorded to the Communists by Bosch. In effect, the letter points out that Bosch was an idealist and sentimentalist, not having any possession of reality. The Communists were making conspicuous inroads that resulted in the general public, from the beginning to the end, desiring to be assured that communism would not take hold of the Dominican Republic. On that basis the revolution occurred.

I ask unanimous consent that the letter be printed in the RECORD as a part of my remarks.

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

WHY BOSCH WAS OUSTED—DOMINICANS WERE APPREHENSIVE OF ANOTHER CUBA, PRELATE SAYS

To the EDITOR OF THE NEW YORK TIMES:

Tardily I have seen your editorial comment (September 29) on the overthrowing of the Bosch government in Santo Domingo. Dr. Bosch, a most astute campaigner, proved himself as President to be hypersensitive, doctrinaire, contemptuous of many elements devoted to democracy and strangely out of touch with the traditions of his country. I feared that his Government would fall in the last week of July and spoke strongly in the effort to save it. At the same time, the Apostolic Nuncio Emmanuele Clarizio and the other Bishops in friendly talks with Doctor Bosch and members of his government indicated what must be done to regain some measure of lost popular support.

TOLERANCE OF COMMUNISM

I regret the coup d'état and have a deep compassion for Doctor Bosch, who had reason to consider himself a hard-working, honest President bent upon establishing his personal notions of democracy and social justice in the Dominican Republic. Yet it is undeniable that responsible civilian groups were disturbed by the open smuggling of small arms to the little Communist groups, the bland tolerance of communism, the formation of a Bosch-directed militia ostensibly to protect the canefields.

There was widespread determination that the Dominician Republic would not permit itself to become another Cuba. Dr. Bosch obstinately refused any gesture to the nation to show that he shared this determination.

I do not believe that we have a rigid oligarchy in Santo Domingo. After the Bosch triumph in the elections of December 1962, the party of the business community and property owners found a spirit of willing cooperation among its members. But on February 17 Dr. Bosch began his derisive taunts against them and brought things to a head with his wild project of the law of confiscations. Meanwhile the level of government administration declined sharply from the fairly efficient procedures which the provisional government achieved. And the poorer people came to feel that the lavish campaign promises of Dr. Bosch were a bitter jest.

UNDISCIPLINED YOUTH

I have no attachment to any political group and indeed feel very unhappy about the present muddle. Our boys and girls in the high schools and the university will be more undisciplined than ever in the weeks to come. They cherish hopes for sweeping changes—an integral revolution—but have only reached the first stage, wherein Latin American youths indulge in school strikes, rock throwing, and heroic oratory.

Withal, I am not without hope for the new civilian regime. After the coup, the army and the police retired swiftly to their barracks.

These civilians—representatives of five parties—are likely to be in closer touch than the Bosch government with the tradition of the nation, more competent in administration, and more effective in carrying through socially progressive plans, which the whole nation anxiously seeks. May they not start quarreling among themselves.

If they fail, we are in for deep trouble.

THOMAS F. REILLY, *C.SS.R.*,
Bishop of San Juan de la Maguana, Dominican Republic.

ROME, *October 11, 1963.*

Mr. LAUSCHE. Another reason that I must speak is that I do not believe we ought to subscribe to a proposition that would make the Fulbright scholarship program and the Peace Corps program sacrosanct. We should not hold out to the world that whatever these young men do is above everything else that our country is doing. If we deny these nations aid, and if we refuse to help them on the basis that they have not followed a course consistent with the security of the United States, I do not believe that we ought to place the Peace Corps and the Fulbright students in a different class.

Why do I make that statement? This afternoon there came to my desk a letter from a Peace Corps worker in the Dominican Republic. The words of his letter are of such a character as to reveal that the writer is an actual participant in the political controversy that is going on in the Dominican Republic. When the Peace Corps bill was passed, I am certain that on the floor of the Senate it was repeatedly declared that the Peace Corps members would not become the propagandists of economic theories or a political philosophy. In the nations to which they would be sent they were to participate in manual work and ordeals. They were not to participate in political arguments. By its wording and spirit the letter which I received today clearly indicates that that young man is actively engaged in the political controversy in the Dominican Republic.

To summarize, I do not agree with the argument that the Dominican revolutionary government should be rejected. I make that statement because we are showing a great proclivity to reject governments which are friendly to the United States and hostile to communism, and to favor what are supposed to be democracies that are favorable to communism and hostile to the United States. In my judgment it is a mistake to single out any function which we are providing to help other countries, giving that function superiority over the general class of services that we are rendering.

I do not believe this amendment should be adopted, and I urge Senators so to vote.

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

Mr. LAUSCHE. I am glad to yield.

Mr. KEATING. Does the Senator realize that this amendment does not provide that aid under the Peace Corps or under the Fulbright exchange program shall not be cut off, but merely that those two programs will be exempt from the mandatory cutoff which is embodied in the amendment offered by the Senator from Alaska?

Mr. LAUSCHE. I understand that thoroughly, and I am glad the Senator from New York asked the question. In the 5½ years I have been a member of the Foreign Relations Committee, I have decided that we try to balm our consciences by having inserted in bills that "this shall not be done until such and such findings are made." We provide an escape clause, and then believe that we

have been spared the odium of what we have done.

If the Senator from New York were a member of the Foreign Relations Committee, I am sure he would find out that the State Department has adopted the technique of saying, "If you can only give us a little escape hatch, regardless of how small it is, we will get out."

Mr. KEATING. I do not have to be a member of the committee to know that.

Mr. LAUSCHE. That is what occurs. We have provided them with an escape hatch in practically every section of the bill.

I had an amendment accepted in the Foreign Relations Committee, to bar aid to Communist countries by way of loans to establish socialized enterprise competing with private enterprise within the country. That was my original purpose—to provide an absolute bar.

Along came the State Department to suggest an amendment, that the absolute bar be modified so that whenever the President or the administration determined that it was all right, it could be done.

I have received many letters from points throughout the country commending me on my amendment. I have written back, "You do not know that I had to accept a modification which provides that aid loans shall not be made in those cases, unless it is clearly shown that private enterprise is not rendering the service."

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

The PRESIDING OFFICER (Mr. EDMONDSON in the chair). Does the Senator from Ohio yield to the Senator from Vermont?

Mr. LAUSCHE. I yield to the Senator from Vermont.

Mr. AIKEN. The present Government of the Dominican Republic was put into power—and we assume it is temporary power—by the military. What is the attitude of the present Government of the Dominican Republic toward retaining the members of the Peace Corps in that country at this time? I understand that about 100 are there. It has been my impression that the Government of the Dominican Republic is asking to have them retained there.

Mr. LAUSCHE. I do not know. I heard the Senator from Oregon [Mr. MORSE] state that the former Ambassador of the overthrown regime was in Washington and spoke most highly of the Peace Corps. I ask the Senator from Oregon if that is not correct.

Mr. MORSE That is correct.

Mr. LAUSCHE. I concede that if the present Government says the Peace Corps members should be retained, that would be a powerful argument in favor of so doing.

Mr. AIKEN. I know that one of the members of the present Cabinet of the Dominican Republic was a guest of the Foreign Relations Committee 2 or 3 months ago, along with other members of the Dominican Senate. At that time, all of them, including the Cabinet member, spoke very highly of the work of the Peace Corps in the Dominican Republic. So I was wondering what the attitude of the present Government is toward retaining from 100 to 120 Americans who are there now as members of the Peace Corps.

Mr. LAUSCHE. I cannot answer that question. However, my views on the Peace Corps, and the quality of its work, have changed rather substantially in the direction of the belief that they are doing a good job.

Mr. AIKEN. I have heard more praise of the group that went to the Dominican Republic than of any group that went to another country; but perhaps that is because I had the opportunity to receive a more complete report.

Mr. LAUSCHE. I should like to ask the Senator from Vermont [Mr. AIKEN] a question. How can the Senator justify lifting the Peace Corps and the scholarship program to a level above the granting of food to maintain life and the granting of other aid that would preserve the independence and the sovereignty of a country?

Mr. AIKEN. I am not criticizing the position of the Senator from Ohio on the Dominican Republic. The Senator may recall that in the committee I pointed out the inconsistency of recognizing the new Vietnamese regime, which went into power through the strength of the military and with considerable bloodshed, compared with the nonrecognition of the Dominican regime, which went into power through a strong military but without bloodshed, as I understand. So I am not criticizing the position of the Senator from Ohio.

Mr. LAUSCHE. To the credit of the Senator from Vermont, let me say that the thoughts which I express tonight were born as a consequence of listening to his argument in the Foreign Relations Committee, and I thank him for it. The Senator's argument in the Foreign Relations Committee was made with substantially the same thoughts that I express tonight.

Mr. AIKEN. There are two things we should consider in our relationships with the governments of other countries. First: Is the government a stable one? Second: Is it friendly to the United States?

Mr. LAUSCHE. That is wonderful.

Mr. AIKEN. We can go on from there with other considerations; but those two are paramount.

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

Mr. LAUSCHE. I yield.

Mr. JAVITS. First, the Dominican Republic is continuing the program of administering polio vaccine to children in the Dominican Republic, sent there through a coordination of the efforts of the U.S. Government, United Nations agencies, and private enterprise in the United States. So they have by no means severed their relationship with our country when humanitarian considerations are at stake.

I served for 8 years on the Foreign Affairs Committee in the other body, and heard the discussions of the Greece and Turkey program and the Marshall plan. I have added my name to this amendment because I feel very strongly about it.

I agree with the Senator that if we give the State Department the opportunity to continue something, they probably will do so if we give them an "out," as the Senator says. I believe these are very desirable programs on which to give them that opportunity. So I am not doing it with my eyes shut. I am doing it with my eyes open, and for this reason: For us, the application of the interest of youth is an extremely flexible and highly desirable instrument. Almost every experience we have with young people is favorable. There are occasions when there are aberrations such as with respect to those who went to Cuba, which was not good. Generally speaking, we have found the Peace Corps, the educational exchanges, or the kids on the streets of Moscow creating a "ferment" to be an extremely useful and flexible instrument for our side.

Therefore, I believe this is a necessary and a good amendment, which we should approve with our eyes wide open, realizing that the State Department, will probably allow it in more countries than not. That is all the more reason for doing it, because I believe these particular programs are extremely helpful, and have none of the drawbacks which the Senator and others have found in the various aid programs that will be prohibited.

As to food aid, we have made it very clear that though we forbid assistance we do not forbid food relief. In my judgment, no matter how "naughty" any nation on earth has been, the American people would still have human feelings toward giving its starving people direct food relief, which is very different from assistance.

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

Mr. LAUSCHE. I am glad to yield.

Mr. MILLER. I should like to ask the Senator from Ohio, or the Senator from New York who has just spoken, in connection with humanitarian problems, if we cut off direct assistance under the foreign aid program, whether we will not still help in those causes by contributing through the auxiliary organizations of the United Nations, such as the World Health Organization? It is my understanding that the World Health Organization undertakes to distribute polio vaccine. So, even if we should, in a certain situation, not extend such relief under the foreign aid program, would we not, at the same time, take care of that need through the United Nations?

Mr. JAVITS. Mr. President, will the Senator yield so that I may answer?

Mr. LAUSCHE. Let me answer first.

There are two schools of thought with respect to the question which was just put. School No. 1 consists of those who believe that the Communists intend to destroy our country. In spite of the fact that there is no firing, this school is of the opinion that we are in a war. It says that whatever aid is given

through the Government, as distinguished from the Red Cross, constitutes helping the enemy while we are engaged in a war.

The second school consists of those who say we are not engaged in war, that Red Russia has become mellowed and callowed, and that it wants to live with us. Therefore they urge that we give help to them in various forms.

I do not belong to the latter school. I am of the belief that when we give aid to an enemy, whatever the source may be, we perpetuate the wrong and make possible, in the long run, an aggravation of it.

From the standpoint of American youth, by giving aid to the enemy we may cause the loss of many more lives in the future than would take place if we had brought to an end those governments that are hostile to our concept of what goodness is in the world.

I now yield to the Senator from New York.

Mr. JAVITS. Mr. President, I shall answer briefly. The United Nations does supply such aid under its charter. This is similar to a proposal I have made, with the aid of the American Cyanamid Co., Pan-American Airways, and the Lily-Tulip Cup Co. All of these programs are in operation, but none of them is of the nature of the two programs referred to.

As the Senator from Ohio has mentioned, there are two schools of thought on this question. I am of the opinion that it is a war, but it is a war that can be fought not merely with blunt weapons, but with armies of which these two programs are important in terms of being able to win the war without dropping an atom bomb.

Mr. HUMPHREY. Mr. President, in 2½ years the Peace Corps has demonstrated the value of sending highly qualified, well-trained Americans to serve in other countries as volunteers. In recent weeks these Peace Corps volunteers have received several distinguished awards for their work. These awards were made, Mr. President, by the people of the foreign countries. Eleven countries in Asia, for example, presented the Ramon Magsaysay Award to the 1,400 volunteers serving there. This award has sometimes been called Asia's Nobel Prize. The volunteers were the first group of non-Asians to receive it.

The point I want to make, Mr. President, is that Peace Corps volunteers are working with people. I do not think—and I do not believe the Senate intends—that these volunteers should be affected by section 620(e) of the bill we are now considering. Also, the Peace Corps should not be understood as included in the Gruening amendment No. 231. In this respect the situation is quite different from AID, Public Law 480, the Export-Import Bank, or any other program where we are primarily dealing with commodities. The Peace Corps is dealing with people, not things. And people can accomplish objectives that things cannot. This is why I do not believe it is in the best interest of the United States to remove the Peace Corps from any country except under the most extreme circumstances. It should be made clear, therefore, that the committee amendment to section 620(e) of this act does not apply to the Peace Corps and the Gruening amendment.

Mr. BURDICK. Mr. President, the Secretary of State has said:

> The Peace Corps is not an instrument of foreign policy because to make it so would rob it of its contribution to foreign policy * * *. The Peace Corps is an opportunity for the nations of the world to learn what America is all about. This is one of the most important things our country can do in the world today. Outside of the shadows and struggles of the cold war, outside of the military rivalries which heighten dangers all over the world, outside of the constant sense of national advantage which pervades diplomacy, if the Peace Corps can let other peoples find out what this country is all about, we shall be surprised to discover how many allies America has all over the world.

I do not know how more eloquently could be expressed the purpose of the Peace Corps and the hopes of those of us who sponsored it.

These purposes do not encompass assistance and foreign aid as we have come to think of them and as we are discussing them today. They go far beyond and above, if indeed they could be called assistance at all.

I am happy to join my colleagues to make clear that the Senate does not regard the language of the pending bill, which refers to "assistance under any other act," as applying to the Peace Corps. To apply it to Peace Corps volunteers would inevitably tend to make the Peace Corps an instrument of foreign policy. This, as Secretary Rusk has said, "would rob it of its contribution to foreign policy."

Mr. SMATHERS. Mr. President, I would like to say a few words about section 620(e) and the amendment offered by the Senator from Alaska [Mr. GRUENING], amendment No. 231, which would apply to page 51 of the bill. I do not think we should start setting a precedent under which the Peace Corps would be pulled out or sent into foreign countries on the basis of every friendly or unfriendly action taken by the governments of these countries. The Peace Corps is a people-to-people program. It can operate in the effective interest of the United States in a country where that government may be doing certain things of which our Government quite properly disapproves.

I think the point has already been demonstrated in the case of Peru. As Senators will recall, in June 1962 a military junta refused to allow the constitutionally elected President to take office and instead took over the Government itself. There followed a crisis in our relations with Peru. But during the year in which the junta held power, over 200 Peace Corps volunteers entered into service in Peru and put into operation what has become one of the most effective Peace Corps programs in the world. These Americans were not identified by the Peruvian people with the government in power nor was their presence considered by the Peruvian people to reflect U.S. support for or sympathy with that government. That is amply demonstrated by the several awards which have been presented to the Peace Corps in Peru by the Peruvian people this past summer.

I think the case of Peru demonstrates that the success of the Peace Corps has in great part been due to the fact that its influence works outside the ordinary channels of politics and diplomacy. If we extend section 620(e) to include the Peace Corps, we may be forced to remove that influence when we need it most. I cannot believe we want to do that.

It is my hope that the proposed legislation will make it clear that that section does not extend to the Peace Corps.

Mr. PELL. Mr. President, I understand that the bill would amend the Foreign Assistance Act in a way which might require suspension not only of aid, as the act now requires, but of Peace Corps programs in countries which have expropriated American property.

I understand why aid should not be given to a country which takes American property without compensation. But I fail to see that it is also in the U.S. interest to suspend a humanitarian, people-to-people program like the Peace Corps.

The Peace Corps has been tremendously successful in getting down to the grassroots. The volunteers are promoting mutual understanding and a sense of identity of purpose and spirit between the American people and the peoples of the underdeveloped world. These achievements do not constitute aid or assistance programs as we are discussing them in regard to this amendment.

I know my sentiments are shared by many of my colleagues.

I doubt that an amendment to the committee amendment is necessary to make clear that the Senate does not regard assistance under any other act as it is used in the bill as covering the Peace Corps.

Mr. YARBOROUGH. Mr. President, I would like to join in what my colleagues have stated with respect to the Peace Corps and the cutting off of foreign aid when American property has been expropriated.

Peace Corps volunteers are hard at work in 46 countries today. They are helping people, not governments. For the Peace Corps is a humanitarian operation. This effort has redounded greatly to the benefit of the United States in many ways, but let us not lose sight of the humanitarian principles that underlie it: Service and sacrifice. The Peace Corps is not giving away goods or dollars; they are giving something far more valuable: Their lives, their spirit, their humanitarianism, their great good will, and their high hopes for humanity. They give themselves, not the taxpayers' dollars.

In this light the Peace Corps is quite different from foreign aid or assistance, and should not be considered as covered by section 620(e) or any other section of this act that provides for the suspension of aid to a foreign country.

Mr. CHURCH. Mr. President, when Congress authorized the Peace Corps it set forth three purposes for it: First, to

help the peoples of developing countries meet their needs for trained manpower; second, to help promote a better understanding of the American people on the part of the peoples served; and third, to help promote a better understanding of other peoples on the part of the American people.

I point out the repeated emphasis in those purposes that is placed on the word "people." The Peace Corps was created as a people-to-people program. Two of its three purposes relate to understanding, not assistance as we usually think of it. I believe Congress intends for the Peace Corps to adhere to the original conception of it and not be turned into a political weapon to be used for or against foreign governments. Any such use of the Peace Corps would impair if not destroy the effectiveness of the fine organization which Congress helped to create.

I consider it important, therefore, that section 620(e) of the Foreign Assistance Act be not construed to cover the Peace Corps. I am certain that the majority of the members of the Foreign Relations Committee did not intend for this amendment to embrace the Peace Corps. Certainly there was no discussion of this possibility in committee hearings or markup, and when I voted for the amendment, I did not, as I understand most of the members did not, consider that the Peace Corps was at all involved in its scope. I would like for the RECORD to show that our intention in passing this amendment did not involve the Peace Corps.

Mr. FULBRIGHT. Mr. President, I hope the Senate will support the amendment. I would be prepared to take it, but the yeas and nays have been ordered on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY] for himself and the Senators from New York [Mr. KEATING and Mr. JAVITS] to the committee amendment in the nature of a substitute, as amended. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from West Virginia [Mr. BYRD], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Florida [Mr. SMATHERS], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Florida [Mr. SMATHERS], and the Senator from California [Mr. ENGLE] would each vote "yea."

On this vote, the Senator from West Virginia [Mr. BYRD] is paired with the Senator from Mississippi [Mr. STENNIS].

If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Mississippi would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from California [Mr. KUCHEL] is detained on official business.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from California [Mr. KUCHEL].

If present and voting, the Senator from Arizona would vote "nay" and the Senator from California would vote "yea."

The result was announced—yeas 75, nays 16, as follows:

[No. 224 Leg.]

YEAS—75

Aiken	Gore	Morse
Allott	Gruening	Morton
Anderson	Hart	Moss
Bartlett	Hartke	Mundt
Bayh	Hayden	Muskie
Beall	Hickenlooper	Nelson
Bible	Holland	Neuberger
Boggs	Humphrey	Pastore
Brewster	Inouye	Pearson
Burdick	Jackson	Pell
Cannon	Javits	Prouty
Carlson	Johnston	Proxmire
Case	Jordan, N.C.	Randolph
Church	Jordan, Idaho	Ribicoff
Clark	Keating	Saltonstall
Cooper	Kennedy	Scott
Cotton	Long, Mo.	Smith
Dirksen	Mansfield	Sparkman
Dodd	McClellan	Symington
Dominick	McGee	Walters
Douglas	McGovern	Williams, N.J.
Ellender	McIntyre	Williams, Del.
Ervin	McNamara	Yarborough
Fong	Metcalf	Young, N. Dak.
Fulbright	Monroney	Young, Ohio

NAYS—16

Bennett	Hruska	Simpson
Byrd, Va.	Lausche	Talmadge
Curtis	Mechem	Thurmond
Eastland	Miller	Tower
Edmondson	Robertson	
Hill	Russell	

NOT VOTING—9

Byrd, W. Va.	Kuchel	McCarthy
Engle	Long, La.	Smathers
Goldwater	Magnuson	Stennis

So Mr. HUMPHREY's amendment to the committee amendment in the nature of a substitute was agreed to.

Mr. KEATING. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KEATING. Mr. President, I again call up my amendment No. 247.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following:

PART V—MISCELLANEOUS

SEC. 501. It is the sense of the Congress that any agreement hereafter entered into between the Government of the United States and the Government of Czechoslovakia relating to the settlement of claims, determined by the Foreign Claims Settlement Commission, by nationals of the United States against the Government of Czechoslovakia for losses resulting from nationalization or other taking of property of such nationals, shall be submitted to the Senate for its advice and consent.

Mr. KEATING. Mr. President, I shall speak for 2 minutes on the amendment. First I yield to the Senator from Illinois.

PROGRAM FOR REMAINDER OF TODAY AND FOR TOMORROW

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader about the schedule for the remainder of the day and also for tomorrow.

Mr. MANSFIELD. Mr. President, it is hoped that with amendments and votes coming as they are, the Senate will be able to remain in session until approximately 10 o'clock tonight. This is a matter for the Senate to decide. The combined leadership hopes that amendments will continue to be offered and that votes will be taken. Unless some Senator desires to make an extraordinarily long speech, that will be the procedure for the remainder of the day.

ORDER FOR RECESS UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the business for today has been concluded, the Senate take a recess until 12 o'clock noon tomorrow.

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

Mr. MANSFIELD. A similar procedure will be followed tomorrow.

CONGRESSIONAL ELECTIONS AS IMPORTANT AS CHOICE OF PRESIDENT

Mr. DIRKSEN. Mr. President, the State Labor News, published at 85 East Gay Street, Columbus, Ohio, contains a paragraph in its issue of October 19, 1963, under the heading "Congressional Elections as Important as Choice of President." The issue is well and succinctly put. I 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:

CONGRESSIONAL ELECTIONS AS IMPORTANT AS CHOICE OF PRESIDENT

Under our system of government, the election of a President always receives vastly more publicity than the election of a Congress.

This shouldn't be. Actually the choice of Congressmen is in many ways more important than the selection of a Chief Executive.

It is true that the President of the United States has great powers, more than the head of any other government except an outright dictatorship.

But in the final analysis, it is Congress, especially the House of Representatives which has the last word on national governmental policies.

If enough Congressmen feel the same way about any given issue, they can override a Presidential veto of their actions by the votes of two-thirds of their membership.

Ordinarily if a President and a Congress are of the same political faith, the President can have his program and his policies enacted into law. But this is not always true and the present Congress with its overwhelming Democratic majority proves it.

In this country, neither major political party is forced to go along with the program of the Chief Executive. Both parties are made up of individuals of widely divergent views, particularly the Democrats with their

northern liberals and their southern conservatives.

The Republicans although basically more conservative nevertheless have a strong liberal faction, made up principally of Congressmen and Senators from the eastern seaboard.

Members of Congress, especially those in the House of Representatives who must run for reelection every 2 years, are understandably closer to the people than is the President.

And they rise and fall on the basis of how well they reflect the view of their constituents when they get to Washington.

Therefore, it isn't wise for voters to overlook their choice of a Congressman in the excitement and ballyhoo of a presidential campaign.

Selection of a national leader to speak for all the people is, of course, a matter of great importance, but so is the choice of the individual who has a vote in the most powerful governmental unit in the world, the U.S. Congress.

PERSONAL STATEMENT BY SENATOR SMITH

Mrs. SMITH. Mr. President, that very distinguished political analyst of the Washington Post, Chalmers Roberts, in his column today made a serious error in his statement:

> Some of her colleagues report that she is no friend personally or ideologically of GOLDWATER though there has been talk of her running on a Goldwater ticket.

Mr. Roberts is in serious error. I consider BARRY GOLDWATER to be a good personal friend of mine—and I certainly consider myself to be a friend of his.

What constitutes friendship on an ideological basis is a real puzzler. I am sure that people can have ideological differences and still be friends—just as I am sure that sharing the same ideologies does not necessarily make persons friends.

But I am not one to begrudge Mr. Roberts his literary license if it will create a little more appeal in his writing—any more than his column of September 23, 1963, in which he indicted me in advance with the speculation that should I vote against the test ban treaty it would be an attempt to curry political favor with Senator GOLDWATER. Strangely enough, he has never commented on my vote against the Goldwater reservation to the test ban treaty.

Mr. Roberts could have avoided the serious errors of his columns of September 23, 1963, and November 12, 1963, had he taken the time to check with me rather than speculate or attribute to anonymous sources.

It is a very serious matter to charge enmity between two persons when that enmity does not exist. Lest this misrepresentation give further erroneous impressions, let me state very clearly that I consider myself to be a personal friend of BARRY GOLDWATER.

AMERICAN EDUCATION WEEK

Mr. SALTONSTALL. Mr. President, as we observe American Education Week, it is appropriate to call attention to the fundamental relationship between a democratic form of government and public education. As Woodrow Wilson put it so well, "Without popular education, no government which rests upon popular action can long endure." Certainly a comprehensive system of education is essential to our democratic system if we are to provide equality of opportunity, preserve our cultural heritage, and meet the challenges of international competition.

Because I am convinced of the importance of a sound educational system to national survival and progress, I am particularly proud of the leading role which the Commonwealth of Massachusetts has held in the development of public education in this country. It was in 1642 that the General Court of the Massachusetts Bay Colony made it mandatory that all children in the colony receive some education. Five years later the "Old Deluder Satan Act" established the principle of publicly supported elementary and secondary schools by requiring every town of 50 households to hire a teacher and every town of 100 households to establish a grammar school. Again, in 1827, Massachusetts led the Nation when it passed the first State law encouraging the spread of the public high school. In the 7 years that followed, the public school movement was given further impetus by the enactment of laws which made support of public schools by taxation compulsory, abolished fees as a requisite for attendance at school, and declared them open without charge. In 1837 Massachusetts established the first State school board with Horace Mann, the father of the American public school, as its secretary and in 1852 the Commonwealth enacted the first compulsory school attendance law. Indeed, in the field of education Massachusetts has an impressive record of firsts. All citizens of the Bay State are proud that it has done so much to promote the establishment of free and universal education in the United States because we recognize the connection between educational opportunity and the social, political, and economic advancement of a free society.

We do not have a democratic system unless our people have the opportunity to develop fully their talents and intelligence. We live in difficult times and it is important to our progress and our future that every person be encouraged to develop maximum use of his abilities. This development is a fundamental purpose of education. Education also faces the critical challenge of preparing the next generation for its responsibilities. As James Bryant Conant, the former president of Harvard University has written:

> The primary concern of American education today is to cultivate in the largest number of our citizens an appreciation both of the responsibilities and the benefits which come to them because they are American and free.

In a speech Dr. Conant made another important point:

> As events in Europe within our lifetime have all too clearly demonstrated, the greatest single need of a free society is a widespread determination among the citizens to defend the basic principles of that society against external and internal foes. A spirit of freedom coupled with an understanding of the nature of our governmental machinery and an interest in improving this machinery is essential for the continuation of a government based on the consent of the governed.

We must also be aware of the practical reasons for a comprehensive system of public education. Among teenagers who are no longer in school the unemployment rate is 27 percent. We should remember the warning of Dr. Conant that the young, uneducated, untrained, and culturally deprived adult is "social dynamite." In addition, between now and 1975 the number of young people seeking higher education will double. We want our educational system to be prepared for them.

Thus, as we observe American Education Week, let us remember that a comprehensive system of education is essential to our democracy. Through education we must provide opportunity for individual development, we must assure the preservation of the foundations of our Government, and we must make maximum use of the abilities of our citizens. As the future of our education is dependent upon us, so our future is dependent upon education.

In calling attention in education week to the importance of our educational system we should not fail to mention the dedicated work of the schoolteachers of America to whom we entrust our children. Because of their activities our children will become more independent and self-reliant and better citizens in the days to come.

To meet its responsibility to society today, education must trigger the curiosity of students and awaken in them a desire to understand their Government and the world about them. It must help them to gain that understanding and it must stimulate and prepare them to assume an active role in community and Government activities. If it is doing its job, it will alert them to the drama, the excitement, and the satisfactions of that experience. This is an important responsibility, and one which I am confident the Nation's teachers are attempting to meet.

OTEPKA TESTIMONY

Mr. WILLIAMS of Delaware. Mr. President, in yesterday's Washington Evening Star there was published an editorial entitled "Otepka Testimony."

This editorial calls our attention to a situation in which high ranking State Department employees first gave false testimony to a congressional committee; then, when caught, they reversed this testimony and admitted the truth.

But the truth is even more shocking. Officials of the Government admit that they illegally tapped Mr. Otepka's telephone. Tapping a telephone under such circumstances is a violation of the law, and smacks of police state tactics.

I suggest that the State Department promptly fire those responsible, and that the Attorney General of the United States bring prompt action against this

illegal invasion of a man's privacy for no reason other than political reprisal.

In this instance all that Mr. Otepka was guilty of was cooperating with a congressional committee.

I ask unanimous consent that the editorial entitled "Otepka Testimony," published in the Washington Evening Star, and an article entitled "Aids Admit Wiretap Use on Otepka," may be printed in the RECORD.

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

[From the Washington (D.C.) Evening Star, Nov. 11, 1963]

OTEPKA TESTIMONY

It is perfectly clear that State Department employees, including one with the rank of Deputy Assistant Secretary for Security, did not tell the whole truth in sworn testimony given a Senate subcommittee in the Otepka case.

This should be a matter of grave concern to the Secretary of State. Two of the three men involved have been put on an indefinite leave status, with pay. It is disturbing, however, that there has been no forthright official condemnation of their testimony before the subcommittee.

Otto F. Otepka has been dismissed by the State Department for giving certain information, allegedly improperly, to J. G. Sourwine, counsel to the Senate's Internal Security Subcommittee. The case against Mr. Otepka was based on material found by searching his "burn bag"—a receptacle for discarded papers which are supposed to be burned. At that time instructions were given by Department officials which were construed as forbidding other State employees to give any information to the subcommittee. These instructions have been lifted.

The question now is not whether Mr. Otepka was properly dismissed. He has taken an appeal from his dismissal and the merits will be determined in that proceeding. Nor is the real question concerned with the right to search burn bags or—even—to tap telephones. The question is simply whether witnesses from the State Department must tell the whole truth when they testify before a committee of Congress.

In this case it is clear that an attempt was made to tap Mr. Otepka's telephone. It is equally clear that an attempt was made to deceive or mislead the subcommittee on this point. Secretary Dean Rusk ought to move in fast to lower the boom on this sort of thing.

AIDS ADMIT WIRETAP ON OTEPKA

WASHINGTON.—Three State Department officials now have acknowledged to Senate investigators telephone wiring in Otto F. Otepka's office was rigged to permit eavesdropping on conversations in his office.

However, they said no actual interception of conversations took place, none was authorized, and the wiring was disconnected within 48 hours after a test of its feasibility proved unsuccessful.

The officials said their statements were intended to amplify and clarify earlier sworn testimony to the Senate Internal Security Subcommittee in which they denied knowledge of the installation of any listening devices in Otepka's office.

The subcommittee, headed by Senator JAMES O. EASTLAND, Democrat, of Mississippi, made public the statements and the earlier testimony without comment.

Otepka, a veteran State Department security officer, was notified Tuesday of his dismissal on charges of unbecoming conduct. Among other things, he was accused of supplying the subcommittee with information from confidential employee loyalty files.

Senator THOMAS J. DODD, Democrat, of Connecticut, the subcommittee's vice chairman, in a Senate speech Tuesday protested Otepka's dismissal as an affront to the Senate. He said then that the State Department had installed a tap on the security officer's telephone.

"Although a State Department official has denied under oath that this was done, the Subcommittee on Internal Security has proof that the tap was installed," DODD added.

Statements acknowledging the rigging of Otepka's telephone were sent to EASTLAND by John F. Reilly, Deputy Assistant Secretary of State for Security; David I. Belisle, special assistant to Reilly, and Elmer Dewey Hill, Chief of the Division of Technical Services in the Department's Office of Security.

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. KEATING. Mr. President, I shall speak briefly on the pending amendment.

Mr. LAUSCHE. Mr. President, will the Senator from New York yield, so that I may ask for the yeas and nays on the pending amendment?

Mr. KEATING. I yield for that purpose.

Mr. LAUSCHE. Mr. President, on the pending amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KEATING. Mr. President, the purpose of this amendment is to insure that the Senate be given the opportunity to review any agreement reached between the U.S. Government and the Government of Czechoslovakia with regard to U.S. claims before such an agreement comes into effect. The claims involved are claims for property, rights or interests therein owned by U.S. citizens taken or nationalized on or prior to January 1, 1945, by the Government of Czechoslovakia.

These claims, let me make clear, are not for war damages or injury of that type; they are compensation for deliberate seizure by the Communist Government of Czechoslovakia for which no recompense has yet been offered. They are claims that have been adjudicated and awarded by the Foreign Claims Settlement Commission. There are altogether a total of 2,630 cases, amounting to $113,645,205.41 in principal and interest. Some 1,346 claims were rejected by the Commission. Those it awarded represent definite, adjudicated instances in which property of U.S. nationals was seized.

Yet it is my understanding that the Department of State is presently considering an agreement to settle with the Czechoslovak Government for approximately $11 million or less than 10 cents on each dollar.

Mr. President, for the more than 2,600 persons and firms involved, such an agreement would be meaningless and would in fact amount to U.S. acceptance of nationalization without anything approaching fair compensation.

Furthermore, a settlement of the Czech claims for roughly 10 percent would constitute a very dangerous precedent. The United States has, since World War II, negotiated claims conventions with six nations. The first, with Italy, in 1947, was for 100 percent of the value of U.S. claims. The second, with Yugoslavia in 1948, was for 91 percent of the value of U.S. claims. The third, in 1950 with Panama, was for 90 percent. The fourth, in 1960 with Rumania, was for 24 percent. The fifth with Poland was for claims not yet completely processed. And the most recent, with Bulgaria, was for 40 percent. It is ironic that the two free world countries paid 100 and 90 percent of claims against them, while the Communist nations are succeeding in paying a far smaller share.

It is particularly disturbing that the number of awards on the Czech claims, 2,630, is larger than that of any other country. The two other nations with claims administered by the Foreign Claims Settlement Commission that have not yet been agreed upon through conventions, are also very large: Hungary with 1,153 adjudicated claims and the Soviet Union with 1,925 adjudicated claims.

In other words, if an agreement of roughly 10 percent is concluded with Czechoslovakia, we can expect no better terms from Hungary or the U.S.S.R. and a total value of close to $300 million of validated U.S. claims may be simply junked.

Therefore, Mr. President, not only in the interest of the Czechoslovakia claimants, but of others for the future, I believe it is time for the Senate to look into this area and request the opportunity to offer its advice and consent to the Czechoslovakian and perhaps any succeeding claims convention that is less than 50 percent of the value of adjudicated claims. Although recent claims settlements have been called executive agreements and therefore not submitted to the Senate, there is a precedent for this action in the Panamanian settlement which was ratified by the Senate August 9, 1950. As that settlement amounted to 90 percent, it strikes me as a good precedent to follow.

Even more important, however, in my judgment, a settlement of less than 10 percent of the awarded claims is not by any stretch of the imagination mere execution of a policy laid down by the Congress. Rather, it is a deliberate and calculating act of policy. The cases of the Communist claims appear to reflect a considered effort to smooth U.S. diplomatic relations with Communist bloc nations at the expense of individual U.S. claimants. Perhaps such a move is in the national interest; perhaps it is justified; perhaps the Senate would give its advice and consent to such an agreement if the pros and cons were carefully weighed.

But in any case, U.S. agreement on only 10 percent compensation is surely not what the Congress intended in setting up the Foreign Claims Settlement Commission to determine the "fair or proved value of the said property, right or interest," often after years of hearings.

Therefore, I strongly believe that the Senate should request, formally by resolution, if necessary, that the agreement with the Czech Government now under consideration not come into effect until the Senate has offered its advice and consent thereto.

It may be said, even by those who accept this principle, that the foreign aid bill is not an adequate vehicle for this amendment. On the contrary, I believe it is most appropriate because, should we accept $11 million as recompense for the seizure of what amounts to $113 million, that in my view is substantial aid and assistance to the recipient nation, even if that country is not mentioned in this bill and receives not 1 cent from the Agency for International Development.

Last year, as I recollect, the Congress adopted, over the objections of the Department of State, the Hickenlooper amendment to ban aid to nations expropriating U.S. property. Although not applicable in these instances, it clearly defined congressional sentiment in the matter of expropriations. During the hearings this year, Secretary of State Dean Rusk admitted that, although he opposed the amendment last year, he had since come to favor it. It had been extremely useful in strengthening the hand of the U.S. Government in dealing with foreign governments that were tempted to expropriate U.S. property. And I note that the committee has recommended further strengthening of it this year.

In this instance also, I believe, the knowledge that the Senate would be reviewing these treaties, would greatly strengthen the hand of our negotiators. What is more, even the Czechs, who now plead poverty, might think twice if they expected such an argument to be weighed by the Senate, which is well aware of Czech foreign aid to Cuba and other nations around the world.

In short, Mr. President, I believe the constitutional prerogatives of the Senate are involved here. To determine the direction of foreign policy is not the proper role of an executive agreement. Moreover, without review by the Senate, the approved claims of thousands of Americans stand to be virtually nullified—without consideration or appeal. A precedent would be established that would handicap U.S. citizens and firms for generations to come. The overall result would not only be the loss of millions of dollars owed to us, but undoubtedly an additional reluctance on the part of many U.S. interests to undertake oversea operations in the knowledge that our Government would not insist upon fair treatment, should the property be seized.

Mr. President, I am unfortunately under no illusions that we here in the Senate could force the Czechs or Hungarians or Russians to pay 100 percent of U.S. claims. But unless we exert our constitutional duty, we can be sure that U.S. citizens will not get any meaningful compensation whatsoever.

The most astonishing factor in this whole situation is that the United States today holds in frozen Czech assets over $8½ million. Therefore, if the Czechoslovak Government agrees to pay $11 million, that would mean the only additional funds required from the Czech Government would be $2½ million.

Moreover, right now the United States, Britain, and France hold in a tripartite arrangement some $20 million of what is known as looted gold—$9 million is in New York; $11 million is in London. This is gold rounded up by the Allies at the end of the war from hiding places where it was placed by the Germans when they occupied most of Europe. This $20 million, it has been determined under the terms of the Paris Reparations Agreement of January 24, 1946, probably came from Czechoslovakia and would no doubt be slated to return to the Czech Government if it is not needed to pay valid claims. Thus, as a result of the settlement now under consideration, as much as $17½ million could conceivably be returned to the Communist government in Czechoslovakia. First and foremost, I would like to see that money be used to pay American claims, but if the Department of State cannot make that point in negotiations, I for one would rather see the money be used as a part of a tripartite foreign aid effort, than simply turned over to a hostile Communist government.

I am deeply concerned over the fact that over $100 million in legitimate U.S. claims for property nationalized by the Czechoslovak Government may well be junked in an essentially political agreement with a Communist regime. This is not, as the State Department may wish to suggest, a one-way agreement, with all benefit to the United States, that should be considered merely an executive agreement. It is a final settlement of a complex issue. Very probably also a sizable trade deal with the United States will be involved in the final settlement, whether formally stated or not, because that is the way the Communists like to operate.

Mr. LAUSCHE. Mr. President, the record shows that the impounded assets of various countries in the United States have been used to pay the claims of American citizens against the countries which now impound assets. For instance, Yugoslavia paid 91 percent of the claims of American citizens for property taken from them during World War II. Panama paid 90 percent. Bulgaria paid 50 percent. Rumania paid 30 percent. Italy paid 100 percent. No agreement for settlement has been reached with the Union of Socialist Soviet Republics, and nothing has been paid.

With respect to Czechoslovakia, which is the country contemplated by the amendment of the Senator from New York, there are 2,630 claimants. The awards made as legitimate amount to $113 million. The amount supposedly available to pay claims is $8,541,000, with $2 million more promised, making a total of $10,541,000, or about 9 percent of the claims. An additional $8 million is impounded in the United States, but this amount is not to be used to pay off the Czechoslovak claims.

Eleven million dollars is impounded in London under what are supposed to be "lieu" funds that are not being used. The $8 million and the $11 million will be returned to Czechoslovakia, and about 9 percent of the claims paid.

The amendment offered by the Senator from New York, in which I have joined as a cosponsor, merely provides that before the awards that have been made are approved by our Government, a report shall be made to the Senate, so that the Senate may give its advice and consent. I cannot see why we should return to Czechoslovakia any moneys that might be available, and that are impounded in the United States and in London, when Czechoslovakia is paying off only 9 percent of the claims in the United States.

I yield the floor.

Mr. FULBRIGHT. Mr. President, I am opposed to the amendment. The amendment was not submitted to the committee. The committee had no opportunity to study it.

Whether some of the allegations made regarding any proposed settlement with Czechoslovakia are correct, I am, of course, in no position to answer. A serious question is involved—one that has troubled our relations with several countries with regard to claims. What is involved is a question in law concerning claims by nationals of the United States against the government of Czechoslovakia. The amendment does not state whether the persons were nationals at the time of confiscation or not. This problem has complicated settlements that have been attempted with some of the other countries, because it is a question of great controversy in international law whether a citizen of a country at the time the loss occurred has any right to go to the United States or any other country and become a national of that country and enter a claim.

The problem of ascertaining whether a claim exists is a difficult one. The amendment would appear to authorize or require—I am not sure which—that all persons who are now citizens of the United States, regardless of whether they were citizens at the time of the loss, would be entitled to claim.

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

Mr. FULBRIGHT. The Senator has made his speech. I am making a reply. But I will yield.

Mr. KEATING. I point out to the Senator that every single one of the 2,630 claimants whose claims have been adjudicated and allowed by the Foreign Claims Settlement Commission was a citizen of the United States. There is no question of after-acquired citizenship. This requirement is clearly established in the International Claims Settlement Act of 1949.

Mr. FULBRIGHT. That does not appear in the amendment as printed. It would seem to apply to nationals of the United States as of the moment. It does not provide as of the time of loss.

Mr. KEATING. We are discussing claims determined by the Foreign Claims Settlement Commission. These are all, by law, claims of U.S. nationals at the time of loss. They number 2,630. The total amount of the claims are $113 million. The Foreign Claims Settlement Commission threw out 1,300 claims. We are discussing only claims allowed by the Commission.

Mr. FULBRIGHT. The next question I was coming to is the question of the

International Claims Settlement Act of 1949. Congress passed this act for the specific purpose of settling claims with various countries. The claims that have already been referred to by previous speakers involve Yugoslavia, Poland, and Italy, and were settled in accordance with the International Claims Settlement Commission.

I see no reason why the usual procedure should not be followed in this case. The custom clearly is to submit such claims to the Foreign Claims Settlement Commission, as provided by law; and we are always given a report in regard to the settlement. But under this Act such matters have not been handled by treaty. The one exception of which I know involved a case in Panama, but our relations with Panama are on a different basis from our relations with many other countries.

I see no reason whatever to depart from the custom, and in this case to require a treaty. In my opinion, that would be likely to interfere with a settlement, rather than to promote one, because this matter has already been before the Claims Commission.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield?

The PRESIDING OFFICER (Mr. RIBICOFF in the chair). Does the Senator from Arkansas yield to the Senator from Florida?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. Have we any greater obligation to protect citizens who have such claims against Panama than we have to protect citizens who have similar claims against Yugoslavia, Poland, or any other country, as to which such claims have been settled by the usual procedure?

Mr. FULBRIGHT. I see no reason, on principle, to provide for any different treatment. We have had no serious complaint. For example, in the case of claims against Yugoslavia, I believe the Senator from Ohio stated that 91 percent of the amounts claimed were paid, under the usual procedure. So I see no reason why special, different treatment should be provided for a citizen who has such a claim against Czechoslovakia or a citizen who has such a claim against Yugoslavia.

Certain allegations have been presented to us, but we do not act on the basis of allegations. I am not in a position to refute some of the statements which have been made; but they were not brought before the committee, and I have no information about the nature of the claims, other than what is contained in the pamphlet and what my staff knows in general.

The usual procedure is that after the Claims Commission considers the claim, implementing legislation is proposed. The point is that the Commission is not trying to secrete something from Congress; and thus far all matters of this sort have been handled in accordance with the customary procedure.

Therefore, Mr. President, I hope the amendment will be rejected.

Mr. KEATING. Mr. President, in response to the question asked by the Senator from Florida, let me state that the reason why no complaint was made in the case of claims against Italy was that the claims of U.S. citizens against Italy were paid 100 cents on the dollar. The claims of U.S. citizens against Yugoslavia were paid 91 cents on the dollar. The claims of U.S. citizens against Panama were paid 90 cents on the dollar. The claims of U.S. citizens against Rumania were paid 24 cents on the dollar; and U.S. citizens' claims against Bulgaria were paid 40 cents on the dollar. The settlement in the case of such claims against Rumania was the lowest up to now.

There can be no question that the plan now contemplated in the Department is to pay less than 10 cents on the dollar on claims of U.S. citizens who have had their claims adjudicated by the Foreign Claims Settlement Commission and whose claims have been found valid—2,630 claims of that sort, involving a total of almost $114 million. In other words, if the owner of a cigar store there had his property taken from him by the Communist government, and if the store was valued at $3,000, he is asked to accept less than $300 for his claim. These claimants are scattered all over the country.

It is true that the amendment did not come to my attention when the committee considered the bill; but I submitted the amendment to the staff, to the chairman, and to the ranking minority member; and I think they have at least had an opportunity to study it.

I am sure the State Department is opposed to the amendment, because it does not want any interference in regard to the amount for which it can settle such claims of U.S. citizens against other countries. But there is precedent for the amendment.

I concede that five of the six cases were settled without any reference to the Senate; but such claims against Panama were treated in the same way a treaty is treated, and the agreement was submitted to the Senate for ratification. Ninety percent of those claims were paid.

So I hope that if these claims are submitted to the Senate, the settlement will be something more than on a 10-percent basis. If the Department can make a case for settling these claims of U.S. citizens for 10 cents on the dollar or less, that can still be done under the provisions of this amendment, which only provides that it is the sense of Congress that it should look into this matter.

Mr. FULBRIGHT. But Congress will have an opportunity to look into such legislation, when it is proposed. The Italian claims, which have been referred to, were dealt with by implementing legislation—namely, Senate bill 947; and those claims will be considered in connection with legislation, rather than in connection with a treaty. I do not know how a treaty would result in larger payments than those which would be made under the usual procedure.

The point is that the Senator from New York is seeking to require that a treaty procedure be followed; but, as I have stated, that would be contrary to the usual procedure. Furthermore, this agreement will be submitted to the Senate, when and if an agreement is reached; but the negotiation of the agreement is traditionally left to the Claims Commission, and I see no particular reason why such claims against some particular country should be excepted—although there may be some reason. There is no reason why such a provision should be included in the foreign aid bill, which has nothing to do with such claims. These items relate to claims resulting from the last war and from the confiscation of assets of American citizens. If there is merit to the claims, they should be handled by means of a separate bill or resolution. However, there seems to be a growing practice of attaching to the foreign aid bill an amendment on any little issue in which a Member of Congress may be interested. The result is that the foreign aid bill is becoming a vehicle for every miscellaneous, irrelevant measure which has nothing to do with foreign aid.

Why was not this matter handled in a separate resolution? I see no reason why this provision should be allowed to clutter up the foreign aid bill. Goodness knows, it is already cluttered up enough.

Mr. KEATING. Let me ask the Senator how the Senate will have an opportunity in connection with proposed legislation to vote either up or down a proposed settlement after it is made with a different country. S. 947 deals only with Poland and provides for a determination of claims by the Foreign Claims Settlement Commission. This has already been done in the case of Czechoslovakia.

Mr. FULBRIGHT. The Senate could reject the implementing legislation which thus would be submitted to it. I admit that that would not be likely to happen, but it could be done.

Mr. KEATING. This amendment only seeks to say, "Let us have a look at this now, to see whether the proposed settlement is advantageous to our country and is fair or is not fair." It is an effort to strengthen the hands of our negotiators.

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

Mr. KEATING. I yield.

Mr. PASTORE. Would the Senator's amendment require a two-thirds vote for ratification of the agreement?

Mr. KEATING. Yes, it would, except I wish to point out that the amendment, like so many others, is one which the State Department would have a right to ignore if it wished to do so. It is a sense-of-Congress amendment. As I read the amendment, it would provide that we think we should have a look at the question as a treaty, as we did in the case of Panama, rather than in the four or five cases in which we did not have a look at the question at all.

Mr. PASTORE. What if the administration chose not to do it?

Mr. KEATING. There is very little that we could actually do about it.

Mr. DOUGLAS. Mr. President, adoption of the Keating amendment now pending may prevent a serious injustice to a number of American citizens who have been awarded claims for the Foreign Claims Settlement Commission. The Commission has already approved these claims based on losses due to the

nationalization by the Communist Government in Czechoslovakia of the property of these United States citizens. The Commission has awarded a total of $113,645,000 to 2,630 claimants. But it is my understanding that the State Department, now negotiating several issues with Czechoslovakia, may settle this claim of over $113 million for only $11 million or about 9.7 percent of the approved total. In effect, the State Department would give up 90 percent of these approved claims, severely undercutting the determinations of awards which have been made by the responsible U.S. agency. This reduced settlement would be effected without allowing these claimants either a hearing or an appeal.

The Senator from New York [Mr. KEATING] has proposed an amendment to the Foreign Assistance Act which would require Senate ratification of any claims settlement reached with Czechoslovakia. The amendment is sensible and deserves strong support.

Not only would the settlement proposed by the State Department constitute an unjust treatment of the claimants, who would receive less than 10 percent of their already greatly reduced claims, but also it would, as the Senator from New York [Mr. KEATING] has pointed out, provide assistance of over $100 million to the Communist Government of Czechoslovakia. Surely this would be contrary to the spirit expressed in recent Senate votes on the pending bill.

Moreover, it is my understanding that similar settlements are still outstanding or in progress with other countries. In the case of some countries the settlements have been 90 percent or more of the total claim, and in no case has a settlement as low as 10 percent been agreed to. We should consider the effect of a 10-percent settlement with Czechoslovakia on the attitude toward further payments or settlements to be made by other countries such as Hungary, Cuba and the Soviet Union.

I do not think this amendment interferes improperly with the responsibilities of the Department of State. We do not ask for a 100 percent settlement, merely for Senate review of the settlement the State Department asks that we accept. Perhaps a case can be made that other considerations among the issues at stake justify a less than 100 percent settlement. But in a case in which the decision of the responsible agency is threatened with almost complete contradiction by another agency, I think we can properly insist on Senate review to provide an opportunity for the protection of legitimate interests of citizens.

I urge the adoption of the amendment, and I congratulate the Senator from New York [Mr. KEATING] for proposing it.

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

Mr. DOUGLAS. I yield.

Mr. KEATING. I appreciate the remarks of the Senator The points which the Senator has made are very important. If we allow a settlement of 10 cents on the dollar in the present case, I call attention to the fact that there are still pending and unsettled the claims of U.S. citizens against the U.S.S.R. for property taken in that nation and also the claims in Cuba. Such action would be a real impetus, I fear, to an inadequate settlement in the case of countries in which the claims of U.S. citizens have been found by the Commission to be valid.

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

Mr. DOUGLAS. I yield.

Mr. PASTORE. As I understood, the Senator from Illinois has said that the proposal would be a mandate to come to Congress. As I understood the Senator from New York, he said that the amendment is merely an expression of the sense of the Senate. There is a distinction.

Mr. KEATING. There is a distinction. I hope, and would expect, that the Department of State would be in accord with our wishes if we declared it to be our sense, but they would not be required to do so. I believe the Senator from Illinois would concede that.

Mr. DOUGLAS. Yes, that is true.

Mr. KEATING. I hope that they would treat it as a mandate but, strictly speaking, it would not be one.

Mr. HICKENLOOPER. Mr. President, the spirit of the amendment has my approval as an individual. I am concerned about the language of the amendment. I do not believe that it makes sufficiently clear that the claimants must have been citizens of the United States at the time of the expropriation, seizure, or confiscation. I believe that point should be absolutely clear.

I am in sympathy with the theory that a settlement of 10 cents on the dollar in the present case might set a precedent for some other cases. I believe that Congress ought to have a look at the amounts of the proposed settlements, especially in relation to the Iron Curtain countries. I hope that the Senator will modify his amendment to make it absolutely clear that the amendment would not apply to persons who came over to the United States and thereafter acquired American citizenship.

The reason I make that statement is that some amendments along that line have been proposed. Persons who have come to this country and later acquired American citizenship could make claims against the foreign countries in which their property was seized while they were under the sovereignty and jurisdiction of the seizing country. We may not like that. We may think that is morally wrong. But from a legal standpoint, it appears to me that the country under whose sovereignty the person was at the time the property was seized might have a position.

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

Mr. HICKENLOOPER. I yield.

Mr. KEATING. The 2,630 claimants who have had their claims adjudicated to the extent of $113 million were, each and every one of them citizens of the United States in 1945 when their properties were taken.

Second, the International Claims Settlement Act requires that only such claimants as were U.S. citizens at the time of their loss are awarded valid claims. The Senator is correct in respect to his suggestion that there has been discussion about extending the benefits to those who have later acquired citizenship, but such a position has never been written into the law. The only ones who would be eligible are those who were citizens at that time.

I would have no hesitancy in writing into the language of the amendment a provision, on line 6, so that the amendment at that line would read as follows:

"Claims Settlement Commission, by nationals of the United States who were such at the time of their losses."

Mr. HICKENLOOPER. If the language is properly drafted, I would have no objection. As I understand, the Senator's position is sincere. The language no doubt means what he says it means. If it does, there is no reason for not putting the language in the amendment clearly and understandably.

Mr. KEATING. Mr. President, the yeas and nays have been ordered. I ask unanimous consent that my amendment be modified so that on line 7, after the word "States," that there be added the words "who were such at the time of their losses." Therefore, the amendment would read:

PART V—MISCELLANEOUS

SEC. 501. It is the sense of the Congress that any agreement hereafter entered into between the Government of the United States and the Government of Czechoslovakia relating to the settlement of claims, determined by the Foreign Claims Settlement Commission, by nationals of the United States, who were such at the time of their losses, against the Government of Czechoslovakia for losses resulting from nationalization or other taking of property of such nationals, shall be submitted to the Senate for its advice and consent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The question is on agreeing to the modified amendment of the Senator from New York [Mr. KEATING] to the committee amendment, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from California [Mr. ENGLE], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], and the Senator from Minnesota [Mr. MCCARTHY] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from West Virginia [Mr. BYRD]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from West Virginia would vote "nay."

Mr. DIRKSEN. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

The Senator from Kentucky [Mr. COOPER] and the Senator from California [Mr. KUCHEL] are detained on official business.

If present and voting, the Senator from Arizona [Mr. GOLDWATER] and the Senator from California [Mr. KUCHEL] would each vote "yea."

The result was announced—yeas 39, nays 49, as follows:

[No. 225 Leg.]

YEAS—39

Allott	Hart	Pastore
Beall	Hickenlooper	Pearson
Bennett	Hruska	Prouty
Boggs	Javits	Proxmire
Carlson	Johnston	Ribicoff
Case	Jordan, Idaho	Robertson
Cotton	Keating	Scott
Curtis	Lausche	Simpson
Dirksen	McClellan	Talmadge
Dodd	Mechem	Thurmond
Dominick	Miller	Tower
Douglas	Morton	Williams, Del.
Fong	Mundt	Young, N. Dak.

NAYS—49

Aiken	Hartke	Morse
Anderson	Hayden	Moss
Bartlett	Hill	Muskie
Bayh	Holland	Nelson
Brewster	Humphrey	Neuberger
Bible	Inouye	Pell
Burdick	Jackson	Randolph
Cannon	Jordan, N.C.	Saltonstall
Church	Kennedy	Smathers
Clark	Long, Mo.	Smith
Eastland	Mansfield	Sparkman
Edmondson	McGee	Walters
Ellender	McGovern	Williams, N.J.
Ervin	McIntyre	Yarborough
Fulbright	McNamara	Young, Ohio
Gore	Metcalf	
Gruening	Monroney	

NOT VOTING—12

Byrd, Va.	Goldwater	McCarthy
Byrd, W. Va.	Kuchel	Russell
Cooper	Long, La.	Stennis
Engle	Magnuson	Symington

So Mr. KEATING's amendment, as modified, to the committee amendment in the nature of a substitute, as amended, was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, I call up my amendment No. 249, and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Iowa to the committee amendment, in the nature of a substitute, as amended, will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 48, in the committee amendment, to strike out the quotation marks at the end of line 3, and between lines 3 and 4 to insert the following:

(k) In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their assessments and/or contributions to the United Nations, no assistance shall be furnished under the provisions of this Act (other than supporting assistance under chapter 4 of part I, assistance from the contingency fund established under chapter 5 of part I, and military assistance under chapter 2 of part II), or any other law authorizing assistance to foreign countries (other than military assistance, supporting assistance, or assistance from the President's contingency fund), to the government of any nation which is more than one year in arrears in its payment of any assessment by the United Nations for its regular budget or for peace and security operations, unless the President determines that such government has given reasonable assurance of paying (independently of such assistance) all such arrearages and placing its payments of such assessments on a current basis, or determines that such government, by reason of unusual and exceptional circumstances, is economically unable to give such assurance.

Mr. MILLER. Mr. President, on each Senator's desk are two mimeographed tables. I propose to discuss these tables after my preliminary remarks.

My amendment was presented to the Foreign Relations Committee during the hearings on this bill last June. My statement appears in the hearings report commencing at page 349. A list of the various members of the United Nations, showing their total arrearages—regular budget dues and assessments for the emergency force in the Middle East and the Congo—and receipts of grants, loans, and military assistance from the United States appears at pages 352 and 353. In the printing of the report, Mauritania and Sudan were erroneously omitted.

At the desk of each Senator are two mimeographed tables updating the information contained in the hearing report. The hearing report table was based on the report of the U.N. Secretariat as of May 31, 1963. The mimeographed tables are based on the Secretariat report as of September 30, 1963.

This amendment is designed to gear our foreign aid policy into our policy with respect to the United Nations. I invite attention to the statement in section 502 of the main bill which "reaffirms the policy of the United States to achieve international peace and security through the United Nations." Most assuredly, this basic policy of our country cannot be carried out if the United Nations goes out of existence because of bankruptcy. And, Mr. President, the U.N. is headed for bankruptcy. The temporary relief afforded by the U.N. bond issue is rapidly coming to an end. As of September 30 of this year, total arrearages of member nations amounted to almost $104 million. This situation has become progressively worse. As of September 30, 1961, arrearages totaled $44.7 million; as of September 30, 1962, the total was $80.9 million.

Mr. President, I ask unanimous consent to have inserted at this point in my remarks an article from News Front for October 1963, entitled "What Price Peace? United Nations Depends Heavily on the United States To Meet Mounting Costs of Its Activities. Continued Refusal of Some Nations To Pay Their Share of Peace Operations Poses Serious Threat to Future of U.N."

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

WHAT PRICE PEACE?—UNITED NATIONS DEPENDS HEAVILY ON THE UNITED STATES TO MEET MOUNTING COSTS OF ITS ACTIVITIES. CONTINUED REFUSAL OF SOME NATIONS TO PAY THEIR SHARE OF PEACE OPERATIONS POSES SERIOUS THREAT TO FUTURE OF THE U.N.

The United Nations is suffering from a bad case of "financial nerves." Continued refusal of certain nations to pay their share of assessments for emergency U.N. operations is sapping the economic lifeblood out of the international peace organization.

In December 1961, as the U.N. teetered on the brink of bankruptcy, the General Assembly authorized flotation of a $200 million bond issue. By October 1963, 73 percent of the bonds had been purchased and an additional $1.3 million was still on the books in pledge form from 10 member nations. To date, the United States has purchased $72 million of U.N. bonds, 50 percent of the total subscription.

(A new law enacted by Congress in October 1962 authorized the President of the United States to match bond purchases of other nations with the total loan not to exceed $100 million.)

The U.N. spends about $90 million annually for its regular administrative and peacekeeping activities. Associated U.N. agencies such as the Special Fund for Economic Assistance, the World Health Organization, and the U.N. Children's Fund add another $250 million to U.N. expenditures.

Member nations are assessed for the regular budget according to "ability to pay," i.e., per capita and total national income and ability to acquire foreign currency. Because the United States ranks high on all counts, it pays 32 percent of the regular budget compared to 15 percent paid by the U.S.S.R. and 0.04 percent paid by smaller nations such as El Salvador and Ivory Coast. The United States also contributes over 40 percent of the affiliated agencies' expenses.

The negative attitude of a handful of nations in supporting the costly Congo and Suez operations forced the bond issue. But this economic bailout offers the U.N. only temporary relief.

In 1962, the International Court of Justice, official U.N. judicial organ headquarters at The Hague, Netherlands, ruled that expenditures authorized by the General Assembly for peacekeeping operations were legitimate expenses of the organization and that, under the charter, members who fell in arrears 2 years or more would lose the right to vote in the Assembly.

Between now and the opening of the General Assembly in September 1964, when the new ruling will become effective, the U.N. will have to stumble along as best it can. Belgium, which in the past has refused to support the U.N. Congo operation, recently decided to pay her $192,000 share of the $16 million it will cost to keep the force there during the first 6 months of 1964. The Belgians, however, have made no decision regarding payment of the $3.3 million in back assessments which have accrued since the operation began in July 1960. But the sudden change in Belgian strategy sparks some hope that other nations may follow suit.

The Congo force (ONUC) costs about $120 million annually and the U.N. Emergency Force in Suez (UNEF) about $20 million. In view of the serious financial crisis, Secretary General U Thant recently proposed a drastic cutback in U.N. assistance to the Congolese Government.

Forty-nine member nations are $29.9 million in arrears for the UNEF operation. Soviet bloc nations and Cuba owe $21.1 million, 69 percent of total back payments. Current UNEF debt, including second quarter 1963 payments, is $36 million.

But it is the Congo which has driven the U.N. to the brink of disaster. Fifty-six nations owe $83.4 million in back payments. France and the U.S.S.R. collectively owe $59.3 million, 71 percent of the total. The overall debt outstanding for the Congo exceeds $100 million.

Most members have willingly paid their share of assessments for U.N. administrative activities. Possible loss of vote in the General Assembly strengthens the incentive to do so.

Root of the U.N.'s financial malaise rests in trying to enforce payment for peacekeeping operations. The Russians refuse to pay for the UNEF and Congo forces claiming the expenses are not for regular peacekeeping activities of the organization, contrary to the ruling of the World Court. They maintain the "aggressors"; i.e., Great Britain, France, and Belgium should pay.

Latin American countries feel underdeveloped nations cannot afford to underwrite costly peacekeeping operations such as the Congo. They say the Big Powers should pay at least 70 percent of the total cost.

The financial straightjacket that delinquent members have put on the U.N. has forced the organization to take drastic steps to finance its activities. In the running Yemeni civil war, the U.N. sent a watchdog mission to make sure the United Arab Republic and Saudi Arabia would not intervene. Because the U.N. lacked funds to finance the mission, the United Arab Republic and Saudi Arabia have agreed to pay the $200,000 monthly upkeep of the U.N. Force whose primary purpose is to assure nonaggression by these two countries.

The future of the U.N. is precarious. If member nations continue to vote for action and then refuse to accept the financial consequences, it will be forced into total inertia. If, on the other hand, votes of nonpaying members are taken away until they pay, the Soviet Union would in all likelihood boycott the U.N. Should the organization be reduced to little more than a conference of Western Powers, the original purpose of the U.N., to brings friends and enemies together, will be defeated.

Increased revenue from independent U.N. activities such as the sale of stamps, publications and TV services is one way out of the dilemma. But net income derived from these sources amounts to $2 million, 4 percent of the regular budget and any increase would not go far in covering the costs of an operation similar to the Congo.

Other ambitious proposals would have the U.N. collect dues from international canals, international mail or exploit the resources of the ocean beds or Antarctica.

Most of these proposals are farfetched and chances for their adoption appear slim. One observer, pointing to their inherent weakness, claims "they require for their adoption conditions within the U.N. which do not prevail at this stage of the organization's development."

The current difficulties plaguing the U.N. are really political. They stem from the divergent views the United States, underdeveloped countries, and the Soviet Union hold about the function of the U.N.

Russia wants the U.N. to be a standing conference which takes little action but serves as a perfect propaganda forum. The Soviets can certainly afford to pay the $60.7 million they owe the U.N. if they can afford to spend $50 billion on armaments. They do not contribute to U.N. peace operations because actions taken in the Congo and Suez do not serve Russian interests.

Underdeveloped countries want a vigorous U.N. organization primarily because they hope it will help them get rid of colonial regimes and provide them with badly needed technical assistance. However, they are often neither willing nor able to assume financial responsibility for their votes.

The United States favors a strong U.N. actively engaged in promoting the cause of peace. In the past, much of the U.N.'s success has rested on U.S. ability to muster enough votes to make sure that free world views prevailed, or at least to blockade any action inimical to our own interests. It is doubtful the United States would be willing to put up money for causes that went against American interests. In a test case 2 years ago, Washington refused to abide by a U.N. decision calling for the United States to pay $1 million for technical assistance to Cuba.

Naturally, the U.N. can ill afford to incur the wrath of the U.S. Government by its decisions. If the United States refuses to pay its huge share, the U.N. might as well collapse in the murky waters of New York's East River.

United Nations, $180,000,000 in debt (as of Sept. 30, 1963)

[Dollars in thousands]

Member states	Assessments due				
	Percent budget assessed	U.N. regular budget	UNEF	Congo	Total due
Afghanistan	0.05	$11.9	$42.1	$42.6	$96.6
Albania	.04	43.6	36.4	40.3	120.3
Argentina	1.00	1,860.6	913.4	565.8	3,339.8
Australia	1.70		157.5	546.9	704.4
Austria	.50	217.4	142.7	573.2	833.3
Belgium	1.20	1,918.9	272.6	327.7	5,463.2
Bolivia	0.04	60.5	40.3	40.3	141.1
Brazil	1.03	977.7	58.1	580.6	1,616.4
Bulgaria	.20	205.8	140.6	174.0	520.4
Burma	.07		4.0	11.5	15.5
Byelorussia	.52	284.4	493.1	1,280.1	2,057.6
Cambodia	.04		2.3	33.9	36.2
Cameroon	.04		2.3	6.6	8.9
Canada	3.10	468.1	295.9	1,028.0	1,792.0
Central African Republic	.04		2.3	6.6	8.9
Ceylon	.09	28.9	5.1	14.8	48.8
Chad	.04		3.0	6.5	9.5
Chile	.30	400.0	106.5	203.1	709.6
China	4.69	6,955.8	4,447.6	6,504.6	17,908.0
Colombia	.30	246.1	14.7	42.8	303.6
Congo, Brazzaville	.04	38.4	2.3	6.6	47.3
Congo, Léopoldville	.07		4.0	11.5	15.5
Costa Rica	.04	47.2	9.9	30.6	87.7
Cuba	.20	397.0	203.4	241.8	842.2
Cyprus	.04	21.3	2.3	6.6	30.2
Czechoslovakia	1.20	138.2	933.1	2,603.9	4,675.2
Dahomey	.04			4.5	4.5
Denmark	.60				
Dominican Republic	.05	46.7	13.1	50.3	110.1
Ecuador	.06	36.3	2.6	9.3	48.2
El Salvador	.04	37.2	7.6	22.9	67.7
Ethiopia	.05		2.8	8.2	11.0
Federation of Malaya	.10		1.3	21.4	28.7
Finland	.40		563.4		
France	5.90	276.2		16,143.1	16,982.7
Gabon	.04	38.4	2.3	6.6	47.2
Ghana	.09	27.3	5.1	14.8	47.2
Greece	.20	101.5	13.0	37.9	152.4
Guatemala	.05	88.8	20.9	38.2	147.9
Guinea	.04		10.5	6.6	17.1
Haiti	.04	83.9	16.7	30.6	131.2
Honduras	.04	25.0	10.7	30.6	66.3
Hungary	.60	813.7	456.0	918.8	2,188.5
Iceland	.04				
India	2.00	140.0	114.5	334.4	588.9
Indonesia	.50	426.8	25.4	74.1	526.3
Iran	.20	185.9	11.3	132.2	329.4
Iraq	.09		81.7	90.6	172.3
Ireland	.10		13.3	46.1	59.4
Israel	.20	65.1	8.5	24.7	98.3
Italy	2.20	728.2	212.5	738.0	1,678.7
Ivory Coast	.04	31.9	2.3	6.6	40.8
Japan	2.30				
Jordan	0.04	$38.0	$36.4	$40.3	$114.7
Laos	.04	38.0	2.3	6.5	46.9
Lebanon	.05		22.7	20.4	43.1
Liberia	.04	38.0	2.3	6.6	46.9
Libya	.04		36.4	6.6	43.0
Luxembourg	.05		4.7	16.5	21.2
Madagascar	.04		2.3	23.9	26.2
Mali	.04	698.6	2.3	20.9	1,991.5
Mexico	.70		568.8	124.2	148.8
Morocco	.10	40.3	7.9	140.9	56.6
Nepal	.04		3.2	13.1	
Netherlands	1.00				174.0
New Zealand	.40	53.6	38.9	135.1	89.4
Nicaragua	.04	40.2	5.2	30.6	69.4
Niger	.04		7.2	22.0	46.5
Nigeria	.20		11.9	34.6	191.0
Norway	.50		42.7	148.3	232.9
Pakistan	.40	140.0	23.7	69.2	97.7
Panama	.04	36.6	30.5	30.6	
Paraguay	.04	84.9	26.7	20.9	132.5
Peru	.10	14.9	100.1	80.8	195.8
Philippines	.40	89.6	22.6	65.9	278.1
Poland	.13	934.1	1,390.4	2,274.6	4,599.1
Portugal	.20	151.3	9.0	188.3	348.6
Rumania	.30	229.1	405.6	862.6	1,497.3
Saudi Arabia	.07		59.3	63.6	122.9
Senegal	.05	44.7	3.8	16.2	64.7
Somalia	.04	38.4	2.3	14.1	54.8
South Africa	.50	24.4		1,424.1	1,448.5
Spain	.90		915.7	913.2	1,828.9
Sudan	.07		75.1	11.5	86.6
Sweden	1.30		123.3	428.3	551.6
Syria		19.8	35.5	16.2	131.5
Thailand	.20		12.0	51.8	63.8
Togo	.04	38.4	7.2	22.0	67.6
Tunisia	.05	27.1	2.8	8.2	38.1
Turkey	.40	58.0			58.0
Ukrainian S.S.R.	.20	1,082.7	1,887.9	4,889.7	7,860.3
U.S.S.R.	15.00	8,178.3	15,638.2	36,985.0	60,801.5
United Arab Republic	.30	315.1	298.8	299.3	913.2
United Kingdom	7.60		719.0	2,497.4	3,216.4
United States	32.00	11,532.7	3,037.0	10,549.7	25,119.4
Upper Volta	.04	25.7	11.0	23.0	59.7
Uruguay	.10	225.0	31.2	88.5	344.7
Venezuela	.50		29.3	85.7	115.9
Yemen	.04	64.9	36.4	40.3	141.6
Yugoslavia	.40	167.4	21.4	362.0	550.8
Mauritania		76.9	3.5	13.9	94.3
Mongolia		48.1	3.5	13.9	65.5
Sierra Leone		NA	2.3	6.6	8.9
Tanganyika		NA	2.3	6.6	8.9
Grand total	100	43,229.5	35,599.6	10,049.7	179,285.6

Mr. MILLER. Mr. President, more than half of the arrearages are due from the Soviets. Another $14 million is due from France. They do not receive any foreign aid from the United States, so that we are not in a good position to influence them to pay up. The World Court has ruled that assessments for peacekeeping operations are of the same standing as dues, so that delinquency in these assessments is delinquency for purposes of possible loss of voting powers. The U.N. has accepted this ruling. However, it will not be until next year at the earliest before sufficient delinquent status will have been acquired to place any delinquent nation in the position of losing its vote; and when that day comes, it is not known whether or not the General Assembly will invoke the rule. Meanwhile, bankruptcy faces the U.N.

With respect to those member nations which are delinquent and which are receiving foreign aid from us, there is something we can do. We can say to them that unless they clean up their obligations to the U.N., they cannot expect the American taxpayer to furnish them foreign aid.

Mr. MORSE. Mr. President, will the Senator yield at that point?

Mr. MILLER. I am happy to yield.

Mr. MORSE. I need some information to clear up my understanding or lack of understanding on this point. Does the Senator's amendment cover merely loans, or does it cover grants also?

Mr. MILLER. No; the amendment relates to assistance under the provisions of this act other than supporting assistance, assistance from the contingency fund, and military assistance. So that the only aid that would be affected by this amendment would be development loans and grants.

Mr. MORSE. It would cover grants.

Mr. MILLER. Loans and grants. Reference to military assistance, supporting assistance, and contingency fund was omitted for this reason: Those elements of our foreign aid program have a potential for being more directly tied to our security interests than the other—certainly military assistance and supporting assistance, and, if the contingency fund is appropriately managed, that too.

Mr. MORSE. But there can be much waste in so-called supporting assistance, because we are giving supporting assistance to countries that are able to support themselves.

Mr. MILLER. I recognize that there may be abuses in certain areas of our foreign aid program. However, the Senator from Iowa does not desire to be too exact with respect to this amendment. If the Senator from Oregon will be patient, it is felt, from the information I shall present from the tables that are on each Senator's desk, that the lever which will be effective in getting the nations to pay up will be quite ample if we concentrate only on development loans and grants.

I repeat, the reason why the language was so drawn was that there is a greater potential for its having more direct application to our immediate national interests.

Mr. MORSE. I have sympathy with the Senator's objective. Outside the Communist bloc—and it has been pointed out that the amendment cannot reach the Communist bloc because we do not give them aid—one of the notorious delinquents with regard to her United Nations obligations is France. I am also disturbed about the kind of military assistance France receives from us. Unless we can reach her in relation to military assistance, the Senator's amendment is not going to do much good with respect to France. She receives infrastructure money from us. She is certainly prosperous enough to pay for her own military defense costs.

I am glad I asked the question, because I have received the Senator's explanation of what he is aiming at. I wished to cover the bulk of the assistance France gets from us, but I suppose that is one of those things and we cannot cover everything. At least, Mr. President, the Senate is moving down the road toward serving notice on some of the United Nations delinquents that we are not going to continue to pay the great amounts of money that we pay into the United Nations and without trying to do something about the delinquents.

Mr. MILLER. I thank the Senator from Oregon for his question. The Senator will recall that in committee he expressed the same misgivings, not particularly about the amendment, but the failure of the amendment to cover France. He may recall that I responded by saying that I wished there were some way of gearing the amendment to cover France also, but that it was not practical to do so, if we were to concentrate on development loans in France. If the amendment is adopted, I believe we shall find that by the time we are talking about the next foreign aid bill, the slate will be clean not only with reference to these nations, but also with respect to France, because once France realizes that, outside the Soviet bloc, she is the only nation which has not played fair with the United Nations, my guess is that France will get on board with the rest of the countries.

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

Mr. MILLER. I yield.

Mr. GRUENING. I am sympathetic toward the purposes of the Senator's amendment. I believe it is most regrettable and shocking that so many nations have welshed on their commitments. However, I feel that the Senator's amendment would be much more effective if the loopholes, the wide openings in it, through which foreign aid can come were eliminated, leaving only the qualifying clause "unless the President determined." Why not cut out supporting assistance and military assistance, and leave the contingency fund, which is what the President would use in these cases? Otherwise the Senator will not get the result he hopes for.

Mr. MILLER. I appreciate the comments of the Senator from Alaska. Let me say again that the purpose of the amendment is not to be restrictive on the State Department or on the President. I should like to suggest that we walk before we run, and that we give this approach a chance to work.

It will not be too easy for the President to make the determination that some of these nations do not have the economic wherewithal, because of special or unusual circumstances, to pay the amounts of the delinquencies which appear on the tables.

I know that there are some nations which are in that situation. The Senator from Alaska knows that, too. That is why we must have some type of provision to cover such a situation; also, I recognize the fact that the President might determine that such a government has given reasonable assurance of paying all its arrearages independent of our assistance.

I would suppose, if the President received that reasonable assurance, and if 1 year from now there had not been a followthrough on the reasonable assurance, at that time we could tighten up the provision, by providing that no country which is in arrears shall receive this assistance. The point I wish to make is that since this is a little different approach than we have used heretofore, and is designed to help the financial situation of the United Nations, we should try this approach and give the State Department an opportunity to work within it and to be fair with it; then, if the delinquents do not come through, we can catch them in a year from now and tighten up the provision.

The Senator from Alaska has had the same problem with respect to some of his amendments. He gave the State Department more than enough time to come through; finally, time ran out, and the Senator from Alaska had no choice except to offer the amendment which has been adopted.

I have not reached the point with respect to this amendment that the Senator had reached with respect to his amendment. I suggest that we try it. If it does not work, we can make the provision tighter the next time around.

My amendment provides that no foreign aid shall be extended to the government of any nation which is more than 1 year in arrears in its obligations to the United Nations. If the amendment were in effect now, it would require payment of all outstanding delinquencies for 1961 and prior years. Assessments for 1962 are not yet 1 year old; and assessments for 1963 are not in arrears until after the close of 1963.

My amendment leaves some discretion to the President of the United States in this matter. If he determines that such a government is unable to place its payments on a current basis because of unusual or exceptional circumstances, then our foreign aid may continue. Or if he determines that such a government has given reasonable assurance of paying its arrearages—independently of any of our foreign aid—and placing its payments on a current basis, then our foreign aid may continue.

Moreover, my amendment would not apply to military assistance, supporting assistance, or the President's contingency fund, because these are matters which

could directly and immediately affect our security interests. The amendment would affect primarily development loans and development grants. It could also affect Public Law 480 distributions of agricultural commodities.

Now I ask: Is it unreasonable for a nation which wants our foreign aid to give the President of our country assurance that it will pay its back assessments and put them on a current basis? Or, if that cannot be done, is it unreasonable to require such a nation to show that there are unusual or exceptional circumstances preventing it from doing so? I think it is unreasonable to not have such requirements. It is unreasonable to ask our taxpayers to pay for foreign aid to such a government. It is unreasonable to extend our foreign aid in the same manner and on the same basis to all nations—regardless of whether they are playing fair with the United Nations. By treating them all alike, we discourage those nations which are playing fair with the U.N. "Why pay up?" they can ask. "Uncle Sam will give us foreign aid anyhow."

If it be said that my amendment would, in effect, make a collector of dues out of the United States, there are two answers: First, this is not quite accurate. The United States will collect nothing. It will be the United Nations which does the collecting, because it is the United Nations to whom the obligations are owed. Second, we are already requiring that certain standards be met before a nation receives our development loans and our development grants. These include land reform, tax reform, internal governmental reform. Should not payment of delinquent obligations have the same standing—especially when these obligations are owed an organization which we support as an avenue to international peace and security? There are some who have suggested that we are coercing other governments in the matter of land reform, tax reform, and internal governmental reform. We are not coercing anyone—any more than a banker coerces a would-be borrower by asking him to fill out a net worth statement. If the recipient does not wish to comply, he can go elsewhere for assistance.

If it be suggested that because of the economic situation in a country it cannot afford to pay the assessments, it should be made very clear that the allocation of assessments among the nations takes into account the economic situations in the various member nations. Moreover, when you compare the large amount of our foreign aid with the relatively small sums owed the United Nations, this suggestion would seem to have no merit.

Mr. President, I call attention to the table that I have placed on the desk of every Senator. Let us consider, first, the column headed "Total United Nations Arrearages as of September 30, 1963." Senators should understand that the total arrearage of $103,830,000 is made up of the regular budget, Emergency Force, and the Congo ad hoc account. It will be noted that in the regular budget there are nine countries which still have not paid their 1961 dues. Incidentally, this is one area in which the Soviet Union has actually been paying promptly the annual, regular dues. But there are nine nations which have not yet paid the 1961 dues; yet all of them have received economic assistance from the United States, and are still receiving such assistance.

In the case of the Emergency Force, which is to protect the Gaza strip in the Middle East, it will be observed that 44 countries have not yet paid their 1961 assessments. Thirty-six have not paid their 1960 assessments. Thirty have not paid their 1959 assessments. In fact, 25 countries have not paid their assessments from 1957 on.

Of the 44 countries which have not paid their assessments for 1961 or prior years, 37 are still receiving economic assistance from the United States, and have received it since 1946.

In the case of the Congo ad hoc account, we note that 51 countries still owe for the period January 1 to October 31, 1961. Of those 51 countries, 42 have payments due extending back for all periods involved. Of those 42 countries, 39 are still receiving assistance from the United States.

Referring to the next table, there are 46 countries to which we have furnished more than $22 billion in economic assistance from the fiscal year 1946 through fiscal year 1963, and which are delinquent in one or more of their assessments to the United Nations. These arrearages amount to more than $42 million. They include the regular budget, $4.4 million; Emergency Force, $9 million; and Congo ad hoc account, $29.2 million.

But note that the grand total comes to $42 million, against a total of $22 billion in economic assistance which we have extended to those countries through the years.

Of these 46 countries, 44 received some type of economic assistance during fiscal year 1963 from the United States. Of those 44, 35 would have been affected by my amendment, had it been adopted last year, inasmuch as these countries have received grants and development loans covered by my amendment.

I invite the attention of Senators to the list of 35 countries. Consider, for example, Afghanistan. During the fiscal year 1963, that country received $17,700,000 in grants and loans. Yet arrearages for the calendar year 1961 and prior thereto amounted to only $66,000. One wonders why Afghanistan could not see fit to take care of the assessments for 1961 and prior years, when she was receiving $17,700,000 in aid from us.

Iran is in about the same position. She received $21,200,000 in grants and loans during the fiscal year 1963. Yet Iran owes $75,413 to the United Nations.

Jordan is in a similar situation. We provided Jordan $7 million in loans and grants during fiscal 1963. Jordan owes only $62,267 to the United Nations for 1961 and prior years.

The United Arab Republic, concerning which considerable debate has been raging during the past few days, received from the United States $38,600,000 in grants and loans, but still could not see their way clear to pay $529,000 in back assessments for 1961 and prior years. I point out that in addition to the $38,600,000 in loans and grants of the United States, the United Arab Republic received $140 million in Public Law 480 distributions of surplus commodities.

Argentina received $109 million as aid in the form of grants and loans. At the same time, Argentina has not been able to pay $1,432,000 in back assessments to the United Nations.

And so on down the list.

I call attention to the fact that Poland, the third country from the bottom of the list, received $2,800,000 from us in grants and loans during fiscal 1963, and $8 million in Public Law 480 shipments; still Poland is delinquent to the extent of $2,677,000 to the United Nations.

Somalia, which last year received $7,800,000 in loans and grants from us, has not been able to pick up the tab for $2,713 for 1961 and prior years.

I invite attention to an article published in the Washington Post of today, November 12, entitled "Somalia Spurns Arms From West for Russia's." The article states:

> Somalia has informed the United States it will accept a Soviet arms offer and has no use for military hardware from the West.

Perhaps there is some reason for this, but it indicates to me that Somalia is not so friendly to the United States as it might be. Even more important, at this point, Somalia has not been able to clean up the $2,713 in back dues to the United Nations. Yet we saw fit last year to extend $7,800,000 in grants and loans to her.

Mr. President, I offered a similar amendment 2 years ago. I suggest that if the amendment had been adopted, the slate would be clean; that the dismal figures that have been presented here would not appear; and that the last column on the table, "arrearages for calendar 1961 and prior," would be gone. It is high time that the nations that are recipients of the taxpayers' economic loans and development grants be assured that so long as support of the United Nations is a part of our policy, we will do our utmost to see to it that the United Nations does not go bankrupt as the result of the failure of nations receiving our assistance to pay their back dues.

Mr. President, I invite attention to the escape hatch that I discussed earlier with the Senator from Alaska [Mr. GRUENING]. This is not a harsh amendment at all; it is a reasonable amendment. I hope it will be adopted.

Mr. HUMPHREY. Mr. President, I shall take a little time to discuss the Senator's amendment; then the chairman of the committee, I am sure, will want to express his point of view concerning this rather far reaching proposal.

The amendment needs to be clearly understood as to what it does and does not do. The first thing it does is to require the United States to be a collection agency for the United Nations. It puts us in that position.

It has also as one of its purposes—and this, I think, is commendable—the strengthening of the financial position of the United Nations. This, I believe, is in our national interest.

I have supported measures in Congress to improve the financial condition of the United Nations. I believe that the United Nations has a heavy responsibility to keep its financial house in order. It is my view that the United Nations should have a position equivalent to that of Secretary of the Treasury; at least, that there should be a financial consultant to the U.N., working continuously to bring into the Treasury of the United Nations the dues that are the obligations of member nations, both their regular membership fees and the requirements or assessments for the peace keeping activities. But the United Nations is an institution in its own right. Although we are a charter member, we are not the whole United Nations. The United Nations must take unto itself—through the Security Council, the Secretariat, and the General Assembly—the basic responsibility for keeping its financial house in order. Of course we, as a member of the United Nations, have an interest in that. That is why a year or so ago Congress passed the United Nations bond issue bill, and that is why Congress attempted to use whatever influence it has among the membership of the United Nations to obtain payment of the dues and of the cost of the peace keeping operations of the United Nations. I believe we have a vital stake in the United Nations, and I believe the peace keeping operations of the United Nations are in the interest of peace and law and order in the world. Therefore, I have supported the peacekeeping operations of the United Nations and the maintenance of the United Nations as an instrumentality for peace, law, and order.

But let us consider what the amendment would do. It would place the United States in a special position as a collector for United Nations dues. It would do this indirectly, by providing that—

(k) In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their assessments and/or contributions to the United Nations, no assistance shall be furnished under the provisions of this Act (other than supporting assistance under chapter 4 of part I, assistance from the contingency fund established under chapter 5 of part I, and military assistance under chapter 2 of part II), or any other law authorizing assistance to foreign countries (other than military assistance, supporting assistance, or assistance from the President's contingency fund), to the government of any nation which is more than one year in arrears in its payment of any assessment by the United Nations for its regular budget or for peace and security operations, unless the President determines that such government has given reasonable assurance of paying (independently of such assistance) all such arrearages and placing its payments of such assessments on a current basis, or determines that such government, by reason of unusual and exceptional circumstances, is economically unable to give such assurance."

Of course that proviso would permit the President to make a finding that many countries are economically incapable of making their payments to the United Nations; or, under the amendment, such loans could be made to countries which had a program of getting their dues payments on a current basis.

But what would the amendment permit the U.S. Government to do? This permission is rather generous. First, the amendment would not place any limitation on the United States, insofar as supporting assistance is concerned, under chapter 4 of part I. Supporting assistance is a grant, and generally is given to countries which receive military assistance. Supporting assistance is a large item in the foreign aid bill. So even if a country were 5 or 10 years behind in the payment of some of its obligations to the United Nations, supporting assistance—outright grants of money from the U.S. Treasury, which do not have to be repaid, but are simply gifts—could be given to such a country which was in arrears in the payment of its obligations and assessments or commitments to the United Nations.

Mr. MILLER. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. MILLER. The Senator from Minnesota has made the point that supporting assistance could be given, under the amendment; but I am sure he understands that the object of supporting assistance is to take care of nations which are hard put in their military programs, so we shall not have to increase our own national defense program.

Mr. HUMPHREY. I thank the Senator from Iowa for that statement.

Mr. MILLER. So it seems to me that if we are to try to direct this amendment along reasonable lines, and not have a harsh approach to this matter, if there are to be exceptions, certainly we should make them in the case of military assistance and supporting assistance, which I understand are ordinarily directly tied into our national defense program, anyway.

Mr. HUMPHREY. But, for example, we give supporting assistance and military assistance to Iran; but without development loan assistance to Iran, there would be no use giving her military assistance, because in that case she would collapse. If the Senator from Iowa does not understand that, he has missed the point of the foreign aid program.

But this amendment provides, in effect, "You can continue to have all the free rides, and you can violate your pledges to the United Nations, and you can receive military assistance and supporting assistance and generous assistance from the President's contingency fund, none of which have to be paid back, and you can still get all this help from the United States, without being in any way chastised or disciplined because of your failure to keep up with your responsibilities to the United Nations."

But, Mr. President, if a country which receives a development loan which it must pay back with dollars and with interest happened to be more than 1 year in arrears in the payment of its dues to the United Nations or in the payment of its United Nations commitments, that alone would not be permitted. Such a policy seems to me very shortsighted, because one of the reasons for development loans is to enable countries to pay their bills. So I am surprised to find thinking to the contrary in the Senate. Ours is a credit country; it is financed on credit. Men go to banks and obtain credit so they can pay their bills and can engage in business or in agriculture or one of the professions. They borrow money; in other words, they obtain development loans with which to make the payments on their bills, on which they may be in arrears.

But the amendment goes far beyond just cutting off development loans, for the amendment also provides—and this is another important provision:

(k) In order to encourage preservation of the financial solvency of the United Nations which is being threatened by the failure of some member nations to pay currently their assessments and/or contributions to the United Nations, no assistance shall be furnished under the provisions of this Act (other than supporting assistance under chapter 4 of part I, assistance from the contingency fund established under chapter 5 of part I, and military assistance under chapter 2 of part II), or any other law authorizing assistance to foreign countries (other than military assistance, supporting assistance, or assistance from the President's contingency fund).

For example, that means that if there were a famine in a country, any U.S. assistance from its food stocks to that country would be prohibited if the country were more than 1 year behind in the payment of its dues to the United Nations.

Mr. MILLER. Mr. President, at this point will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MILLER. I am sure the Senator from Minnesota has the best of intentions in connection with his criticism of the amendment; but I believe I should point out to him that what he has stated just now could not happen, in view of the provision in the amendment on page 2—namely, that if the President finds that because of "unusual and exceptional circumstances," a country is "economically unable to give such assurance"—and so forth. It seems to me that a country which was undergoing a famine certainly would come within that category; and it would be most unfortunate if the President could not make that determination.

Mr. HUMPHREY. But the Senator from Iowa cannot have it both ways; he cannot say that his amendment would make those countries pay their dues to the United Nations, but that the President could say the circumstances were unusual, so they could obtain our loans and our help anyway. That would be playing both sides of the street.

Mr. MILLER. But is not a famine an unusual situation?

Mr. HUMPHREY. Yes, in some countries; but in other countries, famine is very usual. In many parts of the world, famines are much more customary than adequate food. It would be unusual for the people of some countries to have a good meal. So the Senator's amendment

would go up the hill and also down the hill at the same time. The amendment provides that such countries can obtain military assistance and supporting assistance and contingency fund assistance—and, by the way, those items represent two-thirds of the foreign aid bill—no matter how far behind they may be in the payment of their United Nations dues, and that they can also get all other kinds of assistance, if the President says they really need it.

The one area which is the most important area of all in the foreign aid program is the development loan program, because it is the development loan program which is repayable. Perhaps it is not repayable at enough interest to satisfy some Senators, but the Senate voted on that question. The loans would be repayable at not less than 2-percent interest after the first 5 years on a 35-year maturity basis. The loans would be repayable in dollars. The development loan program is possibly the one way that some of the countries involved would have to pay their bills.

Furthermore, the amendment would not do anything to such countries as the Soviet Union. We do not give them any assistance. It would not do anything to the Soviet bloc countries because we have already excluded any assistance from the Soviet bloc countries under previous amendments adopted by the Senate. They were the Lausche amendment and the Proxmire amendment. So our enemies would not be punished by the amendment, but only our friends.

The people who are causing us trouble in the world today—the Communists—would not be affected. We already have language in the bill providing that no assistance of any kind shall be given to them. What the amendment really provides is that if a country is neither a friend nor a nonalined country and has not been paying its dues to the U.N., it will not get any help from us, unless it is military assistance.

Frankly, the weakest part of the foreign aid program is military assistance. Some of the countries to which we give military assistance could not fight their way out of a paper bag.

Every Senator knows that the real military strength of the free world is in a half dozen countries, including the United States, Great Britain, France, Western Germany, Italy—and, yes—NATO. The strength of the free world is not in some of the little countries that are spread out over the globe. It would be better off if they never had armies.

For example, one country which would be affected by the program is Costa Rica. Costa Rica does not happen to have an army, and yet it is important for the peace of our hemisphere that a nation like Costa Rica should receive development loans. The country has a high rate of population growth. It has a potential for economic growth that is significant. It pays its bills and it will pay its U.N. bills. Other countries listed are quite good friends of ours.

Mr. MILLER. Mr. President, will the Senator yield for a question in respect to Costa Rica?

Mr. HUMPHREY. I yield.

Mr. MILLER. The Senator will observe that during the fiscal year 1963 Costa Rica received in grants and loans $13 million.

Mr. HUMPHREY. Yes.

Mr. MILLER. Is the Senator attempting to tell us that Costa Rica could not find the wherewithal to pay $26,000 in back assessments to the United Nations?

Mr. HUMPHREY. Not at all. The Senator from Minnesota is not making that statement. The Senator from Minnesota, who is not a delegate to the U.N., will not stand in judgment on collections for the United Nations. There are those in the United Nations organization who do that. Costa Rica is an active member of the United Nations. It is one of our friends.

I hope the Senator from Iowa will not act as the stern school teacher, saying, "If you have not paid up your dues to the United Nations, you cannot receive these benefits." Why does not the Senator make it a contribution to the church or to the Red Cross?

Mr. MILLER. Yet the Senator from Minnesota would say to Costa Rica, "We shall give you development loans and grants if you will enter into internal tax reforms, and if you will see to it that your people who owe taxes pay their taxes."

Mr. HUMPHREY. That question relates to the capacity of Costa Rica to repay its bills and these loans. That is a good, smart move. For example, since I heard the Senator mention a banker, I point out that a banker might well ask a borrower for a statement of his assets and liabilities. The banker might look over the statement before granting a loan. The banker might then say, "Look, my friend, before you can get this loan, you must cut down on your operating expenses at this point or somewhere else." But the banker does not say, "I understand that you have not paid your church dues. You have not contributed to the church. We will not loan you any money until you pay up your church dues."

That is not what a banker does. A banker tries to look at one's capacity to pay his bills.

What the Senator from Minnesota is saying is that when a development loan is made, sensible conditions for the repayment of the loan might be laid down. But to watch over the morals and the international conduct of every nation to which we make a loan not only is an unwise course of action, but I do not think it would be workable. I believe it would get us into trouble. I point out that the Senate rejected the amendment once before. I do not say that it will do so again.

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

Mr. HUMPHREY. I yield.

Mr. MILLER. The Senator has used the analogy of paying dues to a church. I do not believe that that is quite apropos. The Senator from Minnesota would find that the average banker would look somewhat askance at an application for a loan if the applicant had not been paying his taxes to the Government, of which we all are members. It has reached the point now where it is pretty difficult to get a nomination through the Senate unless the nominee has been paying his taxes. That example is much more analogous to the situation in which we are all members of the United Nations than discussions about church dues.

Mr. HUMPHREY. The Senator's analogy has a certain amount of relevance, at least for parochial purposes, but not for the bill.

Let us consider what the Senator's amendment would do. In the long run his amendment would accomplish nothing, because it would leave an escape hatch for the President. The amendment would not apply to the Communist nations anyway, since they are excluded under the purview of the act. The nations that are listed, with few exceptions, are very poor countries. According to the amendment of the Senator from Iowa, the President must determine that—

> Such government has given reasonable assurance of paying (independently of such assistance) all such arrearages and placing its payments of such assessments on a current basis, or determines that such government, by reason of unusual and exceptional circumstances, is economically unable to give such assurance.

I point out that there are many countries that could make a pretty good case in explanation of why they are slow in their payments, just as many people could make a good case as to why they are slow in paying their taxes. That is not unusual. But the 1 year requirement would go further than the present requirement of the U.N. itself. The U.N. today has a requirement of 2 years. The Senator wishes to write into the bill a new provision so that if the arrearage were more than 1 year, the nation in arrears would lose the benefits of the Foreign Aid Act, if that nation should otherwise qualify under the criteria of the act.

I point out further that article 19 of the U.N. Charter now deprives any member country of its vote in the General Assembly if its arrears equal or exceed the contributions due from it for the preceding 2 years. The International Court of Justice ruled in an advisory opinion that assessed contributions for U.N. peacekeeping operations are subject to article 19. The General Assembly specifically accepted this ruling. Thus, any country substantially in arrears on its contributions either to the regular U.N. budget or to the peacekeeping budget is already subject to the severe sanction of loss of its vote in the General Assembly.

This sanction, directly attached to U.N. participation, would have a more direct effect in obtaining payment than would the unavailability of some forms of U.S. assistance.

The principal impact of the amendment would be upon the less developed countries which are most in need of U.S. assistance and least able to keep payment of assessments on a current basis. These countries will be in this situation, not in unusual and exceptional circumstances—for which the amendment provides an exemption—but more often than not on a fairly long term basis. They

will pay, but to expect them to do so on a current basis is not realistic. Supporting assistance is being reduced and every effort is being made to get countries off the supporting assistance list and onto the list of countries getting loans on a dollar repayable basis. The amendment is shortsighted in allowing only supporting assistance to countries in arrears.

Moreover, the amendment is inadvisable because it appears to tie U.S. assistance to support of the U.N. This may create the impression, already urged by the Sino-Soviet bloc, that the U.N. is a tool of the United States and other western countries.

The U.N. needs the broadest possible participation and cooperation of all its members, but the way to do it is to work within the organization, not to unilaterally impose pressure from outside.

I believe that the U.N. needs broad support. I do not contest the Senator's motives in relation to the amendment. It appears to me that the Senator's amendment is a great expression of support for the United Nations and for its peacekeeping operations. It seems to me that the Senator feels that our own payments to the United Nations have been very desirable. I would expect from the amendment support for even bigger payments, since we are so interested in having American policy have a direct effect upon the policy of other countries relating to the U.N.

The amendment is not the type of amendment that should be attached to the foreign aid bill—surely not to the development loan section. If the Senator wishes to attach the amendment, he ought to include all the aspects of foreign aid. The Senator should include military assistance, supporting assistance, the contingency fund, and development loans, because they are all tied together.

Perhaps the most important aspect which the amendment would tend to cripple is the development loan program.

Mr. MILLER. Mr. President, first, I wish to make clear to the Senator from Minnesota that I cannot share his opinion with respect to the comparison between development loans and military assistance. Earlier in my statement I pointed out that military assistance, supporting assistance, and the contingency fund, if used properly, are of much more direct and immediate impact than the long-term development loan. That is precisely why they were excluded from coverage of the amendment. Now the Senator suggests that the countries to which we are extending development loans and grants are countries we are trying to help so that they can pay their bills. If they cannot pay some of the bills I have pointed out in the table, I do not believe they are ever going to be able to pay.

It sounds incredible to me that the Senator from Minnesota should say, in effect, that Brazil, which received $67,200,000 in development loans and grants last year, cannot see its way clear to paying $287,990 in back dues and assessments to the United Nations.

I grant that there are probably some countries listed as to which the President could make a finding that there were unusual and exceptional circumstances which would prevent them from making payments on a current basis. If they are in that situation, I believe we should provide that the President can make such a finding. I do not believe we should cut them off. We should give them development loans and grants so that they can build themselves up and reach a position where they can pay their dues and assessments.

To me, it is incredible that countries such as those I have commented on specifically cannot see their way clear to paying their dues and assessments.

The Senator from Minnesota said this would put us in the form of a collecting agency. I pointed out earlier in my comments that this would do nothing of the sort. The United States will not collect 1 cent. The United Nations will do the collecting. The analogy—if it can be called an analogy—is just as applicable to our policy with respect to the Alliance for Progress, when we say to a nation, "You will engage in internal tax reforms. You will see to it that people who owe their taxes pay their taxes." If the argument is not then made that we are dabbling in the collection business, collecting tax moneys for them, the argument should not be made in this respect, either. I do not think much of the argument.

The point is made that someone—I am sure it was not the Senator from Minnesota—"dreamed up" the argument that if the amendment were adopted it might make us suspect in the eyes of the world for using the United Nations as a tool for our policy. If there were any grounds for suspecting that the United States was using the United Nations as a tool, those grounds have long ago been laid to rest.

An amendment like this, which in effect says, "We only want to see to it that the recipients of our taxpayers' money are going to play fair with the United Nations" will not provide any more grounds than already exist.

The sum and substance of the argument I have heard against this amendment is that it is not tight enough, that we should make it more restrictive, that we should say to those countries, "You are not going to get any military assistance, or supporting assistance, or assistance from the contingency fund, or any grants or loans, if you do not pay your dues."

I do not believe we should be that harsh. I am concerned about the direct and immediate connection between our national security and military assistance and supporting assistance. But, if Senators will look at the figures set forth in the second column on the second table, they will find plenty of leverage without getting into military assistance and supporting assistance. Those figures amount to several hundred million dollars in loans and grants. I do not believe we should bring in anything else. I believe there will be sufficient leverage so that most of the nations can "get right" with the United Nations. If they do not, our taxpayers will be asked to "shell out" more money for the support of the United Nations, to prevent the United Nations from going bankrupt.

We have already been asked to support the bond issue. The time on that bond issue is rapidly running out. I do not know what the next step will be, but how many times are we going to have this situation brought to the attention of Members of Congress? Will I be here 2 years from now, or 3 years from now, making the same argument? The United Nations faces a fiscal crisis. It has been termed the most important crisis the United Nations has faced. Why we are supposed to do nothing about it, in connection with our foreign aid program, I do not know.

I hope this amendment will be adopted. I suggest that if it is not adopted, 1 year from now we shall be considering the problem again, and the figures in those tables will not be any better. The figures of 2 years ago are not so bad as the figures are today. The situation is becoming worse. It is not growing better. I wish to see the United Nations prosper. I do not wish to see it go bankrupt. I am not about to call upon the people of my State—the taxpayers of my State—to underwrite the United Nations, when there is such a glaring list of delinquencies on the part of its members. Let them "get straight." Let us gear our foreign policy and our foreign aid program together.

Mr. President, I ask unanimous consent that the two tables to which I have referred in my remarks may be printed in the RECORD.

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

TABLE 1

Total United Nations arrearages as of September 30, 1963: $103,830,553.05.

These included:

Regular budget	$4,738,141.36
Emergency force	27,258,371.04
Congo ad hoc	71,834,040.65

Summary of payments due United Nations and number of countries in each category:

Regular budget:

Calendar 1962 (18 countries)	$4,273,456.36
Calendar 1961 (9 countries)	493,553.00

Nine of these countries owe for both years.

Sixteen of these countries have received economic assistance from the United States and fifteen are still receiving assistance: Nepal, UAR, Yemen, Cuba,[1] Argentina, Bolivia, Chile, Niger, Costa Rica, Guatemala, Haiti, Nicaragua, Paraguay, Uruguay Mauritania, China.

EMERGENCY FORCE

January 1–June 30, 1962; $2,370,402.50 (48 countries).

Calendar 1961: $4,797,622.45 (44 countries).

Calendar 1960: $4,685,276.09 (36 countries).

Calendar 1959: $4,304,907.00 (30 countries).

Calendar 1958: $7,174,259.00 (28 countries).

Calendar 1957: $3,928,296.00 (25 countries).

Twenty-four of these countries have payments due extending back to 1957; three back to 1958; three to 1959; five to 1960; four to 1961.

Thirty-seven of these countries have received economic assistance from the United States since 1946 and 35 are still receiving

assistance: Afghanistan, Iraq, Jordan, Lebanon, Nepal, UAR, Yeman, Argentina, Bolivia, Chile, Costa Rica, Cuba,[1] Dominican Republic, Guatemala, Haiti, Honduras, Mexico, Poland, Nicaragua, Panama, Paraguay, Peru, Uruguay China, Chad, Guinea, Libya, Mali, Mauritania, Niger, Senegal, Sudan, Togo, Upper Volta, Belgium,[1] Spain, El Salvador.

CONGO AD HOC

November 1, 1961–June 30, 1962: $25,525,980 (54 countries).

January 1 to October 31, 1961: $29,789,220.25 (51 countries).

July 14 to December 31, 1960: $16,533,394.40 (42 countries).

Forty-two of these countries have payments due extending back for all periods involved.

Forty-two of these countries have received economic assistance from the United States since 1946 and 39 are still receiving assistance: Afghanistan, Iran, Iraq, Jordan, Lebanon, Nepal, Saudi Arabia,[1] United Arab Republic, Yeman, Argentina, Panama, Bolivia, Brazil, Chile, Costa Rica, Cuba,[1] Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Paraguay, Peru, Uruguay, China, Mali, Mauritania, Morocco, Niger, Yugoslavia, Senegal, Somali, Togo, Upper Volta, Austria, Belgium,[1] France, Poland, Portugal, Spain.

TABLE 2

Forty-six countries to which we have furnished more than $22 billion in economic assistance from fiscal year 1946 through fiscal year 1963 are delinquent in one or more of their assessments by the United Nations. These arrearages amount to over $42 million. They include: regular budget, $4.4 million; emergency forces, $9 million; and Congo, $29.2 million.

Of these 46 countries, 44 received some type of economic assistance in fiscal year 1963 from the United States; and of these 44, there are 35 which would have been affected by the Miller amendment if it had been adopted last year, inasmuch as these countries have received grants and development loans covered by the amendment. These 35 countries include:

Country	Combined amount, grants, loans, fiscal year 1963	Public Law 480, fiscal year 1963	U.N. total arrearages for all years	Arrearages for calendar year 1961 and prior [1]
Afghanistan	$17,700,000	$100,000	$73,688	$66,723
Iran	21,200,000	34,200,000	99,281	75,413
Iraq	800,000	100,000	152,342	139,948
Jordan	7,000,000	16,300,000	67,772	62,267
Lebanon	100,000	None	31,953	25,064
Nepal	3,900,000	200,000	8,729	1,027
United Arab Republic	38,600,000	140,100,000	625,166	529,959
Argentina	109,700,000	None	2,182,925	1,432,623
Bolivia	36,300,000	21,400,000	80,019	50,234
Brazil	67,200,000	61,600,000	410,942	287,990
Chile	46,200,000	26,500,000	412,289	226,158
Costa Rica	13,000,000	1,600,000	40,847	26,105
Dominican Republic	12,000,000	12,500,000	52,354	45,465
El Salvador	19,600,000	2,600,000	11,735	6,241
Guatemala	11,200,000	1,000,000	89,828	50,736
Honduras	10,400,000	300,000	32,385	26,874
Mexico	8,400,000	15,500,000	1,129,359	1,027,380
Nicaragua	3,700,000	1,400,000	42,699	21,430
Panama	8,200,000	700,000	52,218	46,707
Paraguay	5,900,000	3,400,000	85,567	43,943
Peru	4,500,000	6,900,000	158,745	152,143
Uruguay	15,900,000	600,000	220,970	140,183
China	38,600,000	41,700,000	12,592,384	9,356,629
Guinea	6,100,000	3,600,000	8,219	7,484
Libya	1,400,000	None	24,108	23,373
Mali	3,300,000	None	14,336	9,527
Morocco	1,100,000	52,600,000	117,823	101,113
Niger	1,200,000	None	22,152	14,798
Senegal	2,200,000	600,000	8,965	2,000
Somalia	7,800,000	1,200,000	7,507	2,713
Sudan	6,500,000	4,500,000	71,118	69,821
Togo	800,000	200,000	20,369	19,592
Poland	2,800,000	8,000,000	3,121,919	2,677,929
Yugoslavia	100,000	113,400,000	299,358	253,980
Mauritania	100,000	100,000	35,587	3,825
Total			42,000,000+	

[1] Under Miller amendment, withholding of economic assistance would only occur in the case of those nations over 1 year delinquent.

Sources: United Nations Secretariat, statement on the collection of contributions as at Sept. 30, 1963; U.S. Aid to Foreign Assistance Act countries, by region and country, obligations and loan authorizations, fiscal year 1963—preliminary, Statistics and Reports Division, Agency for International Development.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa [Mr. MILLER], to the committee amendment in the nature of a substitute, as amended. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

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[1] Not currently receiving economic assistance.

Source: United Nations Secretariat, Statement on the Collection of Contributions as of Sept. 30, 1963; Agency for International Development reports.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Georgia [Mr. RUSSELL], the Senator from Mississippi [Mr. STENNIS], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from West Virginia [Mr. BYRD], the Senator from California [Mr. ENGLE], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Missouri [Mr. LONG], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from New Jersey [Mr. WILLIAMS] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Wyoming would vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Kentucky [Mr. COOPER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Wyoming [Mr. SIMPSON] are detained on official business.

I also announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Kentucky [Mr. COOPER]. 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 Wyoming [Mr. SIMPSON] is paired with the Senator from Massachusetts [Mr. SALTONSTALL]. If present and voting, the Senator from Wyoming would vote "yea," and the Senator from Massachusetts would vote "nay."

The result was announced—yeas 20, nays 60, as follows:

[No. 226 Leg.]

YEAS—20

Bennett	Gruening	Mundt
Bible	Hruska	Robertson
Curtis	Johnston	Thurmond
Dodd	Jordan, N.C.	Tower
Eastland	Jordan, Idaho	Williams, Del.
Edmondson	McClellan	Young, N. Dak.
Ervin	Miller	

NAYS—60

Aiken	Gore	Moss
Allott	Hartke	Muskie
Anderson	Hill	Nelson
Bayh	Holland	Neuberger
Bartlett	Humphrey	Pastore
Boggs	Inouye	Pearson
Brewster	Jackson	Pell
Burdick	Javits	Prouty
Cannon	Keating	Proxmire
Carlson	Kennedy	Randolph
Case	Kuchel	Ribicoff
Church	Mansfield	Scott
Clark	McGovern	Smathers
Cotton	McIntyre	Smith
Dirksen	McNamara	Sparkman
Dominick	Mechem	Symington
Douglas	Metcalf	Talmadge
Ellender	Monroney	Walters
Fong	Morse	Yarborough
Fulbright	Morton	Young, Ohio

NOT VOTING—20

Beall	Hayden	McGee
Byrd, Va.	Hickenlooper	Russell
Byrd, W. Va.	Lausche	Saltonstall
Cooper	Long, Mo.	Simpson
Engle	Long, La.	Stennis
Goldwater	Magnuson	Williams, N.J.
Hart	McCarthy	

So Mr. MILLER's amendment to the committee amendment in the nature of a substitute, as amended, was rejected.

Mr. FULBRIGHT. I move to reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished majority leader whether he can ascertain what amendments are likely to be offered this evening and how long the discussion on them will last, as well as what Senators can expect, because of commitments and arrangements heretofore made.

Mr. MANSFIELD. Responding to the question raised by the distinguished minority leader, it will be recalled that earlier today the leadership indicated that it would like to continue in session until around 10 o'clock this evening, provided amendments and votes were in the offing. It is my understanding that the distinguished senior Senator from Oregon [Mr. MORSE] has an amendment to offer. If he offers the amendment, I assume there will be a little debate on it. I would hope that the Senate would be able to vote on that amendment this evening and then take a recess until 12 o'clock noon tomorrow.

Mr. MORSE. That is satisfactory to me. This has been a rather good day. We have made some progress. We have worked out some negotiated settlements, and have agreed to several amendments, and have had votes on other amendments also.

I shall offer my amendment now. If Senators wish to go to dinner, they have time now to go to dinner.

Mr. MANSFIELD. Does the Senator mean downstairs?

Mr. MORSE. Downstairs. When the discussion of the amendment is concluded, the Senate can vote. I do not expect to take more than 30 minutes, and probably not more than 20 minutes. There will probably be about 20 minutes for reply, and then there will be a little rebuttal. I do not believe that it will take more than about an hour.

Mr. DIRKSEN. I understand that the amendment which the distinguished Senator from Oregon has in mind deals with certain restrictions upon the use of assistance funds for budgetary purposes, particularly in Latin American countries.

Mr. MORSE. It is the Alliance for Progress amendment. The heart of it is that none of the funds now available under authority of this act may be used to furnish assistance to any country covered by this title for balance of payment or support purposes.

Mr. DIRKSEN. I had hoped that after an hour or an hour and a half of discussion this evening, the vote on the amendment might go over until tomorrow, when the Senate could resume the discussion of the bill.

Mr. MORSE. That is satisfactory to me.

Mr. MANSFIELD. Because of the fact that for the first time in a long time there are so many Members of the Senate present, I would hope that the vote could be taken tonight, and that the Senate could start afresh tomorrow. Many Senators who are now present have given up engagements, and I believe they are entitled to the right to vote tonight.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The amendment has not yet been offered.

Mr. MORSE. I offer the amendment. First I would explain that I have modified the amendment. It is amendment No. 254. I wish Senators would look at it. In line 9 of the amendment I strike out the words "in the form of" and substitute the word "for."

In line 9 I strike out the word "loans."

In line 10 I strike out the period and add the word "purposes."

I send the modified amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 39, line 10, after the section heading insert "(a)".

On page 39, strike out the quotation marks at the end of line 17.

On page 39, between lines 17 and 18, insert the following:

(b) None of the funds made available under authority of this Act may be used to furnish assistance to any country covered by this title for balance-of-payment or budget support purposes.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, my amendment No. 254 is designed to halt aid to Latin American countries for budget support and for balance-of-payment purposes.

I have modified it slightly in order to make its purpose a little clearer. I have explained those provisions. I have already spoken on the results of using the contingency fund for Latin American aid. Those results have increased the resistance of applicants to the conditions that they must meet under the Alliance for Progress.

In our debate the other day on the contingency fund, we pointed out that several Latin American countries have been the recipients of millions of dollars of contingency fund money, not for any emergency affecting the United States, but for their own monetary emergencies, their own inflation emergencies, and their own balance-of-payment emergencies.

I expressed the view that that was a misuse of the contingency fund, and I hold to that point of view.

However, I point out what I call attention to in the last sentence in the portion of my manuscript that I have just read; namely, that those results have been to increase the resistance of applicants to the conditions that they must meet under the Alliance for Progress.

The fact that Argentina and Brazil have been able to dip into the contingency fund and get very large allotments from the contingency fund for their budgetary problems could be a major reason for their failure to submit a plan under the Alliance for Progress, which they are expected to do.

However, it is an interesting coincidence, at least—and I only express my personal view—that as long as Argentina and Brazil can continue to get heavy dosages of Presidential contingency fund money to help them out with their budgetary support programs and their monetary programs, they are not going to be the least bit moved to meet the plans called for under the Alliance for Progress program.

Those countries ought to submit their plans for cooperation under the Alliance for Progress program. They agreed to the Act of Punta del Este. Under the Act of Punta del Este, they committed themselves to self-help. All we ask is that they help themselves, along with our willingness to cooperate and help them.

I am greatly disturbed about the news of today in regard to Argentina's attitude toward the entire Alliance for Progress program. I cannot quite understand what Argentina is up to.

Also, we are getting statements from high positions in Brazil to the effect that Brazil does not know whether the Alliance for Progress program is to her economic advantage or not. That comes from a beneficiary to whom we have given many millions of dollars. It is perfectly obvious what Brazil is up to—and Argentina, too. Apparently, they are seeking to scuttle the Conference at Sao Paulo, because the Conference at Sao Paulo is, in particular, designed to try to have our Latin American associates act more responsibly in the implementing and administering of the Alliance for Progress program. Apparently, Brazil and Argentina do not want to have any multilateral administration of the Alliance for Progress program. That causes me to suspect that perhaps one reason why they do not is that they have done so well by getting what they want from the contingency fund. Why should they agree to any commitments? The representatives of Brazil can come to Washington, plead a sorry tale, and point out how inflation is running away with Brazil. Before I finish with this speech, I shall show how far inflation has run away with Brazil, and why she is weeping such international crocodile tears to get more and more millions out of the Presidential contingency fund.

I speak most respectfully, but I do not believe the contingency fund should be used for that purpose. I do not know about other Senators, but certainly the senior Senator from Oregon never had any idea, when he agreed heretofore to providing a contingency fund, that he was authorizing the President to use contingency money for any other purpose than a U.S. emergency—not a Brazilian monetary emergency, not an Argentine monetary emergency, but a

U.S. monetary emergency. The contingency fund should be used only because of a time element. The President ought to have some money available to act on the spur of the moment in the national interest, on the theory that time is not available to come to Congress and lay the problem before Congress.

I cannot imagine an emergency so great that the President would need more than $100 million for any immediate expenditure, biding the time it took to come to Congress, lay the facts before it, and make a formal request for emergency money.

Earlier today, in connection with another amendment, I said that at the time of the Berlin crisis the President came before Congress and received $3 billion in additional defense appropriations. He had no trouble in that instance, for it was a serious American emergency.

Administration witnesses testified before the Committee on Foreign Relations that in connection with the Cuban crisis a little more than a year ago—October 1962—no contingency fund money was used. Yet that was as serious a national crisis as we have had in a long time.

We shall be dealing with a basic policy question that will strengthen the hand of the President, if we adopt this amendment. The President needs to be put in a position where he will have to say—and he is not the only President that has done this; it has happened in preceding administrations, too—"I am sorry but Congress has limited the use of the contingency fund, and has stopped payments from the contingency fund to Latin American countries for certain purposes."

It is interesting to note that up until the latest information I received from the State Department—unless something has changed within the last several days, it is still true—only eight countries have submitted plans under the Alliance for Progress program. The program calls for their submitting plans as to what they are willing to do and what their procedures are for reform, before they will be eligible for Alliance for Progress money in any great amount. If we want to speed up those plans, we had better close the door to money from the contingency fund and from supporting assistance, as well.

But I want to talk about the theoretical soundness of my proposal. The amendment has a very sound theory in connection with our form of government. We should be strict about ever giving unchecked discretion to any officer of the government, including the President. I speak not of an individual, but of an office. The Office of the President should never be allowed to exercise unchecked discretion over the expenditure of too much money. Particularly in the field of foreign relations, the expenditure of money without its being spent under a checking system can very well cause serious international complications.

In committee, I fought rather vigorously against a $300 million contingency fund. I moved that we reduce the amount by $200 million. Although I received some support in the committee, I did not have a majority. I finally offered a $150 million compromise. As I remember, I joined with the Senator from South Dakota [Mr. MUNDT] in proposing a $150 million compromise. Then it was suggested that there be an agreement to provide $175 million. I refused to vote for $175 million; I thought $150 million was as far as we should go.

But tonight I seek only to place some controls on the use of the contingency fund by the restrictions set forth in my amendment.

The contingency fund is not the only source of nonproject grants and loans. The supporting assistance category is another source; and tomorrow I shall offer an amendment reducing the whole supporting assistance category. I care not whether this form of aid is in the nature of a grant or a loan; it is unsound everywhere in the world. But in Latin America, it cannot even be justified on the ground that the recipient lives in the shadow of the Communist bloc and hence must maintain an oversized military establishment, the cost of which the United States helps to meet.

Every year for 10 years and more I have been urging a foreign aid program that will seek to extend capital for specific projects. Budget support is exactly the opposite of that concept. Budget support merely goes into the pot of some government to balance its domestic budget. I feel that the United States has deficit problems of its own with which no nation in the world is going to help us, and which we should not worsen merely to enable another country to escape the same problem.

When money is taken out of the contingency fund—which is made up of money which belongs to the taxpayers of the United States—and is given to Brazil, the Argentine, Ecuador, or any other Latin American country, to help that country balance its budget, that makes the U.S. budget that much worse. We can be sure that other countries will not help us balance our budget. So I am at a loss to understand the process of reasoning behind the practice of using the U.S. taxpayers' money—without congressional authority—in instance after instance to balance the budget of Brazil or the budget of Argentina or the budget of Ecuador or the budget of any other country. As I have said, we have our own deficit and budget problems, and we should not worsen them by making the U.S. taxpayers' money available to other countries, to help them balance their budgets, at a time when we cannot balance our own budget.

Much the same is true of American money extended to balance the international payments of another country. What we really do with these balance-of-payments loans or grants is make it possible for the recipient country to pay off its foreign creditors. Most of these creditors are in Western Europe. Some are American businessmen.

I wish to stress that point. American taxpayers' money has been made available to Latin American countries to help them pay their creditors. Many of their creditors are citizens of countries of Western Europe, but some of them are American businessmen. I am satisfied that if the American people knew that the Presidential contingency fund was being used to provide balance-of-payments support and budget support and to make payments to help Latin American countries pay their creditors, the American people would be shocked. They would say, "That is not cricket." Mr. President, such procedure runs against the grain of fair dealing with the taxpayers of the United States.

Mr. ROBERTSON. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. BREWSTER in the chair). Does the Senator from Oregon yield to the Senator from Virginia?

Mr. MORSE. I yield.

Mr. ROBERTSON. I have listened with interest to the statement of the Senator from Oregon. Last October, when I was in Rio de Janeiro, a group of American businessmen told me that in recent years Brazil had been paying one-half of the expenses of the Brazilian Government by printing money. The Government of Brazil gives an I O U to the Bank of Brazil, and the Bank of Brazil then furnishes the money—after getting a firm in the United States to print the money. I was told that one-half of the Brazil deficit has been paid by using our money. So we have been furnishing Brazil the money with which to pay the operating expenses of the Government of Brazil—including the interest on her foreign loans.

Mr. MORSE. That is correct. I thank the Senator from Virginia for his statement. There is no question about what he has said. The record is crystal clear that that is what we have been doing. But we should stop it; and that is why I have offered this amendment.

Mr. PELL. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am glad to yield to the Senator from Rhode Island.

Mr. PELL. I thank the Senator from Oregon for yielding to me.

Mr. President, more than a year ago, when we were considering the foreign aid bill and the authorization of funds for the Alliance for Progress, I drew the attention of this body to the use—or what might be better characterized the "maluse"—of funds for balance-of-payments financing or budget-support purposes. I did not then support an amendment to limit expenditures of Alliance for Progress funds, or, in fact, any AID funds, to specific development projects, because I hoped that in the intervening period of more than 15 months there would be a marked reduction in the percentage of Alliance for Progress funds used for balance-of-payments or budget-support purposes.

At this time, I ask unanimous consent to have printed in the RECORD a

comparison of AID assistance in the fiscal years 1959–63. This includes both pre-Alliance and Alliance assistance.

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

A comparison of AID assistance in fiscal years 1959–63

[Dollars in millions]

	Fiscal year 1959	Fiscal year 1960	Fiscal year 1961	Fiscal year 1962	Fiscal year 1963
(1) Development project loans and grants	$103.5	$87.2	$210.6	$300.0	$381.6
Percent of total	(84)	(83)	(83)	(63)	(68)
(2) Development program loans					[1] $95.0
Percent of total					(17)
(3) Balance of payment financing	$7.3	$8.4	$11.6	$154.7	[2] $70.8
Percent of total	(6)	(8)	(5)	(33)	(12)
(4) Budget support loans and grants	$12.2	$9.5	$31.5	$19.5	$17.4
Percent of total	(10)	(9)	(12)	(4)	(3)

[1] $60,000,000 to Colombia and $35,000,000 to Chile.
[2] Including $23,750,000 grant to Dominican Republic.

Mr. PELL. Mr. President, from these figures, we can see that there has been a fairly significant drop in the percentage of funds used for balance-of-payments financing—from 33 percent in fiscal 1962, to 12 percent in fiscal 1963. While I think this is commendable progress, I still believe more of our assistance—presently 68 percent—should go into direct development projects.

We have something of a problem with terminology. For instance, category (2) refers to development program loans. This has been explained to me as assistance to encourage the importation of capital goods. It is distinguishable from balance-of-payments financing insofar as it is before the fact assistance, whereas balance-of-payments funds—or, as the Senator from Oregon has perhaps more properly called them, "bailout funds"—are after the fact assistance. Nevertheless, program loans do have the effect, although this is not their purpose, of helping a country in reducing its balance of payments.

Without laboring the point, let me again state that while some progress is being made, we should direct our energies more toward assistance for development projects and less toward assistance in the form of balance-of-payments financing or budget-support assistance.

I believe the distinguished Senator from Oregon [Mr. MORSE] has done all of us a very real service by raising this question in connection with his amendment (No. 254). This subject needs ventilation, and I congratulate the Senator from Oregon for raising it.

Mr. MORSE. I thank the Senator from Rhode Island both for his valuable statement and for the table he has submitted for the RECORD. The table speaks more effectively than any words of mine, for it shows us exactly what the problem is.

I realize one of the problems which confronts me when I offer an amendment of this kind. Some will be inclined to think I am seeking to restrict the President. But my amendment has nothing to do with the President as such. Instead, I am seeking to stop a policy that should be stopped, no matter who is serving as President of the United States. I seek to protect a very precious right of Congress—namely, the right to pass judgment on any specific proposal submitted by some country which wishes to obtain American taxpayers' money for balance-of-payments purposes, budget-support purposes, or similar uses. I do not think that issue should be decided by the executive branch of our Government. It should be authorized, approved, affirmed, and granted by means of congressional action, including appropriations. In that way, the constitutional check is observed. As I stated earlier today, that is what the Constitution calls for. There is no question that I am fighting for preservation of this constitutional right; that is my purpose in connection with all these amendments. That is why I differ with the views stated by the Secretary of State at his press conference of the other day. I respectfully suggest that he should refer to the Constitution, for it provides Congress with this checking power; congressional authority must be obtained, and funds cannot be paid out except when appropriated by Congress by law.

But what has happened is that general authorization is obtained for an unchecked exercise of discretion; and once that power is granted, we do not know what happens. So I am seeking to take back that power. As I have said, what Congress can give, it can later take back; or it can change or restrict. At the very least, we should provide for the kind of checks my amendment provides.

Mr. ALLOTT. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am glad to yield to the Senator from Colorado.

Mr. ALLOTT. I am concerned with two instances which have gone far beyond the argument the Senator from Oregon has made. The first is the situation in which we committed ourselves to an expense of $10 million a month for the Congo operation. I have stated many times that if at that time I had been in the position of the President, no doubt I would have done that. Yet 5 months later, when representatives of the State Department came before the Senate Appropriations Committee and sought to justify that, they sought to shift their ground three or four times. First, they said they would take the money from the President's contingency fund. But when it was demonstrated to them that the President's contingency fund did not contain that much money, they sought to put it on other grounds.

So during that 1 year, that is, from January through October, whether we think the results were right or wrong, we committed ourselves to the expenditure of $110 million for that particular purpose.

Then we did the same thing at Punta del Este. Secretary Dillon went to Punta del Este and, as he subsequently explained to the Appropriations Committee, committed himself for only $14 million, but as the news went out to the world, for a total of $20 billion over a 10-year period.

I happen to agree with the Senator in one respect and perhaps disagree in another. If the people of our country elect a President, we must repose some confidence in him. We should have a contingency fund, and that fund should be large enough so that the President can take care of any emergencies or contingencies that might arise. But in those two instances particularly I am faced irrevocably with the thought that there was no excuse for the State Department or the President not to come to the Senate, the House, or to either of the Appropriations Committees—and from the testimony on record they did not—even to state what was in their minds about those two circumstances. What does the Senator from Oregon think about that

Mr. MORSE. I completely agree with the observation of the Senator from Colorado. What he has said bears out the thesis of my argument.

Congress must be given that information as a condition before the fact and not as a condition after the fact. The authority of Congress must be obtained for the specific use to which the Government seeks to put the money. The Senator may disagree with me in that he thinks the President ought to have enough money in the contingency fund to meet an emergency. We may disagree as to how much that amount of money should be. I believe that $100 million is enough. The committee brought in a report requesting authority for $175 million. The adoption of the Humphrey-Morse compromise amendment the other day on the Alliance for Progress and the contingency fund left the figure at $175 million. I would have preferred $150 million, which is what I finally urged in the Foreign Relations Committee after I was beaten on my proposal for a $100 million fund.

But our difference becomes a question only of degree and not of objective. The President should have enough money to meet a U.S. national emergency. I find it difficult to conceive of any emergency so serious that $100 million would not give the President all that he needed for the short period of time that it would take for him to act on that emergency, and then lay his request before the Congress for whatever additional amount of money he might need. He did so at the time of the Berlin crisis. He then received $3 billion. He never had any trouble in obtaining that money. He never

would have any trouble in obtaining the necessary money quickly for any U.S. national emergency.

A part of the burden of my argument involves the use of the money for purposes that do not involve U.S. national emergencies, such as balance-of-budget problems in Brazil and Argentina which would not possibly fall under the definitive terms of a U.S. national emergency. They would be Brazilian emergencies and Argentine emergencies, but not U.S. emergencies.

Mr. ALLOTT. I understand the Senator's point of view. More than anything else, it is a question of degree, in which I am inclined to differ with him. Under certain circumstances a Berlin emergency could very well be a U.S. emergency. I understand the Senator's position with respect to the Humphrey amendment, which was before the Senate the other day. He would have preferred a lesser figure. We did provide $175 million on that particular portion of the program. It occurs to me that even if we should get to the place where the Congress would return to some sense of rationality and adjourn early in the fall in accordance with the rules of the Senate and the House, the President could always call back the Congress, and, at the expense of a few thousand dollars, allow it to pass on these important questions, which involve hundreds of millions of dollars.

I have been reading the amendment of the Senator from Oregon. I have checked it at the desk to see the manner in which he has modified it. I ask the Senator if he really believes that under the bill none of the funds, under any circumstances, or at any time or any place, might be used to furnish assistance to a country in the form of balance-of-payment loans or budget support. I see that the Senator has changed the amendment slightly. Does the Senator wish to apply that principle to the President's contingency fund? No Senator has been as critical of the President in his conduct of foreign affairs as has the senior Senator from Colorado. I have taken the floor of the Senate innumerable times to voice my opinions, particularly with respect to the actions of the President concerning Cuba. But does the Senator really think that the overall statement of the amendment should include the President's contingency fund? I feel that if we are going to have a contingency fund for the President, perhaps it should have more latitude than it would have with the restrictions which the amendment of the Senator would place upon it.

Mr. MORSE. My answer is that that is exactly the restriction I mean to impose. I do not believe that the President should have any discretionary power whatsoever about using the American taxpayers' dollars for budget support purposes or for balance-of-payment purposes in Latin America. He ought to have specific authority for such purposes.

I point out that some months ago the Finance Minister of Brazil came to Washington and spent several days negotiating in regard to Brazil's financial plight. There was no such emergency that prevented the expenditure of that amount of time. A few more days, it seems to me, would be reasonable to expect any President of the United States to spend in asking for congressional authority for whatever amount of money he would like to recommend that Brazil should get for budget support purposes, and have the Congress approve it. If he has a good case, why should he fear it?

What worries me is the question as to whether the President should be given all that money on the assumption that U.S. national emergency problems should be met with it, and then find that a part of the contingency fund is being used to help out with a budgetary problem in Brazil without the specific approval of the Congress for that specific expenditure of the funds.

Mr. ALLOTT. Mr. President, will the Senator indulge me further?

Mr. MORSE. I yield.

Mr. ALLOTT. I agree that in most instances what the Senator has said is true. The Senator from Colorado has little sympathy with the national policies of Brazil, as he has seen them develop over the last 2 or 3 years. As I said on the floor of the Senate last week, I saw Brazil try to thwart in many instances at the U.N. last year basic questions of freedom, economic rights, and economic opportunity that the United States was trying to promulgate. I have seen them pursue an economic policy which none of us could condone unless we happened to support the present administration 100 percent, which the Senator from Colorado does not. But seriously, I say that Congress might find itself in a position in which, for example, it would be in recess, and it would be a question of acting not within a week or 10 days, which we could do in an emergency between the House and the Senate, but of acting in a few hours. For this reason, although I would be the first to join the distinguished Senator from Oregon in his general sentiments about some of the uses for which this fund has been used, at some time we must repose a little confidence in our President, even though he is not from my party. He should have a little more latitude than the strict language of the amendment of the Senator from Oregon.

I would follow the Senator in the general context, but if we create a contingency fund it seems to me we should provide a little more latitude, even granting that this President—and perhaps the President before him, and the President before that—used the contingency fund in a way we did not quite approve. At least we should recognize the necessity of a contingency fund and the purpose for which it was created.

I know the Senator has very strong feelings, but I wonder if he would not consider an exception such as "excepting contingency funds provided herein for the President of the United States." Otherwise we may very well be killing our own goose in the situation.

Mr. MORSE. Let me say, most respectfully, that I do not believe we are killing the goose at all, but giving some assurance that it will keep on laying eggs.

Mr. ALLOTT. I have not explored the parliamentary situation, but perhaps we have gone too far. Perhaps we should not give the President any contingency fund at all, but let him come to Congress for everything he needs. The way I am thinking at the moment, it occurs to me the amendment would restrict, in a way, the President's contingency fund.

I am willing to restrict every other fund that is given under this act, but surely we must allow someone the latitude to act. After the past 2 weeks of debate, no one can be mistaken about the sentiment of the Senate; that is to say, no one can be mistaken about the sentiment of the American people about foreign aid. I believe "discretion is the better part of valor," that we should make such an exception in this instance.

I appreciate the Senator's yielding to me and permitting me to discuss this question with him. I believe it involves a very serious problem.

Mr. MORSE. I am indebted to the Senator from Colorado, because he has helped point out the issue I wanted to point out.

I do not believe it is conceivable that a budgetary problem in Brazil, or Ecuador, or in Argentina, or in any other Latin American country—and my amendment deals with Alliance for Progress countries—could create such a U.S. emergency as to make it not feasible for the President to call Congress back into session, if the situation were that serious, for the quick action which he would get. He could bring Congress back into session in a matter of hours.

But the point that we differ on, as I understand the Senator from Colorado, is the question of what is a U.S. national emergency. I do not believe the contingency fund as we established it in the first instance contemplated that a President of the United States could use the money, by way of exercise of unchecked discretion, unless the operative facts of the emergency involved our national emergency.

Certainly a balance-of-payments problem or a budget-support problem in Brazil or in Argentina would probably be discussed for weeks in those two countries anyway, and discussed probably for quite some time in the presentation to our Government of a request for contingency funds. With the elapse of that amount of time, all I am suggesting is that when the request is made, the President should lay it before Congress. He should be put in a position of saying to them, "I am sorry, but I am under a congressional prohibition. I am prohibited from using funds for balance of payments or budget-support purposes."

Mr. ALLOTT. The distinguished senior Senator from Oregon is subcommittee chairman of the American Republics Affairs Subcommittee of the Foreign Relations Committee, and he knows, I am sure, as well as or perhaps better than I—even though the rest of us try to inform ourselves—the volatile situation which now exists in Latin America. We could easily find ourselves in a situation in Latin America in which the President's contingency fund would be completely ineffective to do any one of 2

dozen jobs that we might have to do in 3 days. I am sure that the Senator well remembers—I well remember it, because it happened when I came to the Senate of the United States in January of 1955—the critical condition in the Quemoy-Matsu area in the Western Pacific, a situation with respect to which I took the opposite side from the distinguished Senator from Oregon. I believe the debate in the Senate continued for approximately a week. If a debate in a situation as critical as that could run for a week or 10 days, surely the President needs some freedom to act more quickly.

I have no hope that I can change the opinion of the Senator from Oregon, because I have no such great powers of oratory or persuasiveness; but I hope that the reason and the logic of the situation will appeal to him. The Senate already has adopted many amendments. The Senate has talked and conferred and voted on amendments which condemn the use of the President's contingency fund in the manner in which it has been previously used. Is this not enough? Can we not leave the President some freedom of action?

I say very frankly, as one Member of the Senate who has been critical of the President's foreign policy, that I cannot let this moment pass without calling the attention of the distinguished Senator from Oregon to this matter, which in the next 6 months might well be of prime importance to the country.

Mr. MORSE. I do not think the Quemoy-Matsu issue which the Senator has raised is in point with our discussion here, because, if there had been an attack on Formosa, that debate would not have lasted an hour. Congress would have declared war. The President would have obtained support immediately. But that debate went on for the period of time the Senator has mentioned because some very vital constitutional policy issues were raised on which we had honest differences of opinion. But it was not an emergency which required immediate action. The debate dealt with a proposed resolution as to what our policy should be in that part of the world in futúro. An immediate emergency which called for immediate action did not threaten us at that time.

Mr. ALLOTT. If the Senator will yield, I think he had better refresh his recollection. There was an immediate emergency, with a then present, imminent threat, if the Senator will think about it for a moment. He probably has not had occasion for a long time to think about it. I think he will realize that there was an emergency. That is why President Eisenhower called upon the House and the Senate to pass the resolution.

Mr. MORSE. That was one of the fundamental differences of opinion. We took the position that there was not an immediate threat; that there was no hour-by-hour danger that threatened us; that there was a policy to be determined one way or the other. Those of us who took a point of view opposite from that of the Senator from Colorado stated that any time a declaration of war was wanted, and a need could be shown for it, the President would get it.

I am saying that there is no basis in fact for the conclusion that a budgetary problem in Argentina, Brazil, Ecuador, or anywhere else in Latin America would be of such an emergency to the United States that the President would not have time, even if Congress were in recess, to get us together and ask us for an authorization to make a loan to one of those countries for budgetary purposes. In fact, my point is that here is a place where such an unchecked power should never be given to the Presidency.

I think that, under our Constitution, Congress should insist that the money be made available only by a specific appropriation by law for that purpose. We have given the President $175 million to meet any emergency, to use a hypothetical case—and I speak only hypothetically—that might arise in the Caribbean. Let us assume the President should learn at 10 o'clock tonight that Castro is planning some kind of invasion of the Florida coast. He has plenty of contingency funds, in addition to his other military funds, to move into action immediately. He could lay the problem of any further assistance he needed before Congress tomorrow or the next day, or whenever he wanted to.

That is the use to which the contingency fund should be put, and not as a form of economic aid. If the President wants to give such countries economic aid, he should get an authorization for that specific aid. He should not be able to go ahead, by an exercise of his own will, and grant aid that Congress would find out about subsequently.

We in the United States have a balance-of-payments problem, too. Does anyone suppose that Brazil or Argentina is ever going to lend the United States the money to balance our European payments deficit? Of course not.

I think it is nonsense to extend money for these purposes in Latin America. It is not only bad in itself; but it also merely postpones the day when these recipient countries must face the music of economic self-control and reform.

I have tried to get at this problem by reducing the contingency fund and by reducing supporting assistance, because both categories are sources of money for these purposes. The purposes themselves are bad, in my opinion, and should be stopped for all of Latin America. Unless we do so, we will continue to weaken the Alliance for Progress.

Let Brazil, Argentina, Bolivia, and the Dominican Republic—if the latter ever returns to a constitutional government—obtain their economic assistance through the channels of the Alliance for Progress. Let them meet its criteria and get their capital through its procedures.

To put it bluntly, this type of aid in Latin America has been "bailout" money. They have been used to bail out Latin American governments that have not had the courage, or the determination, or the political backing at home, to undertake the reforms required for them to obtain funds through the Alliance for Progress.

I spoke on this subject on the Senate floor on June 25. At that time I pointed out that Latin American nations were finding it too easy to obtain grants and loans from the United States from non-Alliance sources. One of these has been the contingency fund; another has been supporting assistance.

In my opinion, by far the biggest problem the Alliance for Progress faces is the faintheartedness of the nations to the south to get started on the economic and social development that our capital is supposed to finance. Many of our friends in Latin America are complaining that the money is not coming as fast as they would like. But the real problem is that they are not moving fast enough to meet the conditions and requirements of sound investment.

And why should they, if they can always obtain the money without regard for the requirements of the Alliance itself? I do not see much point in Congress authorizing the Alliance for Progress, setting forth the purposes of the programs and the amounts to be available under it if the whole section—the whole program—can be circumvented with funds from other sources.

When the Humphrey amendment was under debate the other day, I pointed out that only eight participants in the Alliance for Progress have submitted any country plan to the Panel of Nine, which is supposed to pass judgment upon them.

When the Senator from Minnesota asked me if I would join with him in such an amendment, and we negotiated an adjustment with respect to a contingency fund of $175 million, it was done with the understanding that there would be returned to the development loan program for the Alliance for Progress a total of $600 million. We did it on the basis that the committee itself had recommended $175 million for the contingency fund. I was glad to join with the Senator from Minnesota in what became known as the Humphrey-Morse amendment. I thought it was sound. I said then, however, that I would offer subsequently the amendment I am offering now to put some restrictions on the use of the contingency fund.

The two largest nations of the hemisphere, Brazil and Argentina, have not submitted any plan. But they have nonetheless obtained large sums from the United States for nonproject purposes, which means for balancing their budgets and the international payments. Argentina received nonproject loans from us of $20 million each in fiscal years 1962 and 1963. Brazil received them in the amounts of $74.5 million in fiscal 1962 and $25.5 million in fiscal 1963.

That is a good deal of money.

The Dominican Republic received a nonproject loan of $25 million in fiscal 1962. Ecuador has received budget support loans of $8 million in fiscal 1962 and $7 million in fiscal 1963.

Hence, we have been putting out around $50 million a year for this purpose in Latin America. It is no accident that three of the four recipients

of this form of aid last year also received it in fiscal 1962. And I predict that unless Congress takes a firm hand, they will go on getting it in fiscal 1964 and thereafter.

I know, without seeing it, what the position paper of the State Department and AID will be. It will be what it has always been in the past back through the Eisenhower administration and back to the Truman administration.

It will agree that this type of aid is a bad practice which it hopes will stop. And it intends not to extend it any more, so there is no need for Congress to put the language into the law. But then, the position paper will continue, we must have flexibility and be able to make such grants or loans if the necessity arises. It is always the same answer to every bad foreign aid practice Congress desires to stop.

"Ah, there's the rub," Mr. President. That is the phraseological escape hatch that the State Department always resorts to—"You must not tie our hands. You must leave us flexibility." By "flexibility" they mean they must be left flexible so that they can walk out on the implied promise that they made to us.

They are very careful, but they are very evasive, too. I have lost confidence in the language of the State Department on such matters as this. It is the answer that the administrators do not intend to continue it anyway, but that they must still be free to do so if they wanted to. What kind of promise is that? It is not a good faith promise. I am sad to say it, but I have lost much confidence in the good faith of the State Department in dealing with the Foreign Relations Committee on matters such as this. I do not trust them any more, to put it bluntly. In this respect, as well as in our military aid to Latin America, we are the ones who are undermining the Alliance for Progress program itself.

My amendment would put a stop to aid in the form of grant or loan for budget support or balance-of-payment support, regardless of where it might come from under the act. On the other hand, my amendment does not affect the operations of the Export-Import Bank, which also makes occasional loans in Latin America for refinancing of past debts, both public and private. I do not, in this amendment, intend to go into Export-Import Bank functions, even those in the same field. But I do intend to call a halt to the use of foreign aid funds for these uses.

Mr. President, I call attention to an article published in the New York Times of Tuesday, November 12, 1963, written by Tad Szulc, entitled "Alliance Report Shows Latin Stagnation in 1962."

The article is dated São Paulo, Brazil, November 11. It refers to the conference that is being held there, at which Brazil and Argentina are following a course of action that I believe, to put it mildly, is subject to the interpretation that they seem to be trying to scuttle the conference. Mr. Szulc writes:

Economic-growth rate slowed last year, reflecting "stagnation" in the region, according to the annual report of the Alliance for Progress.

He discusses the 300-page report and sets out some vital statistics which show a constant worsening of conditions. He gives us a pretty gloomy picture. The main reason for the gloomy picture is that these Latin American countries are not doing their share in keeping with the commitments under the act of Punta del Este. The adoption of this amendment will serve notice that they cannot get any props for their budget out of the contingency fund, and that the only solution to their problem is to live up to their obligations under the Alliance for Progress program by submitting a plan that qualifies them for assistance under the program, and by bringing about reforms in their own countries.

We cannot pour enough money into Brazil to stop that runaway inflation. Brazil must do that for itself. We can be of assistance to Brazil if it will come forward with a plan and if she qualifies for assistance under the Alliance for Progress program.

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

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

ALLIANCE REPORT SHOWS LATIN STAGNATION IN 1962

(By Tad Szulc)

SÃO PAULO, BRAZIL, November 11.—Economic-growth rate slowed last year, reflecting stagnation in the region, according to the annual report of the Alliance for Progress.

The 300-page report will serve as the basic document for consideration at the alliance conference that opened here today. The finance and economic ministers attending will vote on the report's conclusions and recommendations later this week.

A key aim of the alliance is to bring about a 2.5 percent annual increase in Latin American per capita income. But the report showed that the 1962 figure ranged between 0.6 and 1 percent, a drop from 1961 levels.

This deterioration was primarily a result of developments in Argentina and Brazil, the report said. These countries jointly account for about half of Latin America's population and industrial and agricultural production.

The income growth rate in 10 of the 19 Latin American countries in the alliance exceeded the 2.5 percent goal, though the hemispheric average was pulled down by economic crises in Argentina and Brazil.

Argentina's gross national product in 1962 was 3.4 percent below the 1961 level, the report said. Brazil's growth rate fell sharply in 1962 from the record 7.7 percent increase in 1961.

The decline in Argentine production was linked to a general depression and to the country's long political crisis.

In Brazil, the phenomenal growth cycle that began in the late 1950's came to a virtual standstill in 1961 through a combination of inflation and political unrest.

BRAZIL TO FALL BACK

Brazilian economists say that Brazil's annual rate of population increase, 3.2 percent, will exceed the growth in gross national product for the first time this year.

This means that Brazil, faced by a cost-of-living increase of more than 100 percent, will see her per capita income receding in 1963 instead of growing.

Economists here thus believe that 1963 figures for all of Latin America will continue to reflect stagnation. No 1963 figures were included in the report circulated today.

The report stressed the growth in the 10 Latin Republics that met or exceeded goals, including six of the seven countries that have submitted national development plans to the Alliance's economic review panel. The objective of the U.S.-sponsored Alliance is social and economic reform in Latin America.

The most notable 1962 improvements were reported in Nicaragua, which had a 7.2 percent increase in per capita income, and in Panama, Haiti, El Salvador, Colombia, and Venezuela.

Venezuela achieved a 3.9 percent increase in per capita income and a 7.1 percent rise in gross national product, despite political unrest aggravated terrorist activities.

These gains were achieved in the face of a decline in petroleum revenue.

Venezuela raised her agricultural production by 11 percent in 1962, compared with 2 percent in 1961, when land-reform measures began operating effectively. She doubled the increase in her overall industrial output.

In Brazil, by contrast, industrial production remained stationary, while the increase in farm output dropped from 8 to 1 percent.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as modified, offered by the Senator from Oregon to the committee amendment in the nature of a substitute.

Mr. FULBRIGHT. Mr. President, I wish to take only 2 or 3 minutes to say that I believe the amendment would be a very serious setback to the Alliance for Progress program. All loans are directly or indirectly made for the purpose of supporting the balance of payments. The main purpose of the whole program, whether it be in Latin America or anywhere else in the world, is to provide the means by which the recipient country can import materials which it cannot produce. This is particularly true of Latin America. It is very difficult for me to think of loans which would not come under the prohibition of the pending amendment, particularly with regard to the balance of payments.

Budget support applies particularly to countries such as Bolivia which are rather extreme cases of our trying to support governments from collapse internally because of a deficiency in external resources, and also for internal stability of the country. However I believe the amendment would, in effect, scuttle the whole Alliance for Progress program.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Oregon [Mr. MORSE] to the committee amendment, in the nature of a substitute. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from West Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Michigan [Mr. HART], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Washing-

ton [Mr. MAGNUSON], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Mississippi [Mr. STENNIS], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Ohio [Mr. YOUNG] are absent on official business.

I also announce that the Senator from California [Mr. ENGLE] is absent because of illness.

I further announce that, if present and voting, the Senator from California [Mr. ENGLE], the Senator from Washington [Mr. MAGNUSON], and the Senator from Minnesota [Mr. MCCARTHY] would each vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Virginia would vote "yea" and the Senator from Michigan would vote "nay."

On this vote, the Senator from West Virginia [Mr. BYRD] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Arizona would vote "nay."

On this vote, the Senator from South Carolina [Mr. JOHNSTON] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from South Carolina would vote "yea" and the Senator from Massachusetts would vote "nay."

I also announce that, if present and voting, the Senator from Louisiana [Mr. LONG] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Kentucky [Mr. COOPER], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Wyoming [Mr. SIMPSON], the Senator from New Hampshire [Mr. COTTON], and the Senator from Pennsylvania [Mr. SCOTT] are detained on official business.

I also announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

On this vote, the Senator from New Hampshire [Mr. COTTON] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from Maryland would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Kentucky [Mr. COOPER]. 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 Wyoming [Mr. SIMPSON] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Wyoming would "yea" and the Senator from Pennsylvania would vote "nay."

The result was announced—yeas 31, nays 44, as follows:

[No. 227 Leg.]

YEAS—31

Bayh	Douglas	Jordan, Idaho
Bennett	Eastland	McClellan
Bible	Ellender	Mechem
Burdick	Ervin	Miller
Curtis	Gruening	Morse
Dodd	Hruska	Neuberger
Dominick	Jordan, N.C.	Pearson
Pell	Robertson	Williams, Del.
Proxmire	Talmadge	Young, N. Dak.
Randolph	Thurmond	
Ribicoff	Tower	

NAYS—44

Aiken	Hartke	Monroney
Allott	Holland	Morton
Anderson	Humphrey	Moss
Bartlett	Inouye	Mundt
Boggs	Jackson	Muskie
Brewster	Javits	Nelson
Cannon	Keating	Pastore
Carlson	Kuchel	Prouty
Case	Long, Mo.	Saltonstall
Clark	Mansfield	Smith
Dirksen	McGee	Sparkman
Edmondson	McGovern	Walters
Fong	McIntyre	Williams, N.J.
Fulbright	McNamara	Yarborough
Gore	Metcalf	

NOT VOTING—25

Beall	Hayden	Russell
Byrd, Va.	Hickenlooper	Scott
Byrd, W. Va.	Hill	Simpson
Church	Johnston	Smathers
Cooper	Kennedy	Stennis
Cotton	Lausche	Symington
Engle	Long, La.	Young, Ohio
Goldwater	Magnuson	
Hart	McCarthy	

So Mr. MORSE's amendment, as modified, to the committee amendment in the nature of a substitute was rejected.

Mr. KUCHEL. Mr. President, I move that the vote by which the modified amendment to the committee amendment, as amended, was rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

AMENDMENT NO. 317

Mr. GRUENING. Mr. President, I send to the desk an amendment to H.R. 7885, and ask that it be printed and lie at the desk.

This amendment is identical to the language in the House-passed bill relating to the interest rate on development loans. The rate would be set, under this amendment, at 2 percent per year, as the House-passed language provided.

Last Friday, I offered an amendment which would raise the interest rate on development loans to the amount which we have to pay in order to borrow money—about 4 percent. The Senate in its wisdom did not see fit to adopt my amendment, which was an attempt to be absolutely honest with the people of the United States and to make these real loans, rather than combination loans and grants.

The Senate committee, apparently recognizing the inconsistency of calling transfers of U.S. dollars to foreign countries at three-fourths of 1 percent interest loans, limited the three-fourths percent interest charge to the first 5 years, and then provided for a minimum interest rate of 2 percent thereafter.

Much is made of the fact that these are minimum rates, and that it is within the power of the AID Administrators to charge higher rates. However, experience has shown that minimum rates prescribed in the law tend, in this program, to become maximum rates. Thus, of the $3,003 million loaned since the 1961 changes in the Development Loan Fund, $1,315,775,000 has been loaned at three-fourths of 1 percent for 40 years, with 10-year grace periods.

It is most likely, Mr. President, that under the language recommended by the Senate Committee on Foreign Relations, within 2 years, or sooner than that, we shall find the majority of new loans being made at three-fourths of 1 percent for the first 5 years, with 5-year grace period, and 2 percent thereafter for the remaining 25 years.

While the House of Representatives, in adopting a minimum interest rate of 2 percent commencing immediately, did not go all the way—as I proposed Friday—nevertheless it has made a beginning which the Senate should emulate.

Therefore, Mr. President, I am submitting an amendment containing the House-passed language and raising the minimum interest rate to 2 percent.

Mr. President, I submit the amendment on behalf of myself and the distinguished Senator from Oregon [Mr. MORSE].

Mr. HUMPHREY. Does the Senator from Alaska wish to have his amendment the pending question?

Mr. GRUENING. Yes.

The PRESIDING OFFICER. The amendment of the Senator from Alaska to the committee amendment, as amended, will be stated.

The LEGISLATIVE CLERK. In the committee amendment, as amended, on page 50, it is proposed to delete lines 1 through 17, as follows:

(d) Amend section 635, which relates to general authorities, as follows:

(1) Amend section 635(g) by striking out the word "and" at the end of subparagraph (4); by striking out the period at the end of subparagraph (5) and inserting in lieu thereof a semicolon and the word "and"; and by adding the following new subparagraph:

"(6) in the case of loans under part I (except under section 205), shall establish terms which shall include (A) interest at a rate not lower than three-fourths of 1 per centum per annum during the five-year period following the date on which the funds are initially made available under the loan, and not lower than 2 per centum per annum thereafter, and (B) repayment on an amortized basis, beginning not later than five years after the date any funds are initially made available under the loan, and ending not later than thirty years following the end of such five-year period."

And to insert in lieu thereof the following:

(d) Section 201(d) of the Foreign Assistance Act of 1961, as amended, which relates to interest rates on development loans, is amended by inserting immediately after "in no event" the following: "less than 2 per centum per annum nor".

Mr. HUMPHREY. Mr. President, as I understand, there has previously been entered an order that when the Senate completes its business today, it stand in recess until tomorrow, at noon.

The PRESIDING OFFICER. That is correct.

Mr. HUMPHREY. Very well.

Mr. President, we have had a very busy day, and have accomplished a great deal. I feel that our work tomorrow will be every bit as productive in terms of our accomplishments in connection with our work on this most important bill.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENTS (AMENDMENTS NO. 316)

Mr. MORSE submitted 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. GRUENING (for himself and Mr. MORSE) proposed an amendment (No. 317) to House bill 7885, supra, which was ordered to be printed.

CIVIL RIGHTS—RESOLUTION

Mr. MILLER. Mr. President, I ask unanimous consent to have included in the RECORD a copy of a resolution which I have received from the National Conference of Christians and Jews of Sioux City, Iowa.

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

SIOUX CITY, IOWA,
October 30, 1963.

The Honorable JACK MILLER,
U. S. Senate,
Washington, D.C.

My DEAR SENATOR: At a meeting of the Sioux City branch of the National Conference of Christians and Jews, held October 10, 1963, the following resolution was unanimously adopted:

"Whereas Judaism and Christianity affirm as fundamental principal the brotherhood of man under the fatherhood of God; and

"Whereas the purpose of the National Conference of Christians and Jews is to better relationships between various religious and racial groups: Be it

Resolved, That the Sioux City branch of the National Conference of Christians and Jews go on record in support of Federal civil rights legislation; and be it further

Resolved, That our Senators and Congressmen be informed of this action.

FRANKLIN GILL,
SIDNEY KALIN,
A. J. TOLLER,
"Resolutions Committee."

We urge you to take cognizance of our resolution and to consider our stand when taking future action with regards to civil rights legislation.

Very sincerely,
LAWRENCE S. SLOTSKY,
Chairman.

RECESS TO TOMORROW, AT NOON

Mr. HUMPHREY. Mr. President, if there be no further business to come before the Senate this evening, and with the understanding that the Gruening amendment is the pending question for tomorrow, I move that the Senate take a recess, under the previous order, until tomorrow, at 12 o'clock noon.

The motion was agreed to; and (at 9 o'clock and 4 minutes p.m.), under the previous order, the Senate took a recess until tomorrow, Wednesday, November 13, 1963, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate November 12 (legislative day of October 22), 1963:

DIPLOMATIC AND FOREIGN SERVICE

Benson E. L. Timmons III, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

IN THE MARINE CORPS

The following-named woman officer of the Marine Corps for permanent appointment to the grade of lieutenant colonel, subject to qualification therefor as provided by law:

Warner, Nita B.

The following-named women officers of the Marine Corps for permanent appointment to the grade of major, subject to qualification therefor as provided by law:

Cox, Martha A.
Land, Florence E.

The following-named women officers of the Marine Corps for permanent appointment to the grade of captain, subject to qualification therefor as provided by law:

Graham, Adele A.
Beavers, Nannette L.
Swickheimer, Georgia L.
Kilday, Jo Anne
Orr, Nancy B.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer, W-4, subject to qualification therefor as provided by law:

Jozwicki, Henry S.
Colglazier, Richard B.
McCormick, Charles A., Jr.
McDaniel, John H.
Holliday, John H.
Addis, William J.
Engemann, Ralph A.
Day, Francis L.
McKonly, Norman E.
Yeater, Otto L.
Marquette, Jacob H.
Jones, Robert W.
Blakslee, Robert R.
Monagle, Edward J.
Post, Raymond A.
Wall, Warren G.
Robinette, James A.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer, W-3, subject to qualification therefor as provided by law:

Campbell, Jesse E.
Markello, Charles A.
Hays, George C.
Hornstein, Joseph
Potter, William T.
Murphy, Robert L.
Hebert, Leonard S.
Johnson, Emil D.
Farris, John L.
Johnson, James E.
Lowe, Alfred C.
Trowbridge, John E.
Sayre, Oscar D., Jr.
Shelton, Jackson G., Jr.
Lampi, Edwin H.
Mowery, Oscar R., Jr.
Ailes, John F.
Poudevigne, Pierre
Bailey, Oliver W., Jr.
Stein, Max
Scroggins, Frederick D.
Anaszewicz, Edward A.
Scharlach, Edward A.
Hofmann, Charles E.
Twomey, Leslie T., Jr.
Tedesco, George M.
Eisenhauer, George W., Jr.
Gill, William J.
Buccieri, George J.
Drewyor, Joseph A.
O'Callaghan, Daniel M.
Miller, Edward H.
Conant, Robert M.
Kazmerzak, Ervin L.
Brouillard, Albert J.
Bordeleau, John, Jr.
Connolly, John J.
Tinsley, John E.
Hayes, Glen M.
Rhynard, Leslie
Wadginski, Kenneth F.
Lott, Wilmer J.
Rust, Edward S.
Mort, Lotus T.
Elkins, James L.
Williams, Fowler S.
Buck, Clarence J.
Vick, William L.
Keck, Irving L.
Fogle, Ralph T.
Chrisman, Addison L., III.
Bookhardt, Henry A.
Brown, George W.
Baird, Maynard K., Jr.
Vismont, Joseph V.
Williams, David C.
Teichmann, Edward
McLendon, Jesse N., Jr.
Brown, William M., Jr.
Fawcett, James L.
Griffin, Clair E.
Bayer, Robert, Jr.
Dancey, Robert W.
Peacock, Hubert W.
Farrington, Arthur C.
Rhine, Karl W.
Bowers, Clarence A.

The following-named officers of the Marine Corps for permanent appointment to the grade of chief warrant officer, W-2 subject to qualification therefor as provided by law:

Flournoy, William E.
Dickerman, William N., Jr.
Smith, William C.
Krieger, Edward T., Jr.
Bjornaas, Forrest R.
Sansom, Howard D.
Palmer, Thomas P.
Pierce, Charles G., Sr.
Glodowski, Raymond J.
Thomason, James W.
Baer, Robert A.
Wolfe, James F., Jr.
Brennan, Edward J.
Smith, Darrell M.
Sawyer, Harry E., Jr.
Holt, Paul L., Jr.
Williaford, Cecil R.
Murray, Peter J.
Carpenter, William J.
Panicali, Louis V.
Connly, Robert A., Jr.
Spillane, Raymond J.
Chesnick, John F.
Marzioli, Joseph
Walls, William B.
Rousseau, Donald F.
Baker, Robert C.
Davis, James H.
Fraiser, Martin S.
Redmann, Paul E.
Kirk, Paul C.
Kammeier, Cyril L.
Wood, William H., Jr.
Gustin, Walter W.
Vincent, William T.
Marshall, Alvin F., Jr.
Collins, John L.
McClure, Raymond B.
Hawkes, Lawrence D.
Feaselman, Charles H.
Gordon, Robert D.
Keller, Richard S.
Yaeger, Richard A.
Miksad, John R.
O'Rourke, James M., Jr.
Reed, Doyle R.
Kohler, William C.
Rouse, Albert C.
Strayhorn, Kenneth E.
Doyle, James A., Jr.
Bodree, Eugene A.
Bridges, Robert, Jr.
Striker, Frederick H.
Mosley, Donald H.
Williams, Robert F.
Burchette, Bernard V.
George, Leonard E.
Komsi, Wayne J.
Vanderhoof, Rex F.
Curran, James E., Jr.
Nagazyna, John K.
Pratt, Donald L.
Kindler, Gary L.
Flanigan, John N.
Welch, William H., Jr.
Cooper, Charles L.
Kaczinski, Marcellus J.
Moore, William T., Jr.
Manco, Edward J.
Darou, Ronald B.
Burns, Kenneth R.
Pederson, Richard C.
McKee, Larry E.
Land, Carlton E.
Helber, Lawrence N.
Dye, Nellis C.
Harvey, Ellis R., Jr.
Kerr, Howard E.
Jesse, Clyde A.
Baker, George W.
Kobel, William L.
Hardie, Richard A.
Fairchild, Guy R.
Hart, Robert H.
Max, William J.
Pallo, Mathew, Jr.
Cantrell, Harold E.
Culp, Leo V.
Caudill, Oscar L.
Schwarz, Frank H., Jr.
Lemay, Granville T.
Harris, Billy M.
Cisneros, Philip C.
Shepherd, Thomas C.
O'Brien, Thomas M.
Hartkopf, Albert I.
Selleck, Albert L., Jr.
Schulze, William A., Jr.
Paulk, James S.
Cusick, Richard D.
Barthold, Frank E.
Taylor, Robert T.
Fehr, Kenneth A.
Dow, Arnold H.
Van Grol, Daniel P., III
Harbison, Bobby L.
Davis, Delmont I., Jr.
Newell, Charles A.
Ghia, Frank J., Jr.
Stafford, Donald E.
Ter Horst, Kenneth C.
Chen, Robert L.
Hodgins, Edward F., Jr.
Cox, Robert D.
Haase, Harold C.
Skrobialowski, Stanley C.
Grinager, Vernon L.
Winters, John W., Jr.
Heath, John F.
Maynes, Robert L.
Tracey, Robert L.
Nowicki, Norbert J.
Schneider, Roger J.
Rosenthal, James H.
McPeak, Melvin E.
Freeman, Bobby S.
Rainwater, Gerald K.
Stoner, Raymon E.
Mendoza, Raymond A
Martin, Joseph M., Jr.
Mills, William F.
Scarborough, Neil H.
Walter, Lowell W.
Sable, Ivan R.
Janke, Jimmie E.
Stowe, Billy J.
Meisner, Donald E.
Kimmey, Henry C.
Simmons, Clyde M.
Van Der Does, Nicholas C.
Smith, Clarence D.
Marnon, John J.
Hartman, Donald E.
McCoy, Paul
Vance, Kenneth R.
Angelo, Nickolas J.
Smith, Harold W., Jr.
Robinson, Jean O.
Crouch, Jerry L.
Marcum, George L.
Jarvin, Donald C.
Schultz, Donald D.
McHugh, Jack D.
Simcox, Clarke J.
Goguen, Albert A. J.
Miranda, Anthony
Keagle, Byron W.
Coffin, Charles T.
Fisher, Ronald F.
Gajewski, Francis J.
Garvey, William F.
Long, Donald W.
Garner, James D.

Snyder, Bruce W.
Ransom, Morris E.
Johnston, James M.
Smith, Robert J.
Waldvogel, Irwin F.
Van Amburg, David E.
Lloyd, Eli J.
Myers, Carl E.
Frederick, John W., Jr.
McGreevy, Arthur V.
Timmons, Richard K.
Ellis, Bruce W.
Eller, Henry R.
Knox, Charles, Jr.
O'Connor, Patrick R.
Shutak, Emil M.
Blix, William C.
McMakin, John F., Jr.
Hall, James A.
Freburger, Hamilton P., Jr.
McCauley, Benjamin D.
Johnson, Wesley D.
Woodworth, Donald F.
Charles, Maurice A.
Rundle, Randolph K.
Lackey, Earl R.
McCallum, John E. B.
Raymer, Erwin O.
Kelly, Fred L.
Freeman, Peter E.
Wyenandt, Jacob, Jr.
Offutt, Charles W.
Hoffman, Danny R.
Bangs, William L.
Wilbur, William J.
Favaron, John T.
Galvin, Eugene A.
Chytka, Lawrence J.
Bowen, Henry E., Jr.
Dale, Robert E.
Merritt, Jimmy M.
High, Roger D.
Bea, Robert L
Balderson, Tennyson C.
Panza, Ralph A.
Flanagan, Philip E.
Rawlins, Malcolm S.
Eubank, William E.
Hunter, Joseph T., Jr.
Smith, James G., Jr.
Wilson, Donald T.
Pretsch, Donald C.
Davis, Raymond A.
Sands, Charles L.
Di Muzio, Camillo A.
Sirpis, Alexander F.
Moffitt, Kermit
Clark, Adrian L.
Sanborn, Richard S.
Sanchez, Milton
Edelen, Kenneth D.
Riggs, Charles
O'Neil, Donn L.
Crowell, Howard W.
Burch, Verle E.
Shoffner, Mann, Jr.
Head, Joe M.
Gore, Harold E.
Stone, Thomas
Carpenter, James E.
Simpkins, J. V.
Cook, Loy E.
Ringler, Dean R.
Hodgson, Donald W.
Ward, George B.
Walker, George E.
Callahan, Howard L.
Hill, William P.
Hosek, Louis O., Jr.
Marcheso, Gerald E.
Labby, Charles E., Jr.
Walters, Bud R.
Smith, David M.
Williams, Saville L.
Siemasko, Paul R.
Madsen, Alfred L.
Sanderson, Stephen H.
Handley, Clarence I.
Mc Alister, John T.
Allen, Russell R., Jr.
Vollmer, Dorothy L.
Phillips, Bruce M.
Washam, Frank W.
Anderson, Joseph C.
Gates, Hardy D.
Smith, Blakeslee A.
Berrey, Charles H.
Doyle, Teddy J.
Mitchels, William L.
Palmer, Leonard E., Jr.
Brady, Harry S., Jr.
Patton, Robert F.
Berger, Donald J.
Kelly, William D.
Connolly, John L., Jr.
Bengtson, Norbert J.
Anderson, Glen R.
McKee, Dennis T.
Ford, Wayne H., Jr.
Chastain, James S.
Galbreath, Bobby F.
Adamson, William L.
Tardif, Edward G.
Hartigan, William T.
Byrnes, Ronald F.
Jones, Richard D.
Scovell, Jay D.
Lott, Bobby
Morris, Stanley S., Jr.

The following-named officers of the Marine Corps for permanent appointment to the grade of first lieutenant, subject to qualification therefor for as provided by law:

Brennan, John V.
Tingley, Lew E.

The following-named officers of the Marine Corps for temporary appointment to the grade of captain subject to qualification therefor as provided by law:

Pardee, Dennis L.
Williams, Carroll
Hilgers, John J. W.
Gavis, John S., Jr.
Evans, Robert V.
Mixson, Miles E.
Dean, Alan J.
Pastrell, Darrell K.
Janssen, Audrey A.
Miller, Richard A.
Cunningham, Francis J., III
Eichelberger, John M.
Buchanan, John H.
Loftus, William E.
Cohan, Leon, Jr.
Jordan, Lawrence W.
Spence, Jack R.
Thomas, William L.
Marks, James A.
Harris, John E.
Ramsay, Charles J.
Magee, James T., Jr.
Mahoney, John M.
Sperry, Charles B.
Nicol, Alton E.
Trenski, Daniel F.
Herlocker, James E.
Hudson, Jerry E.
Hale, Harold W.
Fry, Duane E.
Abshire, Ronald M.
Vindich, Joseph G.
Orsburn, Lyndell M.
Powell, Donald A.
Rountree, Lee C.
Beason, Richard W.
Anthis, Bobby G.
Ulses, Robert J.
Smith, Walter G., Jr.
Patrick, Jimmy L.
Rozman, John J.
Nugent, Wallace R.
Wogan, Christopher M.
Kazalunas, John
Hodgen, Donald A.
Reddick, William G.
Shoptaw, Robert D.
Huff, Edwin L.
Brown, Peter C.
Vorreyer, Richard W.
Keane, Michael F., Jr.
Wood, Howard C.
Wall, Melvin N.
Cowley, Everett L.
Taylor, Richard H.
Himmerich, Robert T.
Phillips, Billy G.
Tutterow, Henry W., Jr.
Burleson, Eugene B., Jr.
Bratcher, Glenn D.
Dorman, Dale D.
Austin, Claude A.
Sutton, Robert A.
McRaney, Curtis D.
Ahlers, Richard J.
Mailler, David W.
Norrington, Giles R.
Dunn, Edward D.
Stein, William L.
Green, John M., Jr.
Silvear, Thomas A.
McGuire, James S.
Close, Ralph L.
Sallis, John E.
Vest, David G.
Berbaum, Gene E.
McCormick, Ralph C.
Crabtree, Robert G.
Wile, William A.
Collins, Patrick G.
Molsbee, Neil
Rohde, John A.
Oblinger, Daniel H.
Dooley, Gerald F.
Klinkenberg, Arnold L.
Ruhl, Herbert H., Jr.
Thames, Samuel E.
Reno, Robert J.
Zinowski, Walter T.
Polyak, George R.
Foster, Roger G.
Dyer, Paul W.
Miller, Joe E.
Lakes, Jack B.
Mayberry, William B.
Yenerall, Grant L.
Robinson, Carson N.
Power, Thomas J.
Krages, Bert P.
Telford, Jacque W.
Lee, William F.
Dube, Marcel J.
Morris, Paul D.
Hale, William H., Jr.
Sprick, Doyle R.
Ayers, Ronald A.
O'Brien, Joseph J.
Schultze, Barrett R.
Kent, Donald E.
Wynant, Neil E.
Bird, Malcolm T.
Erickson, Jay H.
Nebel, Rudolf M.
Bolen, Herman R.
Walters, Roger D.
Schober, Frederick J.
Delmore, Laurence III
Stackpole, Henry C., Jr.
Cameron, Paul F., Jr.
Simpson, James D.
Rever, William H., Jr.
Maxwell, John A.
McBrien, Thomas P.
Chancey, John A.
Clark, Harold H.
Keller, Floyd H.
Keshian, Richard.
West, Herman B., Jr.
Reed, Robert L.
Huf, Walter R.
Gonzales, Leroy H.
Obenhaus, Leon E.
Heiman, Peter M.
Pacheco, Victor F.
Wheeler, Joseph J.
Thompson, James M., Jr.
Duckworth, J. Rodney
Wilson, Kelton M.
Doherty, Shaun, J.
Lewis, Dayton A.
Peters, Thomas H.
Grissett, Larry K.
Kiersey, Douglas A.
Bridgewater, Billy R.
Hargrove, Thomas C.
Seward, William H.
Brinkley, Edward C., Jr.
Buffington, Jerome A.
Merrill, Roland S.
Festa, Donald
Gering, Michael S.
Drum, David S.
Sheehan, James P.
Cole, Jean P.
Dalzell, Thomas J.
Gilfillian, William, III
McCarthy, Albert, J., Jr.
Garcia, John T.
Eltringham, Charles J.
Fitzgerald, Robert M.
Ray, Allen B.
Bailey, Ross T.
Theer, Richard E.
Seay, Herbert L.
Wells, Warren K.
East, Herbert B., Jr.
O'Meara, James J.
Solter, Harry L., Jr.
McIntyre, William L.
Shannon, Thomas H.
Smith, Malcolm E., Jr.
Atherton, John P.
Youngman, Thornton L.
Vogler, Lewis D.
Tremmel, Donald F.
Womac, Roy L.
Seymour, William D.
Marsh, Robert L., Jr.
Cook, Jerry J.
Ringley, Edward M., Jr.
Kurth, Gerald F.
Herman, Donald F.
Caracio, Vincent D.
Elgaard, Robert J.
Brown, Owen G.
Coughlin, John T., Jr.
Enos, Gerald A.
Brennan, Robert V.
Gillespie, Alec
Banks, Edward J.
Brandon, James R., III
Speth, Charles R.
Drew, Terry C.
Richter, Eugene P., Jr.
Doherty, Donald G.
Strasser, John H.
Clark, William B.
O'Neill, Michael G.
Reece, John H.
Tierney, David T.
Light, Terry B.
Donnelly, Andrew J.
Gobble, Johnny B., Jr.
Peterson, John N.
Cartwright, David L.
Rankin, Dan F.
Sollberger, Leonard A., Jr.
Nicoli, Robert V.
O'Donnell, Thomas R.
Brooks, George W., III
Hyatt, Lloyd W., Jr.
Smith, Louis O.
Burgess, Robert E.
Barry, Albert P.
Carroll, William R.
Sims, William C.
Gibbs, George
House, Robert L.
Busby, Orlando L., Jr.
Deibert, John C., III
Norris, Wilton J., Jr.
Tyrrell, Leon D.
O'Dare, Robert E.
Belcher, William R.
Letchworth, Rodney R.
Melville, Robert H.
Evans, Dan F.
Coxe, Charles R.
Millner, Frank E.
Balch, Robert M.
Armentrout, Terrence J.
Losee, Ronald M.
Schwenkler, Ronald G.
Strawn, James E.
Perry, George E.
Sheasley, George F.
Campbell, Teddy J.
Rone, Wendell H., Jr.
Naviaux, Jacques C.
Marr, David G.
Grinalds, John S.
Gapenski, Louis C.
Carr, Donald R.
Tuttle, John M.
Ward, Harold T., Jr.
Dixon, Albert K., II
Reilly, James E.
Larson, Gary M.
Boston, Gerald W.
Huddy, Norman W., Jr.
Wright, Grant D.
Souders, James P.
Town, Kenneth R.
Cupples, Gordon J.
Redelman, Roger L.
McNamara, Jack D.
Booth, Gordon O.
Bernotas, Alphonse A.
Phillips, Jack W.
Deal, Frank E.
Farrington, Francis X.
Johnston, Clyde J.
Boyd, Granberry D., III
Thomas, Henry E., IV
Rector, Edwin B.
Babbs, Kenneth J.
Cooper, Richard S.
McFarlane, Robert C.
Bickley, LeRoy A.
Lannes, William J., III
Duffy, Timothy T.
Breth, Frank J.
Sullivan, James V.
Updyke, James M.
Iversen, Kenneth M.
Giles, Jerrald E.
Rolstad, Lawrence A.
Metscher, Walter H.
Marks, Anthony M.
McFall, William T.
Keiser, Gordon W.
Adams, Joe C.
Fleming, Charles A.
Barry, William A., Jr.
Dougherty, John W.
Brown, James R., Jr.
Abington, Richard C.
Pereira, Richard J.
Bauknight, Harry L.
Bock, Philip H.
Coates, Robert S.
Gibson, Charles W., Jr.
Dunn, Ellsworth M., Jr.
Bruce, James J.
Vogt, Robert L.
Savage, Robert B., Jr.
Creech, Jimmie A.
Ling, Harry A., II
Leidich, Raymond G.
Bryan, Charles G.
Furtado, Robert A.
Flynn, Joseph F.
Osgood, Jonathan K.
Findlay, Raymond F., Jr.
Burnett, Leslie D.
Burns, John R., Jr.
Armstrong, Reginald E.
Hamilton, Robert E.
McCraw, Clifford L., Jr.
Hawkins, Herbert H., Jr.
Kupets, George A.
Bailey, Richard W.
Peet, Christopher
Ryman, Roger K.
Kunkel, Henry L.
Meharg, Ben A.
Ammon, Ray D.
Butler, John H.
Brown, Jimmy L.
Miskow, Kenneth P.
Clements, John E., Jr.
Messerschmidt, Donald B.
Lain, Bobby D.
Dyer, Edgar G.
Smith, William J.
Kirland, Thomas P.
Rider, James W.
Johnson, Charles M.
Drewelow, Dave G.
Johnson, Poindexter M.
Cushing, Philbrook S.
Taylor, Howard G.
Fitts, Walter M.
Goodyear, John K., Jr.
Young, Richard K.
Behymer, Lynn, A.
Sledge, John W., Jr.
Libkie, Frederick A.
Moriarty, William S.
Dickie, Louis
Hirsch, Donald B.
Swindle, Orson G., III
Bowersox, Robert L.
Sayers, Michael W.
Capin, Frank L.
Givan, James E.
Selby, Mack D.
Joiner, Richard K.
Kurilich, Robert V.
Frie, David J.
De Ornellas, Clifton L
Hudson, Donald R.
Thomas, Dudley E., Jr.
Brown, Bruce G.
Boyce, Edward H., Jr.
Burns, Edmund B. R.
Hanle, Ray L., Jr.
St. Amand, Norman
Westfall, Joel I.
Ostermann, George A.
Hansen, Allen G.
Farrar, Ross W.
Haynes, John D.
Fairchild, Chauncey R.
Hinkle, Philip M.
Hoynes, Edward J.

Johnson, Gene C.
Smith, Stanley R.
Saenz, Ramiro
Morgan, Harcourt A., III
Morris, Robert S., Jr.
Freeman, Jay A.
Tingley, Lew E.
Braman, George H., Jr.
Shuter, David V.A.
Weber, Edward M.
Kelly, Glenn D., Jr.
Walters, James R. F.
Lennartz, Francis J., IV
Byrne, Thomas E.
Brennan, John V.
Lyons, Perry D., Jr.
Wirkus, Faustin E., Jr.
Carnes, Robert A.
King, Robert F.
Parker, Larry E.
McRoberts, James C.
Menning, Frederick H., Jr.
Rucksdashel, Rex N.
Hill, Telford J., Jr.
Wiederhold, Basil K.
Sisson, Winfield W.
Lowe, Robert E.
Johnson, Robert E.
Chambers, Francis X., Jr.
Kappelman, Charles W.
Lawson, Ralph D., Jr.
Connell, James P. B., Jr.
Rindfleisch, Jon A.
Stanford, George R.
Weathers, Paul S., Jr.
Cone, Daniel B.
Skellenger, James R.
Hyatt, Wayne R.
Correro, Philip O.
Losik, Francis A.
Gardner, Joseph E.
Gosnell, Kenneth B.
Brown, Dwight E.
Schrader, Daniel W.
Fox, Jon I.
Bottom, Earle D., Jr.
Kiely, Denis J., Jr.
Geis, Royall W.
Wolk, Charles J., Jr.
Chapla, Daniel B.
Jenkins, Hulen F.
Daniel, Ray A.
Bearce, Larned V.
Fernandez, Angelo
Burdelski, Vincent R.
Griggs, George R.
Etcho, Leonard L.
Dorsey, James J.
Gregor, Robert C.
Creal, Donald S., Jr.
Bledsoe, Leard B., Jr.
Clark, Arthur L.
Gardner, Robert B.
Meibaum, Gilbert R.
McMinn, Wilbur C., Jr.
Eshelman, William P.
De Iuliis, William E.

The following-named officers of the Marine Corps for permanent appointment to the grade of captain, subject to qualification therefor as provided by law:

Kelley, Philip S., Jr.
Boudreaux, Sidney J., Jr.
Albright, Howard E.
Tucker, G. B.
Smith, Ellis F.
Ovelgonne, Walter E.
Criger, Frank R.
Wall, Caleb N.
Tebow, William J.
Rausch, Robert C.
Washington, Joel
Simon, Francis
Wescott, William J.
Toler, Albert E.
Anderson, Leland G.

HOUSE OF REPRESENTATIVES

TUESDAY, NOVEMBER 12, 1963

The House met at 12 o'clock noon.

Rabbi Maynard C. Hyman, Congregation Tifereth Zvi, Utica, N.Y., offered the following prayer:

Our Father in Heaven, Creator of the universe, on this third day of the week we are reminded of Thy divine words recorded in the first chapter of the Book of Genesis. Twice was the third day of creation singled out and blessed with the words, "And God saw that it was good."

That day we are told merited such distinction because it represented not only creation but also unity. This teaches us the divine lesson that true goodness and creativity can only come about when the elements of unity and peace shall reign supreme.

May the Almighty prosper the hands of our Speaker and the Members of Congress who carry on Thy great work deliberating for the purpose of beneficial creativity and in the interest of unity and peace.

Bless, O Heavenly Father, all the people of our country. In our relations with one another, may we ever remember that we are all Thy children equally dependent upon Thee. Bring us together into an everlasting bond, regardless of color, race, or creed so that we may best work for the welfare of all mankind.

Hasten the day when the millennial hope of universal peace will prevail throughout the world with justice and freedom for all people. Amen.

THE JOURNAL

The Journal of the proceedings of Friday, November 8, 1963, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 5244. An act to modify the project on the Mississippi River at Muscatine, Iowa, to permit the use of certain property for public park purposes.

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

S. 2032. An act to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters; and

S. 2079. An act to provide for the striking of three different medals in commemoration of the Federal Hall National Memorial, Castle Clinton National Monument, and Statue of Liberty National Monument-American Museum of Immigration in New York City, N.Y.

LEGISLATIVE APPROPRIATIONS BILL, 1964

Mr. STEED. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on H.R. 6868, a bill making appropriations for the legislative branch for the fiscal year ending June 30, 1964, and for other purposes.

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

There was no objection.

PERMISSION TO FILE A REPORT

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I ask unanimous consent to have until midnight tonight to file a certain report.

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

There was no objection.

THE AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT

Mr. LIBONATI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. LIBONATI. Mr. Speaker, at a recent luncheon in honor of Sigfrido Ciccotti, eminent Italian journalist and editor of Il Nuova Stampa news agency, the versatile Congressman JOHN DENT, of Pennsylvania, officiated. The Congressmen in attendance were as follows, JOSEPH P. ADDABBO, of New York; SILVIO O. CONTE, of Massachusetts; EMILIO Q. DADDARIO, of Connecticut; DOMINICK V. DANIELS, of New Jersey; ROLAND V. LIBONATI, of Illinois; JOSEPH G. MINISH, of New Jersey; and GEORGE P. MILLER, of California.

A number of Congressmen participated in the informal discussion after his interesting talk about Italy's political problems in setting up a government. Mr. Ciccotti, as honored guest of the American Institute of Free Labor Development, sponsored by the U.S. Government, explained in detail the purposes and accomplishments of the organization in South America.

He commented that the proposed formation of a coalition government between the Socialist Party with the Christian Democrats and two lesser parties rests upon the solution of several grave problems.

The Socialist Party has for 16 years opposed the Christian Democrats. At their recent convention, the delegates voted by a 278,324 to 190,492—57.4 percent—majority to support their party leader Pietro Nenni's position to join the coalition under certain agreements—namely to continue their Communist connections in the field of trade unions and other levels incidental to their activities. They held to their opposition to the U.S. proposed multilateral nuclear force, but approved NATO participation.

At the previous convention 5 months ago he failed to gain party approval and so their leader Nenni is cautious not to further disturb the attitude of the hard core members—carristi—who made up his opposition at the convention.

The other member parties to the coalition are confronted with similar problems:

Aldo Moro's Christian Democrats—260 deputies—Guiseppi Saragat's Social Democrats—33 deputies—and Oranzo Reale's Liberal Republicans—6 deputies—Moro's rightwing is threatening to split away from the Christian Democrats because of the outrageous demands of the Socialists—Cabinet posts—Foreign Affairs, Defense and Interior—with Nenni as Vice Premier.

A combination of parties to the right to form a government with the Conservative Liberal Party and others of the same philosophy would at best be a weak one.

The after affects in case this combination establishes a strong government in Italy—for the next 5 years—will have a definite effect on other European nations confronted with the same problems—a left-center government in France, West Germany, and Britain could follow the Italian experiment.

The United States is alert to the sensitive situation of its strongest ally—subject to pressures of the Socialist doctrines.